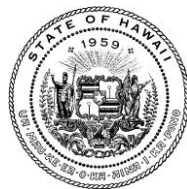


JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau
P.O. BOX 259

HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 2919, S.D. 1, Relating to Property

BEFORE THE:

Senate Committees on Judiciary and Ways and Means.

DATE: Friday, March 1, 2024
TIME: 10:31 a.m.
LOCATION: State Capitol, Room 211

Chairs Rhoads and Dela Cruz; Vice-Chairs Gabbard and Moriwaki; and Members of the Committees:

The Department of Taxation ("Department") offers the following comments regarding S.B. 2919, S.D. 1, for your consideration.

S.B. 2919, S.D. 1, section 2 expands county zoning powers in section 46-4, Hawaii Revised Statutes (HRS), and incorporates the definition of "transient accommodations" from section 237D-1, HRS. Section 3 of the bill expands the definition of "transient accommodations" in section 237D-1, HRS, to include the furnishing of "shelter" and the letting of vehicles providing or advertised as providing sleeping accommodations. The bill has a defective effective date of July 1, 2040.

The Department requests that should this measure move forward, the effective date in section 3 of the bill be January 1, 2025. This will provide the Department sufficient time to make the necessary form changes.

Thank you for the opportunity to provide comments on this measure.



LAND USE COMMISSION

Komikina Ho'ohana 'Āina

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
Ka 'Oihana Ho'omōhala Pā'oihana, 'Imi Wai wai a Ho'omāka'ika'i

JOSH GREEN, MD
GOVERNOR

DANIEL E. ORODENKER
EXECUTIVE OFFICER

235 S. Beretania Street, RM 406, Honolulu, Hawai'i 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawai'i 96804
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Website: luc.hawaii.gov

Statement of
Daniel E. Orodenker
Executive Officer
State Land Use Commission

Before the
Senate Committees on Commerce and Consumer Protection
and
Ways and Means

Friday March 1, 2024
10:31 AM
State Capitol, Room 211 and Videoconference

In consideration of
SB 2919 SD1
RELATING TO PROPERTY

Chairs Rhoads and Dela Cruz; Vice Chairs Gabbard and Moriwaki; and members of the Senate Committees on Judiciary, and, Ways and Means:

The Land Use Commission (LUC) has the following concerns on SB 2919 SD1 which would establish a regulatory scheme for short-term rentals through the zoning powers of counties with respect to such rentals.

The LUC has concerns about the potential for abuse and the impact this may have in the State Agricultural District where farm dwellings and farm worker housing could be converted into transient rentals. We recommend careful consideration of the language in the current and any subsequent versions that might adversely affect the integrity of the purposes of the State Agricultural District and the ability of the counties to enforce them.

Thank you for the opportunity to testify on this matter.

SB-2919-SD-1

Submitted on: 2/27/2024 7:28:17 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Glen	Testifying for GL ROBINSON INC	Oppose	Written Testimony Only

Comments:

Testimony Opposing SB2919 Vacation Rental Law

Chairman, members of the committee,

I am writing today to express my strong opposition to SB2919, the proposed vacation rental law. As a resident of Honolulu, I believe this legislation would have detrimental effects on our community and infringe upon property rights.

Firstly, SB2919 imposes excessive regulations on vacation rental properties, stifling the economic opportunities they provide for homeowners. Many families rely on income from renting out their properties to supplement their livelihoods. This law would impose burdensome requirements, making it financially unfeasible for many to continue operating vacation rentals.

Furthermore, the proposed law undermines the rights of property owners by imposing arbitrary restrictions on how they can utilize their own homes. Property rights are fundamental to our society, and this legislation sets a dangerous precedent by allowing government overreach into private property matters.

Additionally, SB2919 fails to address the root causes of any issues associated with vacation rentals. Instead of implementing heavy-handed regulations, policymakers should focus on promoting responsible hosting practices through education and community engagement.

In conclusion, I urge the committee to reject SB2919 in its current form. Let's work together to find solutions that balance the interests of homeowners, renters, and the community at large without infringing upon property rights. Thank you for considering my testimony.

Sincerely,

Glen Robinson

SB-2919-SD-1

Submitted on: 2/28/2024 4:56:45 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jody Ellis	Testifying for Luana Cottage LLC	Oppose	Written Testimony Only

Comments:

To whom it may concern,

I have owned a short term rental in East Maui for over 35 years.
I have enjoyed the guests that have traveled through our small community.

Short term rentals provide an option for guests to stay and support our food trucks and gift shops. It also gives local families a place for their Ohana to come and stay when they are visiting from other places.

Hana is an area with limited job opportunities. I provide jobs for a house cleaner, yard person, maintenance workers, plumbers, etc.
It would be a shame to have to tell my workers they no longer have a job.

If short term rentals disappear from our community, the impact will affect all small businesses here.

Please allow our businesses to thrive and keep our community alive! Our residents need the opportunity to make a living.

Sincerely,

Jody Ellis (owner)

March 1, 2024

The Honorable Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means

The Honorable Karl Rhoads, Chair
Senate Committee on Judiciary
State Capitol, Conference Room 211 & Videoconference

RE: Senate Bill 2919 SD1, Relating to Property

HEARING: Friday, March 1, 2024, at 10:31 a.m.

Aloha Chair Dela Cruz, Chair Rhoads, and Members of the Joint Committees:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 11,000 members. HAR **opposes** Senate Bill 2919 SD1, which expands the zoning powers of counties. Expands the scope of the transient accommodations tax law to include certain shelters and vehicles with sleeping accommodations. Takes effect 7/1/2040.

HAR supports access to housing for every need or situation, which includes legal short-term rentals ("STRs"). It is a common misconception that STRs are only for vacationers; however, STRs are also needed by Hawaii residents and workers as a temporary housing option. These types of rentals are essential for various situations, including but not limited to:

- Families temporarily displaced due to home damage or the need to sell their home,
- Homeowners undergoing significant renovations,
- Neighbor island residents seeking medical care on Oahu,
- Visiting family members, and
- Travelling professionals such as healthcare, construction, and other workers engaged in projects across the islands.

In these situations, a lengthy hotel stay may be too costly or impractical. It is important that we preserve this industry and the ability to access legal short-term rentals for this reason.

We have concerns with this proposal granting the counties the power to phase out short-term rentals as it carries the risk of a significant reduction in tax revenue for the state. Legal STRs with law abiding owners generate revenue for the state and the counties through real property taxes, GET, and TAT. Based on total estimated transient accommodation tax ("TAT") revenues, STRs generated \$132.6 million in TAT revenues

excluding General Excise Tax revenues in 2018. It was also estimated that STRs would generate \$102.4 million in TAT revenues in 2023.¹ Granting counties the power to amortize or phase out legal STRs punishes law abiding owners who contribute to our local economy. Similarly, this bill would also not make an impact on a county's ability to enforce on those who are not abiding by the law.

Finally, this measure could be challenged as impacting vested rights and taking principles. "Under the United States and Hawaii Constitutions, preexisting lawful uses of property are generally considered to be vested rights that zoning ordinances may not abrogate."²

For the foregoing reasons, the Hawai'i Association of REALTORS® opposes this measure. Mahalo for the opportunity to testify.

¹ JLL Prepared for the Hawaii Tourism Authority. Hawaii's Home and Vacation Rental Market: Impact and Outlook (April 20, 2020). <https://www.hawaiitourismauthority.org/media/5370/impact-of-home-rental-market-on-hawaii-2019.pdf>

² *Robert D. Ferris Trust v. Planning Comm'n of the Cnty. of Kaua'i*, 378 P.3d 1023, 138 Haw. 307 (Haw. Ct. App. 2016)

SB-2919-SD-1

Submitted on: 2/28/2024 8:47:36 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Lauren Kurzweil	Testifying for Maui Miracle LLC	Oppose	Written Testimony Only

Comments:

Our property has been "hotel zoned" for many many years. The majority of owners rent out their properties for the enjoyment of tourists who come to Maui and support the tourism economy. Rescinding this would not be an appropriate substitute for locals to find affordable housing and would create serious financial hardship for those who own these properties. It would also negatively effect the many local businesses who hire locals to support the short term rental industry who would be out of jobs.



March 1, 2024

The Honorable Donovan M. Dela Cruz, Chair

Senate Committee on Ways and Means

The Honorable Karl Rhoads, Chair

Senate Committee on Judiciary

State Capitol, Conference Room 211 & Videoconference

RE: Senate Bill 2919 SD1, Relating to Property

HEARING: Friday, March 1, 2024, at 10:31 a.m.

Aloha Chair Dela Cruz, Chair Rhoads, and Members of the Joint Committees:

My name is Steve Baker, President of the REALTORS® Association of Maui ("RAM"), the voice of real estate on Maui and its over 2,000 members. RAM **opposes** Senate Bill 2919 SD1, which expands the zoning powers of counties. Expands the scope of the transient accommodations tax law to include certain shelters and vehicles with sleeping accommodations. Takes effect 7/1/2040.

It appears the objective of this measure is to reduce short term rentals to achieve securing long-term rentals for our residents. Accordingly, we would respectfully request your consideration to redirect the intent of this bill to focus on illegal transient vacation rentals in securing long term rentals.

In 2019 the County of Maui initiated an aggressive effort to curb the increase of illegal vacation rentals. At that time, it was estimated there were thousands of illegal vacation rentals operating in Maui. There still exist hundreds of illegal transient vacation rentals in operation despite these efforts. Therefore, it is our suggestion that this measure be focused on enforcement by requiring the State to provide parcel details for vacation rentals that are paying TAT or GET to local enforcement According to a Maui Department of Planning official, providing this information to the Zoning Administration and Enforcement Division of the Maui Department of Planning would allow them to determine if the operation is legally permitted and is within the appropriate zoning classification. The TAT and GET parcel information would be a useful tool in enforcement of illegal operations. Pursuant to Section 19.65, Maui County Code, illegal transient vacation rental shall not apply for a transient vacation permit for five years. Considering this provision, it would be an opportunity for the property owner to use the unit for long term rentals.

As Maui County and the State prepare to fund disaster recovery and relief, it is important to note that short term rental property tax revenue will play an integral role in funding recovery. During FY2022-2023, the County raised an additional \$430 Million in property tax revenue over the prior year. The short-term classification raised \$160 Million in RPT tax in 2022-2023, 12% more than last year. This was an increase of \$17 Million in tax dollars, the highest increase in all the tax classifications. Short term rentals represent 37% of the real property tax revenue, which was 17% of the



**REALTORS® ASSOCIATION
OF MAUI, INC.**

County's operating budget. Furthermore, based on the Charter of the County of Maui, over \$12 million of the revenue generated by short term rentals goes into the County's Affordable Housing Fund.

To encourage the "amortization or phasing out" of a potentially significant revenue generating resource would be devastating to the State and Maui County economy, not to mention how it would impact the recovery potential for Lahaina and Kula.

Legal short-term rentals in Maui County are a significant and legitimate part of our hospitality industry, and have been for many years. These operations are paying real property tax classification, the GET and TAT. It is the illegal operators that are not contributing to the State and County revenue base; therefore, they should be the focus of enforcement efforts. It does not make sense for the State to encourage the County to create laws that would shut down legal operating small businesses, especially the ones bringing in 37% of real property tax revenue.

Accordingly, RAM would respectfully request your consideration for refocusing this measure to crack down on illegal transient vacation operations, provide local authorities TAT and GET information for enforcement purposes and provide funding to allow this effort to continue on Maui and other Counties.

For the foregoing reasons, the REALTORS® Association of Maui opposes this measure. Mahalo for the opportunity to testify.



**REALTORS® ASSOCIATION
OF MAUI, INC.**

March 1, 2024

The Honorable Donovan M. Dela Cruz, Chair

Senate Committee on Ways and Means

The Honorable Karl Rhoads, Chair

Senate Committee on Judiciary

State Capitol, Conference Room 211 & Videoconference

RE: Senate Bill 2919 SD1, Relating to Property

HEARING: Friday, March 1, 2024, at 10:31 a.m.

Aloha Chair Dela Cruz, Chair Rhoads, and Members of the Joint Committees:

My name is Lynette Pendergast, President-Elect of the REALTORS® Association of Maui ("RAM"), the voice of real estate on Maui and its over 2,000 members. RAM **opposes** Senate Bill 2919 SD1, which expands the zoning powers of counties. Expands the scope of the transient accommodations tax law to include certain shelters and vehicles with sleeping accommodations. Takes effect 7/1/2040.

RAM supports access to housing for every need or situation, which includes legal short-term rentals ("STRs"). Per Mayor Richard Bissen's presentation at the Ways and Means Committee meeting on February 20, 2024, the County received 1,600 conversions of STRs to long term rentals to house wildfire victims by the first week of February. 1,034 of which were STR owners in West Maui. There does not appear to be a need to grant additional powers to the counties to phase out legal STRs.

We have concerns with this proposal granting the counties the power to phase out short-term rentals as it carries the risk of a significant reduction in tax revenue for the state. Legal STRs with law abiding owners generate revenue for the state and the counties through real property taxes, GET, and TAT.

Maui County's housing challenges are longstanding and the focus should be on building more housing supply that are appropriate for local families. In January 2024, Maui County passed Bill 38 to increase affordable housing inventory by modifying criteria for the county's Homeowner Programs Revolving Fund. This funding would help homeowners build attached or detached accessory dwelling units. It behooves us to allow time to weigh the outcome of this recent legislation.

For the foregoing reasons, the REALTORS® Association of Maui opposes this measure. Mahalo for the opportunity to testify.

SB-2919-SD-1

Submitted on: 2/28/2024 10:00:19 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Karen Amicone	Testifying for Serendipity Associates	Oppose	Written Testimony Only

Comments:

This bill is a violation of an owners inalienable property rights.

It would result in many locals as well as non locals to lose their sole source of income and jobs!
It will hurt the property tax revenue and who will then have to compensate for that?

SB-2919-SD-1

Submitted on: 2/28/2024 10:07:51 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Louise Amicone	Testifying for Serendipity Associates	Oppose	Written Testimony Only

Comments:

This bill is a violation of an owners inalienable property rights.

It would result in many locals as well as non locals to lose their sole source of income and jobs!
It will hurt the property tax revenue and who will then have to compensate for that?



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February 27, 2024

The Honorable Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means

The Honorable Karl Rhoads, Chair
Senate Committee on Judiciary
State Capitol, Conference Room 211 and Videoconference

RE: Senate Bill 2919 SD1, Relating to Property

Hearing: Friday, March 1, 2024, at 10:31 a.m.

Dear Chair Dela Cruz, Chair Rhoads, and Members of the Joint Committees:

Hawai'i Island REALTORS® ("HIR"), one of two local REALTOR® associations on Hawai'i Island, **opposes** House Bill 1838 HD1, which allows counties to enact a zoning ordinance to amortize or phase out nonconforming single-family transient vacation rental units over a reasonable period of time.

HIR supports housing opportunities for all, including legal Short-Term Rentals ("STRs"), which are invaluable to local people and businesses, not just vacationers. Hawaii residents use STRs for various reasons including:

- temporary and seasonal work on other islands
- to visit or care for 'ohana
- provide housing for those displaced by natural disasters, as well as help to house emergency workers and first responders
- as interim housing for those who cannot find or qualify for permanent housing
- create jobs for the local community (i.e. handymen, yard services, cleaning services, etc.)

In these situations, legal STRs play a very crucial role in the health of our local economy.

The State must recognize that homestays through platforms like AirBnb, VRBO, etc. are now a mainstream product that is preferred by many over a hotel stay. In phasing out single-family transient vacation rental use, the State stands to lose hundreds of millions in revenue from Transient Accommodation Taxes (TAT), during this time when the counties and the State are actively seeking additional revenue for issues such as Maui reconstruction and statewide wastewater infrastructure solutions, just to name a couple of the major issues.





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The Hawai'i County Council has proposed new legislation to amend existing STR laws, which the REALTORS® on Hawai'i Island adamantly oppose, due in part to the negative impact these policies will have on local families. Working towards better housing solutions requires the removal of barriers to development such as prohibitive zoning, and improvement of infrastructure issues such as wastewater and freshwater availability. Granting the County additional powers to phase out STRs is NOT necessary and will NOT contribute to finding a balance within the needs of the community and residents. Mahalo for the opportunity to work together for the future of Hawai'i.

Respectfully Submitted,

Christi Mallicoat

Christi Mallicoat, REALTOR® Principal Broker/Owner, ReLife Realty LLC
2024 President - Hawai'i Island REALTORS®



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CRS

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SRES

Sean Wingate, RA

Jon M. Yamasato, R

**Chief Executive Officer
Suzanne Young**



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Testimony by Suzanne Young, CEO
Honolulu Board of REALTORS®

In Opposition to SB 2919, SD1
Relating to Zoning

COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

COMMITTEE ON JUDICIARY

Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair

Friday, March 1, 2024 @ 10:31 AM
Conference Room 211 & Videoconference
Hawaii State Capitol; 415 South Beretania Street

Aloha Chair Dela Cruz, Vice Chair Moriwaki, Chair Rhoads, Vice Chair Gabbard, and members of the committees:

Thank you for the opportunity to testify in opposition to SB 2919, SD1 which allows the counties to enact a zoning ordinance to amortize nonconforming single-family transient vacation rental units.

The Honolulu Board of REALTORS® (HBR) on behalf of our over 6,700 members and its City Affairs Committee would like to offer context to our opposition to SB 2919, SD1. Transient vacation rentals (TVR) are lodging that provide guest accommodation for less than 30 consecutive days. To preserve housing for long-term residents, TVRs are only permitted in resort-zoned areas and those that have been issued a non-conforming use certificate (NUCs). These “grandfathered” TVRs have been in operation since prior to October 22, 1986, and no new NUCs are being issued.

According to the City and County of Honolulu’s list of NUCs issued¹, there are a total 785 NUCs issued, with over 600 located in the resort area of Waikiki. Ultimately, SB 2919, SD1 would only phase out 103 NUCs issued in non-resort residential areas on Oahu. And with the legislation applying only to single-family units, it will be even less than 103.

As such, this measure will not garner a significant conversion to long-term use and will instead risk legal challenges for these “grandfathered” properties on the basis that preexisting lawful uses of property are generally considered to be vested rights that zoning ordinances may not revoke.

We continue to strongly support enforcement measures that address the illegal short-term rentals that exist and negatively impact our residential communities.

Thank you for allowing the opportunity to oppose this measure.

¹ https://www.honolulu.gov/rep/site/dpp/dpp_docs/nucs-by-tmk.pdf

SB-2919-SD-1

Submitted on: 2/28/2024 12:02:34 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Nayleen Kamai	Testifying for Attention To Detail Maui LLC	Oppose	Written Testimony Only

Comments:

I am writing in opposition to Bill SB2919. I am a Maui girl and small business owner who has spent more than 10 years making a living off a cleaning and maintenance service on Maui. I've serviced hundreds of STRs and local residences, I've raised and fed my family with this income, and I've sent my oldest to college with this income and not without expense. This industry has rewarded my family and others like me to create a sustainable living for ourselves. As a resident and renter of Maui County, I understand the NEED and WANT for housing - my fear is giving powers such as these to a county in desperation will make for powerfully bad decisions. This 'could' trigger the county to make haste decisions. We on Maui are reliant on things like Property tax, TAT & GET percentages to support and supply our community. We are reliant on the employment of these locations. Thousands of jobs could be on the line for extended periods. From the owners of these STRs to the groundsman, janitors, and servicers, and everyone in between - we rely on this industry to PROVIDE for ourselves and our communities. NOT EVERY OWNER is a wealthy off-island owner! Many local families got ahead by making small gains on their investments, once again, NOT without expense. Not to mention the dollars that are spent by those come on and enjoy Maui. I am NOT a lobbyist, I am not an STR owner, I am testifying of my own free will.

Please vote NO.



Testimony of **Lāhainā Strong**
Before the Committee on
Judiciary and Ways and Means

In Consideration of Senate Bill No. 2919 SD1
**DCCA; Short-Term Rentals; Registration; County Zoning; TAT;
Appropriation; General Fund Expenditure Ceiling Exceeded**

Aloha Chair Rhoads, Chair DelaCruz, Vice Chair Gabbard, Vice Chair Moriwaki and Honorable Members of the Committees,

We are writing on behalf of Lāhainā Strong, an organization that was initially formed in 2018 following the Hurricane Lane fire in Lāhainā and reenergized last year after the devastating Lāhainā fires on August 8. Our organization, is the largest grassroots, Lāhainā-based community organization, with over 20,000 supporters, engaged in providing support and assistance to the victims of these disasters.

Lāhainā Strong stands in support of SB2919 SD1, allowing counties to enact a zoning ordinance to amortize or phase out nonconforming single-family transient vacation rental units over a reasonable period of time, as recommended by the House of Representatives shelter working group.

We want to highlight the importance of empowering counties to regulate land use effectively. Emphasizing that allowing counties to set regulations, such as defining short-term rentals as those lasting less than six months, would provide local governments with the flexibility needed to address community-specific concerns. Regulations would help preserve residential neighborhoods, maintain property values, and promote long-term community stability. By giving counties the authority to enact zoning regulations tailored to their unique needs, this bill would empower local decision making and enhance the quality of life for residents.

Lāhainā Strong has been at the forefront of relief and advocacy efforts, including initiating the "Fishing for Housing" camp, which has been in operation for almost 4 months along Kā'anapali Beach, highlighting the need for dignified housing for Lāhainā fire victims. Our organization has been working closely with the affected community to address pressing issues, and we appreciate the legislature's consideration of measures that align with our organization's goals and demands.

In Lāhainā, 25% of housing units were listed as short-term rentals, according to the University of Hawai'i Economic Research Organization. To the south of Lāhainā, that percentage jumps to 41.8%. To the north, it jumps to 87%.

There is a housing emergency on the island of Maui. Giving the counties the clear authority to phase out vacation rental uses has been identified as a key policy tool for helping Maui residents find dignified housing in the wake of the wildfires.

This is a critical step in providing stability and security to those who have already endured so much. We urge the legislature to pass **SB2919 SD1** to provide much-needed relief and support to the Lāhainā community and beyond.

Mahalo for your attention and commitment to the well-being of our community.

Sincerely,

Jordan Ruidas, Pa'ele Kiakona & Courtney Lazo

Lahaina Strong

The Honorable Donovan Dela Cruz, Chair
and Committee Members
Committee on Ways and Means

The Honorable Karl Rhoads, Chair
and Committee Members
Committee on Judiciary

State Senate
State of Hawaii
415 S. Beretania Street, Rm. 211
Honolulu, HI 96813



Dear Chairs, Dela Cruz and Rhoads, and Committee Members

RE: SB 2919 Relating to Property

On behalf of the members of the Hawaii Mid and Short-Term Rental Alliance (HIMAST), I am testifying in strong opposition to SB2919 Relating to Property.

HIMAST is a resident led organization comprised of members who are the owners of mid-and short-term rental units, statewide. Our members operate rental units that are licensed and operate legally in their county. The owners have their tax licenses and permits as prescribed by law, and are recognized as legitimate businesses in the counties and communities that they operate in. We are an organization that seeks to find solutions to Hawaii’s housing issues, while maintaining and operating legally recognized mid-and short-term rentals.

SB2919 seeks to amend Sec. 46-4 HRS by allowing the counties the ability to phase out transient accommodations uses in residential or agricultural zoned areas. The definition of what is a transient accommodations unit is very broad. For example, the term “transient vacation rental unit” is also defined to include “short-term rental home.” The term short-term rental is defined to mean a furnished self-contained apartment or home that is rented for short periods of time. A short-term rental home is a residential use that is used for temporary work force housing of construction workers, nurses, and teachers. Short-term rental homes can also apply to units that are used by people who are in hospice or in housing close to medical facilities that need treatment. Short-term rentals may be used by someone that is re-locating for a job or is in transition during renovation of their home. And yes, a short-term home may also be used by kama’aina who travel in-state between islands and those who are out-of-state visitors. The uses mentioned are real-life examples of residential uses, which this Legislature is trying to ban.

Our members provide services to our communities by providing housing solutions that are necessary for communities to thrive. It is difficult to understand why this Legislature would want to deny or ban services that are needed by our communities, for which the consequence results in higher costs for everyone and less and costlier housing.

We suggest that instead of trying to ban uses that will negatively affect housing and tax collections statewide, this Legislature instead focus on helping the counties with enforcement regulations. We look forward to working with you on solutions and urge you to strongly oppose HB1838. Thank you for this opportunity to testify.

SB-2919-SD-1

Submitted on: 2/28/2024 12:56:20 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Lawrence Rosenberg	Testifying for rosiesrentals.com	Oppose	Written Testimony Only

Comments:

February 28, 2024

Re: Bill SB2919 SD1

To whom it may concern;

Please consider this my submission of written testimony.

We strongly oppose this bill.

For decades, thousands of property owners have invested in properties in Hawaii that are legally zoned for transient rentals and have provided this service to travellers. This activity results in millions of tax dollars to the state and counties and provides direct employment to thousands of residents, and indirect employment to countless other Hawaii residents.

The pain encountered by the Hawaii residents who earn their living from servicing vacation rental properties or the guests that rent them was never more apparent than during the downturns caused by Covid and the maui wildfires. The effect of shutting down short term rentals is immediate, substantial and ongoing.

Many of the owners in our building and I'm sure around the state invested in their properties decades ago with the vision of having a place to escape winter in their retirement years and to produce some residual income when they are not using their properties. To accomplish this they have spent those decades painstakingly paying off their mortgages so they could realize their dream retirement. For the legislature to suddenly reverse course and interfere with the goals and dreams of these property owners is unconscionable.

If the proposed legislation was revised to focus on giving the counties tools to enforce zoning laws that prohibit short term rentals, then we could get behind that.

Respectfully submitted,

Lawrence Rosenberg

SB-2919-SD-1

Submitted on: 2/28/2024 1:17:46 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Tina Gaudet	Testifying for Tisuli Property Group LLP	Oppose	Written Testimony Only

Comments:

Dear Committee on Judiciary and Ways and Means,

I am writing to express my strong opposition to Bill SB2919, which proposes a state-wide framework for heavily regulating vacation rentals. As a foreign owner of a condo in Maui, my partners and I rely on short-term rentals to both enjoy our property and contribute to the local economy. Each partner couple receives an allotment of 2 weeks, and during the times we are not on the island, we rent our unit to guests and diligently pay the appropriate taxes, totaling 17.962%. Our business also supports the livelihood of our housekeeper and on-island agent, who depend on the income from our rentals.

Following the devastating fires in Lahaina, our business suffered a significant loss of reservations. Despite this, we made sure our housekeeper and on-island agent received their payments in spite of these cancellations in order to support their families during a difficult time. Additionally, we offered our unit to friends if they were displaced, or their families, we also reached out to local authorities to provide temporary housing, free of charge, to those affected by the fires. Unfortunately, despite our efforts, nobody took us up on the offer to stay in our unit.

The proposed Bill SB2919, which includes provisions such as pre-approval for all listings, heavy fines for non-compliance, and the potential retroactive phase-out of non-conforming use certificates, is deeply concerning. It not only infringes upon property owners' economic rights but also threatens the livelihoods of thousands of families who depend on the vacation rental industry to make ends meet. The bill could result in devastating financial hardship for these families, leading to an exodus of individuals and families from the state.

Furthermore, the regulations imposed by this bill are redundant, as vacation rentals are already heavily regulated on most islands. Implementing additional excessive regulations will only serve to hinder the industry and result in the loss of jobs, without any substantial impact on housing prices.

I urge the Committee to consider the significant impact of this bill on the local economy, working class families, and essential workers who depend on the vacation rental industry. I strongly oppose Bill SB2919 and implore the Committee to reconsider its potential consequences for the well-being of the community.

It appears you are no longer wishing Maui to be a destination for visitors from all over the world, what a travesty! Tourism for Hawaii is a major source of income, you are looking to throw this all away and have business owners lose their livelihood or workers lose their jobs?

Thank you for your time and attention to this critical issue.

Sincerely, Tina Gaudet Maui Condo Owner, Tisuli Property Group LLP



INTERNATIONAL LONGSHORE & WAREHOUSE UNION
LOCAL OFFICE • 451 ATKINSON DRIVE • HONOLULU, HAWAII 96814 • PHONE 949-4161

HAWAII DIVISION: 100 West Lanikaula Street, Hilo, Hawaii 96720 • **OAHU DIVISION:** 451 Atkinson Drive, Honolulu, Hawaii 96814
MAUI COUNTY DIVISION: 896 Lower Main Street, Wailuku, Hawaii 96793 • **KAUAI DIVISION:** 4154 Hardy Street, Lihue, Hawaii 96766
HAWAII LONGSHORE DIVISION: 451 Atkinson Drive, Honolulu, Hawaii 96814

LOCAL 142

February 28, 2024

The Thirty-Second Legislature
Regular Session of 2024

THE SENATE

Committee on Ways and Means

Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Committee on Judiciary

Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair
State Capitol, Conference Room 211 & Videoconference
Monday, March 1, 2024, at 10:31 a.m.

STATEMENT OF THE ILWU LOCAL 142 IN STRONG SUPPORT OF SB2919 SD1 RELATING TO PROPERTY

The ILWU Local 142 represents 16,000 members across Hawai'i. We are in **Strong Support** of SB2919, which gives the counties greater authority to define and manage short-term rentals on their islands. We are particularly invested in combating the current housing crisis, which is causing an exodus of hard working generational local families from our homeland and short-term rentals a part of this problem.

Short-term rentals generate an average of four times the revenue that a long-term rental generates. This sets up each home in Hawai'i, each neighborhood in Hawai'i, as a sitting duck for outside investors who only wish to extract profit and have little care for our communities or our local families. Short-term rentals decrease the housing inventory in Hawai'i, increase the cost of housing in Hawai'i, and compromise the cohesion and safety of our neighborhoods.

Too many of our neighborhoods have become overrun with short-term rentals and tourists. While our state depends on tourism for jobs and revenue, short-term rentals offer little jobs while sprawling tourists from resort areas into our backyards. If we want to cool local resentment for tourism overall, we must take action to control short-term rentals.

While those who are invested in short-term rentals in our state may frame the ILWU's support for this bill as a matter of interests in hotel occupancy, it is important for lawmakers to know that housing has always been a focus of the ILWU's work to support the working-class of Hawai'i.

The ILWU established housing committees in the 1950s to give workers a voice for issues related to their plantation housing. The late Ah Quon McElrath convened an ILWU housing conference in the 1970s to address the working-class people's struggles for affordable housing amidst booming development. Many workforce housing developments across the islands were established through the work of the ILWU, including the Jack Hall Housing in Waipahu and even the Kelaweia Mauka neighborhood of Lahaina.

In alignment with our communities, we are concerned with both pono tourism management and with addressing Hawai'i's housing problems. Giving counties the appropriate authority to manage housing issues on their islands is a move in the right direction to address both. We appreciate the urgency that SB2919 gives to the situation. We stand firmly in support of SB2919.

Mahalo for the opportunity to testify,

A handwritten signature in cursive script that reads "Christian West".

Christian West
President, ILWU Local 142

2-28-24

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I **OPPOSE** SB 2919 for the following reasons:

Papakea was built in 1978 and has operated as a vacation rental for almost fifty years. STR at Papakea obtains direct employment of roughly 35 residents, as well as supports a wide variety of local trade professionals including, pest control, HVAC, Plumbing, Electrical, and construction. It will prevent the multiple jobs upheld by these STR units. Housekeepers, landscapers, front desk staff, property managers, grocery stores, car rental companies, as well as hard the multiple individuals and business' that profit financially from the constant tourism provided by

Papakea STR's supports a number of local on island businesses in Maui. Housekeepers, handymen, on-island property managers and contractors. The local food vendors, restaurants and local grocery stores would suffer if not allowed the STR tourism that Papakea brings.

Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Task, and Maui Transient Accommodations Tax.

Changing this STR ability, will drastically reduce the value of each property as well as all other surrounding properties. It will lower sales in all nearby restaurants and retail shops. In a time when we are trying to rebuild from Covid-19 and the Lahaina Fires, allowing this to pass will further decimate the surrounding business' that rely on tourism.

For the reasons stated herein I OPPOSE H.B. 1838, HD1 and urge the committee to defer it.

Sincerely,

Jamie Maas

2-28-24

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I **OPPOSE** SB 2919 for the following reasons:

Papakea was built in 1978 and has operated as a vacation rental for almost fifty years. STR at Papakea obtains direct employment of roughly 35 residents, as well as supports a wide variety of local trade professionals including, pest control, HVAC, Plumbing, Electrical, and construction. It will prevent the multiple jobs upheld by these STR units. Housekeepers, landscapers, front desk staff, property managers, grocery stores, car rental companies, as well as hard the multiple individuals and business' that profit financially from the constant tourism provided by

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Changing this STR ability, will drastically reduce the value of each property as well as all other surrounding properties. It will lower sales in all nearby restaurants and retail shops. In a time when we are trying to rebuild from Covid-19 and the Lahaina Fires, allowing this to pass will further decimate the surrounding business' that rely on tourism.

For the reasons stated herein I **OPPOSE** H.B. 1838, HD1 and urge the committee to defer it.

Sincerely,

Jamie Maas

SB-2919-SD-1

Submitted on: 2/28/2024 3:51:02 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Norman Vesala - President	Testifying for QNL HOLDINGS INC - PAPAKEA G205	Oppose	Written Testimony Only

Comments:

If this short term rental gets shut down, you will be harming tourism AND the local people that have jobs related to tourism. Not to mention restaurants, car rental agencies, retail stores and much more.



February 28, 2024

Unit G106
Papakea Resort
3543 Lower Honoapiilani Road
Lahaina, HI

Dear Representative Tarnas, Chair; Representative Takayama, Vice Chair; and Members of the Committee:

Our business **OPPOSES** SB 2919 for the following reasons:

We are owners of a unit at Papakea Resort, 3543 Lower Honoapiilani Road, Lahaina. Our organization is not really a business but was set up to have five families share use of the condo for our vacations. As residents of the mainland, we bring significant revenue to many, many businesses on Maui and throughout the Hawaiian Islands. Hawaii is an expensive place to visit and in order to afford our visits we feel it is necessary to rent out our unit to others when we are not here. This provides even more employment and revenue to the people of Hawaii.

Papakea employs many local residents; some have worked at the property for 10-15 years, some working their way up from entry level positions into supervisory roles. Papakea is an ohana to it's many staff, management and residents, all which would be in jeopardy with passage of this bill.

As a unit owner over the last 10 years we have provided substantial employment to contractors, service people and skilled trades of all types. We have completed one complete renovation of our unit which resulted in us purchasing many items on the island and employing the people needed to get the job done.

While any economic activity is good for the people of Hawaii money, money from outside the state provides an added boost to the economy. This is cash injected directly into the Hawaiian economy through purchases as well as taxation.

It would be very short sighted, in my opinion, for the State of Hawaii to restrict or cut off this reliable source of revenue.

Please do not support this bill.

Don Gibson
President
Tropica USA Corp.

Telephone: 780-970-4581 Email: Reservations@Tropica.ca



Cade Watanabe, Financial Secretary-Treasurer

Gemma G. Weinstein, President

Eric W. Gill, Senior Vice-President

February 28, 2024

Committee On Ways And Means
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair

Committee On Judiciary
Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair

Testimony in Support of SB2919 SD1

Chairs Dela Cruz and Rhoads, Vice Chairs Moriwaki and Gabbard, and Members of the Committees,

UNITE HERE Local 5 represents 10,000 working people in the hotel, food service and health care industries across Hawaii. We are in support of SB2919 SD1, which would expand the zoning powers of counties and allow counties to phase out transient vacation rentals in residential or agricultural zoned areas.

In the absence of sufficient controls on the number of units being taken out of the housing/rental market and other impacts on communities, the industry will evolve in whatever way is most profitable to those with the most decision-making power. The housing and zoning policy proposed by SB2919 SD1 empowers counties with the flexibility to respond to the needs of our communities.

Regulation on short-term rentals is needed now more than ever. Hundreds of our union members and their family lost their homes in the Lahaina wildfires, along with thousands of other residents. They are struggling to put their lives back together, and many have found this nearly impossible in the midst of an acute housing shortage. Rents, already too high, have been exacerbated by the loss of so many homes.

We urge you to pass SB2919 SD1.

Thank you for your consideration.

March 1, 2024, 10:31 a.m.
Hawaii State Capitol
Conference Room 211 and Videoconference

To: Senate Committee on Ways and Means
Sen. Donovan M. Dela Cruz, Chair
Sen. Sharon Y. Moriwaki, Vice-Chair

Senate Committee on Judiciary
Sen. Karl Rhoads, Chair
Sen. Mike Gabbard, Vice-Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

RE: SB2919 SD1 — RELATING TO PROPERTY

Aloha Chairs, Vice-Chairs and other members of the committees,

The Grassroot Institute of Hawaii would like to offer its comments on [SB2919 SD1](#), which would expand the zoning power of the counties in an effort to overcome the effect of a court decision that frustrated Honolulu's effort to limit short-term rentals.

In addition to specifically stating that the counties may phase out transient accommodations, SB2919 SD1 would allow county zoning ordinances to dictate "the time, place, manner, and duration in which uses of land and structures may take place."

We at Grassroot fear that the overly broad zoning powers that would be created under this bill would negatively affect both the housing market and the economy.

The intention of the bill is to make it possible for counties to heavily dictate timing and use of residential property, but broadening the zoning powers of the counties could result in additional regulations that stifle housing growth.

In addition to being overbroad, SB2919 SD1 could be ineffective in achieving its primary goal. The court’s decision in *Hawaii Legal Short-Term Rental Alliance v. City and County of Honolulu*¹ was decided based on Hawaii Revised Statutes Section 46-4, but it does not follow that a change to that Section would be sufficient to eliminate short-term rentals.

The jurisprudence in this space continues to develop, but courts have been clear that the issue touches upon constitutionally protected property rights. Hawaii’s courts have specifically noted that preexisting uses are vested rights protected by the due process provisions in both the Hawaii and U.S. constitutions and thus cannot be abrogated by later zoning ordinances.² In other words, this bill would give the counties more zoning powers, but would not end litigation over short-term rentals.

Moreover, the assumption that greater regulation or a phase-out of short-term rentals is a desirable goal is not supported by an impartial analysis of the visitor industry and the actual participants in the STR economy. A 2020 study commissioned by the Hawaii Tourism Authority found that STRs added \$6 billion to the state’s economy and sustained 46,000 jobs.³ The survey also found that “30% respondents reported that if there was not a home and vacation rental option during their recent stay in Hawaii, they would not have made the trip.”

Thus, the removal of STRs from the vacation unit inventory could have a cascading effect, causing damage to other tourist-focused businesses, such as car rental agencies, restaurants and tour operators, as well grocery and other retail outlets and workers employed in cleaning, repairing and maintaining the STR units.

As for possible legal challenges, the U.S. Supreme Court has in recent years indicated its willingness to uphold property rights against government regulations. In *Tyler v. Hennepin County*⁴ and *Timbs v. Indiana*,⁵ the Court sided with property owners on Fifth Amendment and Eighth Amendment grounds, respectively.

Given the uncertain legal and economic considerations in this approach to the issue of short-term rentals, we suggest the Committee defer SB2919.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

¹ [No. 22-cv-247-DKW-RT](#) (D. Haw. Oct. 13, 2022).

² *Waikiki Marketplace v. Zon. Bd. of Appeals*, 86 Haw. 343, 949 P.2d 183 (Haw. Ct. App. 1997)

³ “[Hawaii’s Home and Vacation Rental Market: Impact and Outlook](#),” prepared for the Hawaii Tourism Authority by JLL’s Hotels & Hospitality Group, April 20, 2020, p. 10.

⁴ “[Tyler v. Hennepin County, Minnesota, et al.](#)” Supreme Court of the United States, May 25, 2023.

⁵ “[Timbs v. Indiana](#),” Supreme Court of the United States, Feb. 20, 2019.

Friday, March 1, 2024, 10:31 A.M.

State of Hawai'i

Senate Committees on Ways and Means and on Judiciary
State Capitol, Conference Room 211

**TESTIMONY OF IVAN LUI-KWAN IN SUPPORT OF SB2919 SD1,
RELATING TO PROPERTY**

Aloha Chairs Dela Cruz and Rhoads, Vice Chairs Moriwaki and Gabbard, and Committee Members:

I am legal counsel for the Hawaii Hotel Alliance. Thank you for the opportunity to submit testimony in **support** of SB2919 SD1.

SB2919 SD1 presents the straightforward question of policy:

Does the legislature wish to continue the 1980¹ policy of limiting amortization to only non-residential and non-agricultural zoned areas, knowing that courts are relying on this limitation to defeat the counties' zoning ordinances?

Courts *interpret* the law and are generally constrained to interpreting the language and intent of a statute. In contrast, the legislature *says* what the law is (*i.e.*, language and intent). This bill makes the legislature's intent and HRS § 46-4(a)'s language clear and empowers the counties to lawfully carry out their home rule authority as they regulate short-term rentals.

In *Hawaii Legal Short-Term Rental Alliance v. City and County of Honolulu* (“*HLSTRA*”), the U.S. District Court for the District of Hawai'i was seeking to ascertain the intention of the legislature in HRS § 46-4(a). In its October 13, 2022 Order, the U.S. District Court stated: “In deciding whether Ordinance 22-7 conflicts with Hawaii Revised Statutes Section 46-4(a), the Court first construes the relevant provision of the statute . . . When construing a statute, our foremost obligation is to ascertain and give effect to the intention of the legislature, which is obtained primarily from the language contained in the statute itself.”

The U.S. District Court was seeking to ascertain the meaning of the words in HRS § 46-4(a): “residential use”. In its December 21, 2023 Order, the Court stated: “Short-term rentals are residential in nature as tenants use properties for ordinary living activities.”

¹ The relevant portion of HRS § 46-4(a) was enacted by Act 203, SLH 1980.

In HLSTRA, the U.S. District Court for the District of Hawai‘i then decided that HRS § 46-4(a) preempted (*i.e.*, did not allow) a portion of the City and County of Honolulu’s Ordinance 22-7, which sought to phase out short-term rentals. The Court reasoned that: 1) short-term rentals were a residential use (which could not be amortized or phased out under HRS § 46-4(a)); and 2) amortization or phasing out could only be done in commercial, industrial, resort, and apartment zoned areas.

SB2919 SD1 does, *inter alia*, two things:

1. SB2919 SD1 states that “residential uses do not include transient accommodations uses.” Short-term rentals are transient accommodations uses. SB2919 SD1 clarifies the question the U.S. District Court asked in the HLSTRA case.
2. SB2919 SD1 provides that “transient accommodation uses may be amortized or phased out in residential or agricultural zoned areas.”

Some opponents of the bill argue that nonconforming uses are “vested rights” and must be allowed to continue indefinitely. This is incorrect and is belied by the fact that HRS § 46-4(a)’s existing amortization provision is lawful and has been for 44 years. Although nonconforming uses generally cannot be prohibited immediately, they can lawfully and constitutionally be amortized, or phased out, over a reasonable period of time.

When Act 203 was enacted more than 40 years ago, short-term rentals and their online platforms were not in existence. As we’ve seen since enactment of Act 203, short-term rentals, *i.e.*, transient accommodations, disrupt the character and fabric of our neighborhoods. They are inconsistent with land uses that are intended for residential and agricultural zoned areas, increase the price of housing, and exacerbate the housing shortage.

Opponents have also argued that SB2919 SD1 would be preempted by the Communications Decency Act and would violate the Hawai‘i and U.S. Constitutions. Although the portions of the bill relevant to those arguments were removed in the SD1, those arguments also fail under the U.S. Court of Appeals for the Ninth Circuit Court’s ruling in *Homeaway.com, Inc. v City of Santa Monica*, 918 F.3d 676 (9th Cir. 2019) which upheld Santa Monica’s ordinance which regulates short-term rentals. This 9th Circuit Court decision, filed March 13, 2019, is the benchmark court decision in short-term court actions throughout the United States upholding municipal ordinances enforcing regulations of short-term rentals, particularly in lawsuits involving legal challenges by online platforms to municipal ordinances based on the Communications Decency Act, the Stored Communications Act, and Fourth Amendment and First Amendment of the U.S. Constitution. A portion of the 9th Circuit Court’s opinion is especially appropriate to the online platform’s opposition to SB2919 SD1: “We have consistently eschewed an expansive reading of the statute [Communications Decency Act] that would render unlawful conduct ‘magically . . . lawful when [conducted] online,’ and therefore ‘giv[ing] online businesses an unfair advantage over their real-world counterparts.’ . . . Like their brick-and-mortar counterparts, internet companies must also comply with any number of local regulations concerning, for example, employment, tax, or zoning.”

In brief, the legislature is well within its authority to allow the counties to enact ordinances phasing out short-term rentals, just as it was when it added the existing amortization language in 1980.

Thank you for the opportunity to provide testimony in support of SB2919 SD1.

Mahalo nui,

A handwritten signature in black ink, appearing to read "Ivan M. Lui-Kwan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Ivan M. Lui-Kwan

Dated: February 28, 2024

SB-2919-SD-1

Submitted on: 2/28/2024 11:54:49 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Greg Taylor	Testifying for Papakea HomeWoners Association (Owner)	Oppose	Written Testimony Only

Comments:

I hope this letter finds you well and receptive to the heartfelt concerns of both the residents and the broader community connected to Papakea Resort. I am writing to express my strong opposition to H.B. SB2919, not just as a statement of personal conviction but as a reflection of the collective voice of those whose lives are intricately woven with the fabric of this remarkable place.

Since its inception in 1978, Papakea has not only been a beacon of hospitality on the beautiful island of Maui but has also stood as a testament to the enduring spirit of Aloha. For nearly half a century, it has welcomed guests from around the globe, offering them a slice of paradise while contributing significantly to the local economy and community. It is this legacy of inclusivity, growth, and mutual benefit that I fear is at stake should the proposed bill pass.

At the heart of Papakea's operations are approximately 35 local resident employees, many of whom have dedicated over 15 years of service to the resort. These individuals, who have climbed the ranks from entry-level positions to supervisory roles, embody the resort's commitment to nurturing talent and fostering a supportive work environment. Their livelihoods, and the well-being of their families, are inextricably linked to the continued success of Papakea as a haven for short-term rentals.

Moreover, the resort's existence sustains a wide network of local trade professionals, including those specializing in pest control, HVAC, plumbing, electrical work, and tree trimming. These partnerships not only ensure that Papakea remains a pristine and welcoming environment for guests but also support the local economy by providing consistent work for these tradespeople.

It is crucial to highlight that the high maintenance dues, essential for the upkeep and operational excellence of Papakea, are directly supported by revenue from short-term rentals. This symbiotic relationship extends further to a myriad of small businesses in the Maui community, including housekeepers, handymen, on-island agents, and contractors, all of whom depend on the thriving ecosystem created by Papakea's short-term rentals.

Furthermore, Papakea's guests contribute significantly to the State of Hawaii and County of Maui through various taxes, including property taxes at short-term rental rates, Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax. These

contributions bolster local infrastructure, public services, and community projects, underscoring the resort's role in the broader economic landscape of Maui.

The impact of Papakea's guests extends beyond financial contributions, as they support numerous small businesses, from restaurants and food trucks to tour operators and shops. This influx of visitors, many of whom are returning guests with deep connections to the community, is vital for the vibrancy and sustainability of the local economy.

In closing, I urge you to consider the far-reaching implications of H.B. SB2919, . Papakea Resort is more than just a collection of vacation rentals; it is a community pillar that supports local employment, nurtures small businesses, and enriches the Maui experience for residents and visitors alike. For these reasons, I respectfully request that the committee defer the bill, ensuring that Papakea can continue to thrive and contribute to the island's unique charm and economic vitality.

Respectfully submitted,

Greg Taylor owner and head of family who has been coming to PAPAKEA since 2002.



02/29/24

Committee on Ways and Means
Committee on Judiciary
415 South Beretania Street
Honolulu HI 96813

RE: SB-2919 Oppose

Aloha e Committee,

Thank you for taking the time to review this bill and take testimony. Maui Vacation Rental Association (“MVRA”) represents thousands of residents who own, manage and work within the legal short-term (STRs) rental industry. We strongly oppose SB2919.

We believe in a managed hospitality industry for Maui. We also support fair taxation and regulations of vacation rental properties. However we see issues with SB2919 hurting legally operating small business operators in Maui County. We believe you will also oppose SB2919 when you understand the immediate implications for housing, local jobs, the economy and tax revenue for that State of Hawai`i and Maui County.

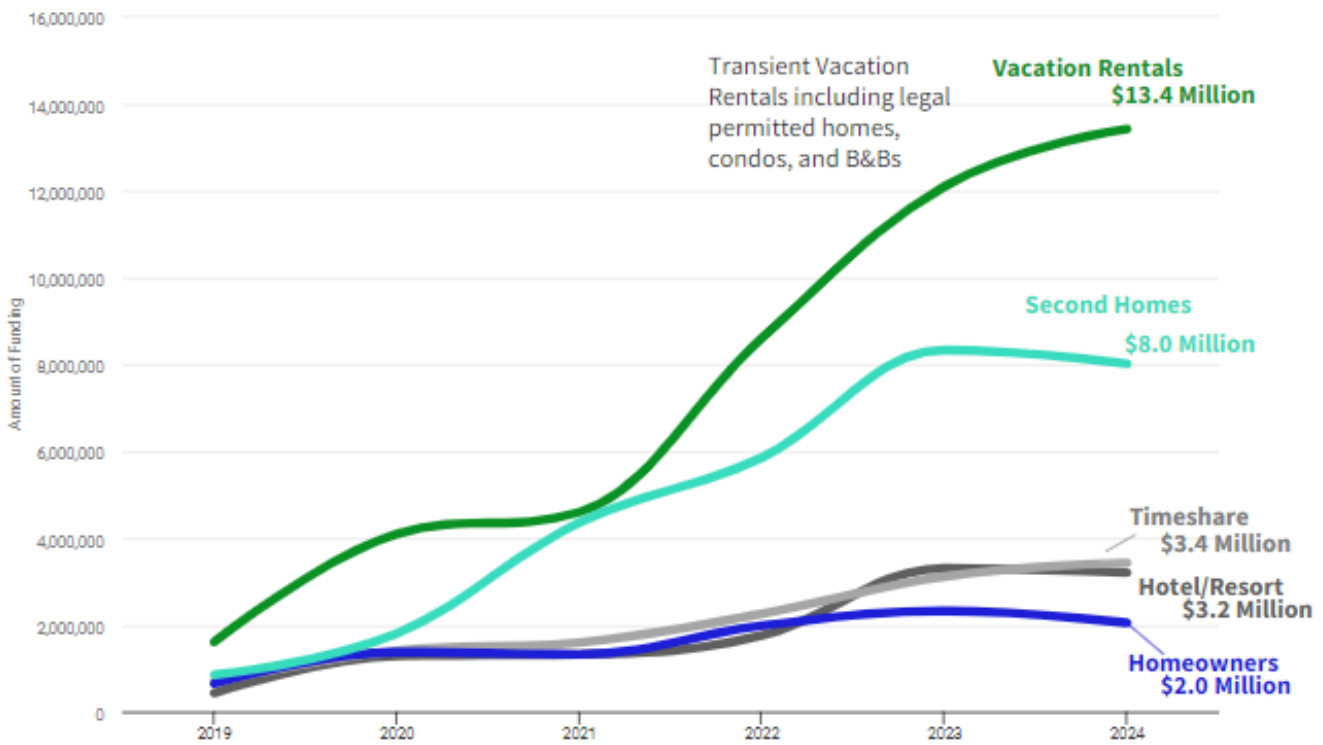
SB2919 would give the counties authority to enact ordinances to eliminate or phase out short-term rentals in any zoning classification.

Maui has 13,744 legal short term rental properties, 8,336 hotel rooms, and 2,475 timeshare units in our diversified visitor accommodation industry. Each provides the potential Maui visitor different options. The clear differentiation regarding the legal short term rental properties is that thousands of them are owned by Maui County families and thousands more are employed directly by the industry or benefit from the industry. **This is one of the only ways local families can directly participate in and benefit from the hospitality industry.**

Short term rentals will contribute \$13.4 Million in revenue to the Affordable Housing Fund, the largest contribution of all the classifications, and the largest contribution to date. Over the last 5 years the **short term rental classification has generated \$45 million dollars for the affordable housing fund**, the largest contribution by far, and more than the other accommodation sectors combined.

Who Pays for Maui's Affordable Housing Fund?

FY2019-2024
Review



Vacation Rentals have contributed a total of \$45.0 million from 2019-2024

Second Homes have contributed a total of \$29.6 million from 2019-2024

Timeshares have contributed a total of \$12.6 million from 2019-2024

Homeowners have contributed a total of \$9.8 million from 2019-2024

Hotel/Resorts have contributed a total of \$11.6 million from 2019-2024

Source: Maui County Real Property Tax

Many owners voluntarily offered their properties to those in immediate need at the outset of the emergency out of the kindness of their hearts without any thought or ask to any form of compensation. Additionally, there are thousands of individual owners who voluntarily on their own or in conjunction with their local management companies who have facilitated housing through Red Cross, FEMA,



and/or other entities. What would Maui County have done immediately following the fire if STRs did not exist? How would we have housed our displaced residents?

STRs are not just for the tourism industry - they also provide furnished, temporary housing to residents and their families.

Residents

- Inter-island neighbors visiting for work or family events
- Residents displaced from emergency events such as the Lahaina and Kula fires
- Residents needing temporary housing due to life's transitions
- Newly housed residents that cannot qualify for an annual lease
- Residents needing a vacation or place to gather for events

Non-Residents

- Traveling Nurses and other medical personnel
- Emergency contractors and other vendors
- Family & friends visiting for various life events

These residents and important visitors cannot afford the average hotel rate of \$700/night. They choose short-term rentals for affordability and also the livability versus a hotel room.

This bill targets the estimated 18,000 jobs that STRs provide across Maui County and the 49,000 statewide. These jobs include cleaners, property managers, contractors, and their families. Where is the data that shows those impacts? What will happen to those residents who no longer have a source of income? **How many jobs and taxes would be potentially lost with a measure like this?**

Many of the condo buildings operating on Maui were built in the 1970's and 1980's and have large monthly maintenance costs. If the property owners cannot continue to fund the high maintenance costs of these buildings there could be unintended consequences for the State in this bill. There could be significant neighborhood blight as a result of people not being able to afford the cost associated with the upkeep and maintenance of these aging properties.

When it comes to legislation that could affect the livelihood of thousands of its constituents (actual voters), the State should be considering factual and data driven based decisions. At the very least, the



State should be supporting this legally operating small business sector that offers such a vibrant and diverse ecosystem for our residents and visitors, while our county and state are already leveraging significant taxes on these businesses to benefit our local economy. The legal short term vacation rentals already generate the largest amount of tax revenue for Maui County - more than any other category by a very large margin.

Maui County’s operating budget has increased to over 1 Billion dollars in its current fiscal year. Most of the county’s revenue comes from the short term rental classification, and the small businesses creating this revenue. The county of Maui has long had a strategy of taxing the Short Term Rental Classification in order to keep taxes low for the residents. A big part of this strategy is by means of the property assessment values that the County assessment division attributes to these properties. Looking at the top 30 real property tax revenue generating legal visitor accommodations in Maui county, you can see that the assessment of many short term rentals result in a higher rate and tax revenue than many of our hotel properties.

The county increased their budget this year by \$102M, and 52% of that increase or \$53M came from increased revenue in the TVR/STR category. The next highest increase was \$7.5M in the Hotel/Resort classification (7 times less than the STR increase).

The short term rental classification generated 40% of real property tax revenue this fiscal year (FY23-24), or \$213.7M. This amount represents 20% of the county operating budget. This is the largest single revenue generating category in the real property tax classifications. **What this demonstrates is that the county depends on the tax revenues of properties like the ones operating in the districts that would be affected by this measure.**

When looking at average tax revenue generated on a per Unit basis, the top 13 properties are all legal vacation rental properties. The top Hotel, the Kea Lani falls behind all of these at number 14 on this same list.

TOP REVENUE GENERATING SHORT TERM RENTAL AND HOTEL PROPERTY, MAUI COUNTY 2023

PROJECT PROPERTY	TOTAL ASSESSED VALUE	AVE. PROPERTY TAX REVENUE	AVE. ASSESSMENT PER UNIT	AVE. TAX REVENUE PER UNIT
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M A U I
VACATION RENTAL
 A S S O C I A T I O N

1	WAILEA BEACH VILLAS	474,547,900	5,623,393	4,943,207	58,577	Largest Ave/Unit
2	KAPALUA BAY CONDO	487,731,400	5,779,617	4,601,240	54,525	
3	WAILEA POINT I, II, III	360,302,000	4,269,579	3,498,078	41,452	
4	HOOLEI	398,574,400	4,723,107	3,267,003	38,714	
5	KAANAPALI ALII	657,716,900	7,793,945	2,391,698	28,342	
6	WAILEA ELUA I, II	354,432,200	4,200,022	2,286,659	27,097	
7	HONUA KAI	1,179,135,500	13,972,756	1,602,086	18,985	Largest by Total Rev.
8	PUAMANA	296,446,000	3,512,885	1,585,273	18,785	
9	KAPALUA BAY VILLAS	175,535,500	2,080,096	1,244,933	14,752	
10	WAILEA EKAHI I, II, III	245,631,400	2,910,732	1,175,270	13,927	
11	MAUI KAMAOLE I, II, III	226,794,000	2,687,509	944,975	11,198	
12	PALMS AT WAILEA I	139,192,700	1,649,433	927,951	10,996	
13	WAILEA EKOLU	135,207,100	1,602,204	913,561	10,826	
14	KEA LANI	410,022,500	4,817,764	911,161	10,706	Largest ave/unit hotel
15	THE RIDGE	139,597,000	1,654,224	867,062	10,275	
16	MANELE BAY HOTEL	195,762,900	2,300,214	829,504	9,747	
17	GRAND WAILEA	621,756,100	7,305,634	797,123	9,366	Largest Hotel by Total rev
18	KAPALUA GOLF VILLAS	146,211,800	1,732,610	786,085	9,315	
19	FOUR SEASONS	297,937,400	3,500,764	784,046	9,213	
20	GRAND CHAMP VILLAS	142,419,600	1,687,672	757,551	8,977	
21	PAPAKEA	238,776,500	2,829,502	655,979	7,773	
22	KAMAOLE SANDS	278,724,700	3,302,888	633,465	7,507	
23	ANDAZ	205,360,300	2,412,984	635,790	7,471	
24	HALE KANAPALI	161,065,400	1,908,625	624,284	7,398	

M A U I
VACATION RENTAL
 A S S O C I A T I O N

25	SHERATON	296,801,600	3,487,419	584,255	6,865	
26	ROYAL LAHAINA	254,303,200	2,988,063	580,601	6,822	
27	HYATT	386,224,700	4,538,140	479,187	5,630	
28	WAILEA BEACH MARRIOTT	238,336,000	2,800,448	438,118	5,148	
29	WESTIN MAUI	292,717,300	3,439,428	385,662	4,532	
30	RITZ CARLTON	163,362,000	1,919,504	350,562	4,119	
	Source: Maui County Real Prop Tax	Legend:		=STR		=Hotel

One of the tools used by the assessment division is the fact that the short term rental properties are sold more frequently on the **real estate** market and then these **sales** are factored into the taxable value of the properties. Thus the assessed values in the short term rental class are some of the top real property tax valued properties on the island, generating most of the tax revenue for the county.

Maui County has added the 3% TAT tax for the county as of November 2021 and these operators and visitors have fostered this increase generating millions of dollars for Maui county.

Maui County has had laws and regulations in place that closely regulate our short term rentals, and there is strict enforcement of these rules, keeping the illegal rentals numbers very low. In the January 2023 report, there were 25 complaints which resulted in three notices of warnings and zero notices of violations. The vacation rental industry is highly regulated and enforced in Maui County. The community leverages the existing legal operations for benefits to the community as whole.

Our visitor industry benefits from the diversity vacation rentals offer. Having a short term rental is one of the only ways local residents can have direct participation in the hospitality and accommodations sector. There are thousands of small businesses in Maui that benefit from this legal established use in the county. The properties in this district accommodating our visitors and residents are an important legitimate part of our hospitality industry. The guests that seek out these experiences and want more local authentic culture are the educated guests Maui wants.

The legal short term rentals in Maui County are a significant and beneficial part of our hospitality industry, and have been for many years. It does not make sense for the State to create laws that would shut down legal operating small businesses without doing plenty of research first.



What Hawai`i needs most is clear, consistent, fair rules for business to thrive. Instead, this bill would have each County able to eliminate existing property rights without compensation (so making it legal for Counties to do what would now be considered an illegal taking of private property). The most likely result will be confusion, litigation, and illegal attempts by county officials to eliminate productive, legal, tax and local-job generating businesses. Given the current budget, gutting funding categories for the State and Counties county is contrary to their fiduciary duty. Please vote no on this bill SB2919.

Thank you for considering my testimony. If you have any questions or clarifications please feel free to contact me.

Best,

Maui Vacation Rental Association

Visitor Accommodation Maui County Real Property Tax Revenue Fiscal Years 2020, 2021, 2022, 2023, 2024



Source: Maui County Real Property Tax

Keep It Kailua

Preserving Kailua's Character

February 29, 2023

To: COMMITTEE ON WAYS AND MEANS & COMMITTEE ON JUDICIARY

Senator Donovan M. Dela Cruz, Chair, Senator Sharon Y. Moriwaki, Vice Chair, Senator Karl Rhoads, Chair Senator Mike Gabbard, Vice Chair

SUPPORT SB 2919 SD1 RELATING TO COUNTY ZONING

We strongly support **SB 2919 SD1** and ask your committees to pass the measure.

Allowing the counties the authority to enact ordinances to amortize or phase out permitted, nonconforming, or otherwise allowed short-term rentals in any zoning classification is fair and reasonable.

Hawaii State Statute §46-4 County zoning already allows these short-term rental businesses to be phased-out in commercial, industrial, resort, and apartment zoned areas over a reasonable period of time. We firmly believe residential zoned neighborhoods should be included. In addition, our legal team adamantly believes this law is constitutional, otherwise the long established Hawaii State Statute §46-4 would've been appealed.

As quoted in Civilbeat.com, David Callies, a retired law professor and author of "Regulating Paradise," a treatise on Hawaii land-use law stated; "Governments generally have the right to phase out land uses through zoning changes – called amortization in legal parlance – and that five years is typically a reasonable time frame for doing so. "It's pretty settled doctrine that you can amortize a non-conforming use." Callies also said prohibiting short-term rentals wouldn't be considered a taking of private property, in violation of constitutional rights, because the properties still could be used for housing by the owners or rented out long term.

Thank you for your consideration.

Keep it Kailua

Keep It Kailua is a grassroots community group founded in 2004 whose purpose is to retain Kailua's family-oriented residential character and quality of life.

Keep It Kailua's goals are to:

- Protect residential zoning and promote permanent residency in our neighborhoods*
- Preserve and enhance scenic, civic, recreational and cultural features that define Kailua's sense of place*
- Protect water resources essential to the health of the environment*
- Preserve trees and maintain open green space*
- Promote walking and the use of non-motorized bicycles as alternatives to automobile transportation within and around the town*
- Promote businesses that serve the residential community*
- Support other community groups with similar goals*

Please visit us at www.keepitkailua.com

Or like us on <https://www.facebook.com/keepitkailua/>



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE SENATE COMMITTEES ON
JUDICIARY and WAYS AND MEANS
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211
Friday, March 1, 2024 AT 10:31 A.M.

To The Honorable Senator Karl Rhoads, Chair
The Honorable Senator Mike Gabbard, Vice Chair
Members of the committee on Judiciary
To The Honorable Senator Donovan M. Dela Cruz, Chair
The Honorable Senator Sharon Y. Moriwaki, Vice Chair
Members of the committee on Ways and Means

OPPOSE SB2919 SD1 HD1 RELATING TO ZONING

The Maui Chamber of Commerce **OPPOSES SB2919 SD1**.

The Chamber feels this bill has the potential to result in substantial legal issues. Although the stated purpose of this measure may appear to be an innocuous delegation of authority, the proposed changes could conflict with constitutional rights as well as existing state statutes. Such changes could potentially cause numerous unintended consequences, ultimately leading to the deprivation of vested rights of existing residential homeowners, that then would likely result in substantial litigation.

As a fundamental residential use, property owners in Hawai'i have, for decades, relied on the protections enshrined in HRS Section 46-4 to offer short-term rentals to their guests. And these fundamental protections—which, as described below, are “grounded” in the Hawai'i and United States Constitutions—should not be dismissed or undermined. To do so would not only implicate important constitutional protections, it would potentially drive significant litigation around the State.

Both Hawai'i and federal litigation has recognized the principle that preexisting uses of land are protected. “Under the United States and Hawai'i Constitutions, *‘preexisting lawful uses of property are generally considered to be vested rights that zoning ordinances may not abrogate.’*” Even preexisting nonconforming uses are protected from subsequent restrictive zoning regulations. As the Hawai'i Intermediate Court of Appeals has recently stated, “The statutory protection of lawfully existing uses and structures *‘prior to the effective date of a zoning restriction is grounded in constitutional law.’*”

For these reasons, we strongly **OPPOSE SB2919 SD1** and respectfully request it be deferred.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

SB-2919-SD-1

Submitted on: 2/29/2024 8:29:56 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Shawn Moore	Testifying for 0889019 BC Ltd	Oppose	Written Testimony Only

Comments:

- **This Bill will significantly harm my investment as it was a retirement investment to allow us to live on island for 6 a months a year. My partner has a business on island as well that we would have to consider relocating to the mainland because of the business ramifications and laying off her team from the lack or people coming to maui.**
- **Economic Contribution:** Maui's STRs provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's \$1.7 billion dollar budget. The question arises: If STRs are curtailed, where will the equivalent revenue come from?
- **Employment Impact:** Statewide, over 40,000 jobs are supported by the short-term rental industry. Cleaners, handymen, services companies will be laid off! Restricting this sector could have far-reaching consequences on employment.
- **Community Support:** When the fires happened i immediately offered my place FREE of charge for 3 months until i was moving back to the island for 6 months. I would have put our place into FEMA but we live on island for half the year and my partner owns and runs a small business on island and is a Maui USA citizen the last 12 years.
- **Housing Options in Crisis:** In times of crisis, like the Lahaina Fire, short-term rentals serve as essential temporary, furnished housing for displaced residents. Where will residents find temporary, furnished housing if our industry is further decimated?



KOSTRO

Kama'aina Occupied Short-Term Rentals O'ahu
Defending short-term rental rights of kama'aina whose rental property is their primary residence.

Aloha Chairs Rhoads, Dela Cruz and Vice Chairs Gabbard, Moriwaki
And members of the Senate Committees on Judiciary and Ways and Means

We support the substance and intent of the original SB2919 Section 1 as it is groundbreaking as to recognizing the long-standing value of Kama'aina renting. The original language proposes a registration system for a few thousand owner-occupied short-term rental properties. We ask that language that was deleted after legislative review be restored to allow for continued owner-occupied renting. See EXHIBIT A for our recommended findings and more accurate definitions.

“This fire uncovered a clear truth which is [sic] that we have too many short-term rentals owned by too many individuals on the mainland ... and it is bullshit and our people deserve housing here so I'd like them to sell to local owners...”

- Gov. Josh Green, M.D.
- Facebook 2/27/2024

KOSTRO strongly opposes SB2919 SD1 as it does not accomplish the governor's stated objective. It fails to protect the long standing property rights of our residents. It targets owner-occupied properties.

The human suffering caused by the Maui wildfire is an unimaginable loss! This legislation will work against the recovery effort. It will likely provoke further litigation resulting in additional injunctions and motions to compel that will delay the Maui recovery efforts. If you pass SB2929 SD1 as is, counties will be able to totally ban short-term rentals. Short-term rentals are not just for vacationers. Banning short-term rentals will mean that teachers, medical personnel, construction workers, military in transition and others will not be able to afford lodging in the location that their skills are needed. Implementing barriers to affordable hosted renting will separate those who have the skills from their work locations.

Many cities across the country have found that taking residential property from their owners did not result in a long term reduction of real property prices. In our case in particular, there is a pent-up nationwide demand for island property. Any reduction in prices will in itself place the price of a single family home or duplex into an affordable range for a two income family with good credit. The answer is build more residential property NOW!

The governor has stated in his Facebook briefings that there are only 500-850 Maui STR property owners left to engage with incentives to achieve the housing goals. He should be congratulated on his efforts. The 'carrots' are working. There is no need for the 'sticks'.

Rental property is governed by the Residential Landlord Tenant Code HRS § 521:

*HRS § 521-22 Term of rental agreement. The landlord and tenant may agree in writing to **any period** as the term of the rental agreement.*

The Court has already overturned the notion that renting owner-occupied property is distinct from residing in that property. See the narrative from the Preliminary Injunction HILSTRA v. CITY –attached to this document as EXHIBIT B.

Correct by using this language HRS § 46-4 (**proposed SD1 change in bold**):

For the purposes of this section, "transient accommodations" has the same meaning as defined in section 237D-1. "Transient accommodations" includes uses that require the payment of transient accommodations taxes **except for properties that have a owner-occupied single family or duplex residence.**"

Zoning restrictions must be narrowly tailored to resolve the issues, but as the objective is to preserve the housing stock for residents, the counties lack the substantial governmental interest that the state has to regulate owner-occupied renting. Our governor's efforts to increase housing supply show this to be true.

The added Section 1 in SD1 states:

"...it is the legislature's intent to **honor** and wholeheartedly support the home rule authority provided to the counties relating to zoning ..."

There is no honor in the City and County of Honolulu Department of Planning and Permitting's unconstitutional and unfair behavior victimizing our kama'āina! Well-meaning older hosts who comply with ROH 19-18 by stating the 30-day minimum rental in the obvious part of their listing often unknowingly make a minor mistake by failing to change their minimum stay to 30 days deep in their listing. For this "crime," some hosts get the Notice of Violation with 7 days to cure as mandated by the current law. Some get 5 days. Some just get a Notice of Order and—surprise—an outrageous, intimidating \$10,000 **per day** fine.

Hosts' right to due process of law is being trampled. If they wish to contest the violation and fine, they must compose a pleading in the form of a letter and pay a fee of \$400—in addition to the fine! Since the Zoning Board of Appeals can't seem to scare up a quorum to rule on an appeal, cases are deferred for a year or more, meanwhile they are still paying the fines?.

Once Tūtū corrects the internal setting to 30 days, her listing will not appear in search results for fewer than 30+ days. Tourists come to Hawaii for an average of 10 days. When they search for a 10-day stay, they will never see Tūtū's listing. Her booking inquiries will dry up and Tūtū will slowly, agonizingly, go out of business. This is what the DPP wants. This diminution of business has reduced many hosts' rental income by 76%! Can you imagine trying to live in Hawai'i today on 24% of what you make now?

And the irony of ironies is that HRS 521-22 states that a rental agreement can be for any time period. If everyone were to obey the law already on the books, none of this anguish and abiding fear would be foisted upon people who could make a large, positive contribution to Hawaii's economy and to high quality tourism.

Authorized by SB2919 SD1, the \$10,000 fines imposed by Honolulu City Ordinance 22-7 violates both the US and Hawai'i Constitutions regarding excessive fines. For a discussion on excessive fines see [COMPLAINT Case 1:22-cv-00247-DKW-RT HILSTRA v. HONOLULU](#) pages 20,29-31

“These fines are excessive and will chill otherwise legal behavior and will coerce property owners and operators to comply to DPPs demands, and effectively prevent meaningful judicial review.”

The Eighth Amendment to the United States Constitution provides that:

“Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments be inflicted.”

Article I, §12 of the Hawaii Constitution provides:

“Excessive bail shall not be required, not excessive fines imposed, nor cruel or unusual punishment inflicted.”

Your vote to further SB2919 SD1's progress towards becoming a law would be a vote to weaponize Ordinance 22-7 against O'ahu residents, defying the well-reasoned findings of a federal judge and negating the three-hundred thousand dollars paid by the HILSTRA hosts and others to obtain summary judgment against the City.

The DPP can demonstrate *honor* by putting all its resources into catching up on permitting backlog, which is costing our citizens thousands of dollars and frustration instead of going after our well intentioned residents who are renting in accordance with HRS § 521-22..We need a DPP that fairly administrates existing state law and communicates well with homeowners.

[City Faces Legal Bill After Losing Short-Term Vacation Rental Battle - Honolulu Civil Beat](#)

We ask that the state continue to regulate residential rentals without interference from the counties, and keep the substance and intent of the original SB2919 Section 1, as it is groundbreaking and recognizes the long-standing value of Kama'aina renting.

Respectfully submitted for KOSTRO,

Margaret L.H. Aurand
Victoria Johnson
Ed Jones

EXHIBIT A - RECOMMENDATION TO FINDINGS AND DEFINITIONS - ORIGINAL SB2919

RELATING TO PROPERTY.

SECTION 1.

The legislature finds that:

1. Owner-occupied, hosted short-term rentals do not significantly impact the character and fabric of our island communities.
2. Residential renting is regulated by the Residential Landlord Tenant code chapter 521.
3. HRS § 521-22 provides for renting with a written agreement of single family and duplex dwellings for a period of fewer than 30 days.
4. From a zoning perspective renting is residing and therefore is within the scope of the definition of residential use.
5. Counties ensure uniform safety standards for home occupancy whether owner occupied, rented out or both.

The Hawaii Revised Statutes are amended by adding a new chapter to Title 26 to be appropriately designated and to read as follows:

"CHAPTER

SHORT-TERM RENTALS; HOSTING PLATFORMS

§ -A Definitions. For the purposes of this chapter unless the context otherwise requires:

(i) "Application program interface" means a software intermediary that makes it possible for application programs to interact with each other and share data or successor technologies.

~~"Class A multiple dwelling" means a multiple dwelling that is occupied for permanent residence purposes.~~

~~"Class B multiple dwelling" means a multiple dwelling that is occupied transiently as the temporary abode of individuals or families who are lodged with or without the provision of meals.~~

~~"Class B multiple dwelling" includes hotels, lodging houses, rooming houses, boarding houses, boarding schools, furnished room houses, lodgings, club houses, and college and school dormitories.~~

(ii) "STR" means a short-term rental authorized for owner-occupancy rents of fewer than thirty consecutive days of a dwelling unit or portion thereof.

(iii) "hosted STR property" is real property that contains the short term rental owner residence and at most one hosted STR dwelling unit or up to 3 hosted STR rooms in the owner's primary residence. It may contain other separately permitted structures.

(iv) "hosted STR owner" means a natural person, the owner of the hosted STR property. The title of the property must show that the owner has a minimum of fifty percent interest in the hosted STR property directly or through an entity.

(v) "owner residence" means the residence of the hosted STR owner. The address must be the primary legal address of the hosted STR owner.

{vi) "hosted STR dwelling unit" means one half of a duplex or a residence unit. A STR dwelling has a separate entrance, has a kitchen for the exclusive use of the tenant, and is secured separate from any other residence.

(vii) "hosted STR room" is an enclosed room with a door. It is inside the hosted STR owner's primary residence providing access to a private bathroom or access to a shared bathroom.

(viii) "STR residence unit" is a residence with a maximum of one residence on the same hosted STR property as the owner's primary residence.

(ix) "Department" means the department of commerce and consumer affairs.

(x) "Division" means the business registration division of the department.

(xi) "Electronic verification system" means a system created and maintained by the division pursuant to section -G.

(xii) "Hosting platform" means a ~~person~~ entity that directly or indirectly:

(1) Provides one or more online, computer or application-based platforms that individually or collectively can be used to:

(A) List or advertise offers for short-term rentals; and

(B) Either accept the offers, or reserve or pay for the rentals; and

(2) Charges, collects or receives a fee for the use of the platform or for provision of any service in connection with a short-term rental.

(C) "Hosting platform" does not include:

(1) Any platform that solely lists or advertises offers for short-term rentals; or

(2) Any registered host.

(xii) "Listing" means an advertisement on a hosting platform that offers a hosted STR dwelling unit or a hosted STR room.
~~short-term rental.~~

~~"Multiple dwelling" means a dwelling that is rented, leased, let, or hired out for the purpose of being occupied as~~

~~the residence or home of three or more families living independently of each other.~~

~~"Private dwelling" means any building or structure designed and occupied for residential purposes by not more than two families.~~

~~"Registered host" means a natural person hosted STR owner who ~~holds~~ has applied for and holds a valid registration for the hosted STR.~~

~~(1) Is an owner of real property hosted STR dwelling unit; and~~

~~—— (2) Has applied for and holds a valid registration for the hosted STR dwelling unit pursuant to this chapter.~~

~~"Rooming unit" means one or more living rooms arranged to be occupied as a unit separate from all other living rooms, and that does not have both lawful sanitary facilities and lawful cooking facilities for the exclusive use of the family residing in the unit.~~

~~"Short-term rental" means a rental for fewer than thirty consecutive days of a dwelling unit within a private dwelling or class A multiple dwelling, or in the case of a mixed use building, a rental of a class A dwelling unit therein for fewer than thirty consecutive days.~~

(xiii) "Short-term rental registration number" means a registration number issued in accordance with a short-term rental registration of a hosted STR dwelling unit pursuant to this chapter.

EXHIBIT B - NARRATIVE HILSTRA V. CITY

See [HILSTRA v. CITY, ORDER GRANTING PLAINTIFF'S MOTION FOR PRELIMINARY INJUNCTION Case No. 22-cv-247-DKW-RT before the UNITED STATES DISTRICT COURT, DISTRICT OF HAWAII](#), pages 15 to 20:

“When interpreting words in a statute, “we give words their common meaning.” Iddings, 919 P.2d at 269; see also United States v. Flores, 729 F.3d 910, 914 (9th Cir. 2013) (“[U]nless defined, words in a statute will be interpreted as taking their ordinary, contemporary, common meaning.”) (internal quotation marks and citation omitted).

Here, HRS § 46-4(a) does not define “residential use.”¹⁵ Nor have Hawai'i courts yet interpreted the term in the context of vacation rentals. See Opp. at 15. Thus, the Court has examined the available resources to glean the “common meaning” of the term, including relevant dictionary definitions, other states' interpretations of the term in similar contexts, and other relevant State and City statutes or ordinances.

“Residential” means “used as a residence.” Merriam-Webster.com Dictionary (last visited Oct. 8, 2022). “Residence,” in turn, means “the act or fact of dwelling in a place for some time; the act or fact of living or regularly staying at or in some place for the discharge of a duty or the enjoyment of a benefit.” Id. “Dwell” means “to remain for a time,” and “live” means, inter alia, “to maintain oneself; to occupy a home.” Id.; see also Black's Law Dictionary (5th ed. 1979) (defining “residence” as “[l]iving or dwelling in a certain place permanently or for a considerable length of time”). The noun “use” means “a particular service or end.” Merriam-Webster.com Dictionary (last visited October 8, 2022).

As these definitions show, the term “residential use” depends both upon the function the property serves for its occupant and the duration of time the property is used. The durational component is not precise, including, for instance, “for some time,” “for the discharge of a duty or the enjoyment of a benefit,” “for a time,” and “permanently or for a considerable length of time.”

Likewise, in common usage, the term depends on both function and duration, although the functional component is generally more significant. Indeed, the appellate courts of at least nineteen states have decided that even rental stays of less than 30 days—nightly, weekend, or weeklong stays—constitute residential uses or purposes. These states focused on whether such short-term residents were using the homes for ordinary living activities and benefits—e.g., eating, washing, sleeping, storing their belongings and vehicles, and enjoying the surrounding scenery and community. Some cases illustrated the difference between ordinary living activities and business activities by discussing alternative uses, such as bustling autobody shops, see, e.g., Craig Tracts, 744 P.3d at 228, while others assessed how the short-term nature of the stays would tend to affect the surrounding inhabitants. What the decisions had in common was their reliance on the use to which the home was put—i.e., the functional component. On the other hand, the Court has not found any case, nor have Defendants cited any, holding that rentals of 30 days or longer were not residential. The Court is aware of five jurisdictions that

focused primarily on duration, holding that short-term rentals ranging from one- to seven-nights did not constitute residential uses. But these outliers are, in any event, inapposite because even if the Court were to similarly emphasize duration over function, the time frame at issue here is 30 days or longer.

Undeterred, Defendants contend that 30–89-day rentals are not residential uses because they involve frequent occupant turnover not traditionally associated with family living. Opp. at 15–16. Defendants argue that these rentals are commercial uses akin to resort and hotel complexes because they involve “speculative business risks” or “speculative real property investments.” Opp. at 2, 15, 22–23 (“[S]hort-term rentals are [] business, commercial, and transient/resort type land uses; they are not ‘residential uses’ protected from amortization under HRS § 46-4.”).

The Court disagrees. Whether a use is residential depends much more on what is being done at a residence than for how long. 30–89 day rentals on O‘ahu are used as housing by:

- (1) O‘ahu residents who have sold and bought [homes];*
- (2) off-island families traveling to O‘ahu for medical care;*
- (3) traveling healthcare workers temporarily assigned to O‘ahu;*
- (4) military families in transition;*
- (5) employees performing work on O‘ahu;*
- (6) temporarily displaced families; [and/or]*
- (7) others who prefer to temporarily reside closer to work or schools than the resort districts.*

Plaintiff’s Reply Brief at 7 (“Reply”), Dkt. No. 26 (citing Declaration of Andreea Grigore (“Grigore Decl.”) ¶ 5). Defendants do not dispute that these rentals are being used for ordinary living activities by the occupants. Although the occupants of monthly rentals may shift more frequently than some neighbors and perhaps Defendants would like, there is no doubt that these tenants are using the homes for residential purposes. Moreover, the use does not depend on why the property is owned. By Defendants’ logic, any home rental of any length is a commercial use if the property is owned for “speculative” financial or investment purposes.

Defendants make two additional contentions that should be addressed: first, that it is “absurd” to “interpret[] HRS [§] 46-4[(a)] in a manner that prohibits the City from regulating the duration [of] residential property rentals” because such an interpretation “would undermine its ability to address fundamental zoning issues and render the long-range and comprehensive planning require[ment]s in HRS § 46-4[(a)] a nullity.” Opp. at 19. The Court’s interpretation does not render the long-range and comprehensive planning requirement a nullity, nor does it prevent the City from regulating the duration of vacation rentals. It simply places certain restrictions on that regulation—restrictions plainly imposed by the State Legislature. The City may, and indeed must, execute its long-range planning goals, while respecting and accommodating prior lawful uses already in place, as HRS § 46-4(a) requires it to do.”



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February 29, 2024

SENATE COMMITTEE ON WAYS AND MEANS
SENATE COMMITTEE ON JUDICIARY

HEARING DATE: March 1, 2024
TIME: 10:31 am
PLACE: Conference Room 211

Re: TESTIMONY ON BEHALF OF AIRBNB OPPOSING
SENATE BILL NO. 2919 S.D. 1

Dear Chairs Dela Cruz and Rhoads, Vice Chairs Moriwaki and Gabbard, and Committee Members:

We write on behalf of our client, Airbnb, in opposition to Senate Bill No. 2919 S.D. 1 (“**SB 2919 S.D. 1**”). We are concerned that this bill is unconstitutional and has the potential to result in substantial future legal action. The stated purpose of the proposed amendment in SB 2919 S.D. 1 is to allow the Counties to amortize or phase out transient accommodations uses by eliminating transient accommodations from the class of residential use that is protected from amortization by the terms of Section 46-4 of the Hawai‘i Revised Statutes (“**HRS**”). Effectively, this would mean that a lease term of 179 days would be subject to elimination by the Counties while a lease term of 180 days would not. This proposed amendment would likely result in substantial conflict with existing constitutional rights that have been explicitly recognized by courts in the State of Hawai‘i. As discussed more fully below, such changes would potentially cause numerous unintended consequences, which could ultimately lead to a deprivation of vested rights of existing, residential homeowners. The end result of such impacts would likely be substantial litigation. For these reasons, we would strongly urge that the Committee not pass this bill.

A. Section 46-4 of the Hawai‘i Revised Statutes Reflects the State’s Statutory Codification of Property Rights Arising from the Hawai‘i and United States Constitutions.

As currently enacted, Section 46-4(a) of the Hawai‘i Revised Statutes (“**HRS**”) protects the property rights of residential homeowners, which are vested in owners by both the Hawai‘i and United States Constitutions.

Specifically, the language of Section 46-4(a) makes clear that existing uses which were permissible at the time of the enactment of the statute shall not be impacted by subsequent governmental acts, providing:

Neither this section nor any ordinance enacted pursuant to this section shall prohibit the continued lawful use of any building or premises for any . . . purpose for which the building or premises is used at the time this section or the ordinance takes effect.

The effect of this provision was to provide that a county was precluded from passing a law that discontinues any previously lawful use of any property. Additionally, the statute limited counties’ passing of zoning ordinances that provided for the elimination of nonconforming uses or for the amortization or phasing out of nonconforming uses solely to commercial, industrial, resort, and apartment-zoned areas only. The statute further confirms that, “In no event shall such amortization or phasing out of nonconforming uses apply to any existing building or premises used for **residential** (single-family or duplex) or agricultural uses.” (emphasis added).¹

In interpreting Section 46-4, it is important to look to the history of its passage.² The Legislature noted property owners’ protections arising from the Hawai‘i and federal Takings Clauses and passed the language that would limit the counties’ ability to adopt zoning ordinances that “prohibit the continuance of the lawful use of any building or premises for any trade, industry, residential, agricultural or other purpose for which such building or premises is used at the time . . . such ordinance takes effect.”³

In 1980, the Legislature amended Section 46-4 and added the above-cited language to prohibit the counties from phasing out “any existing building or premises used for residential or agricultural purposes.”⁴ As the 1980 House Journal confirms, this amendment was intended “to restrict the areas where the counties are allowed to amortize or phase out non-conforming uses to non-residentially zoned areas.”⁵

The intent and effect of Section 46-4(a) are clear: counties may not phase out the continued lawful use of any property used for residential purposes. Courts have enforced that limitation in a

¹ Haw. Rev. Stat. § 46-4.

² Hawai‘i law expressly recognizes that a statute’s legislative history is relevant to ascertain its “true meaning.” H.R.S. § 1-15.

³ Act 234, Hawai‘i Session Laws 1957, § 6.

⁴ 1979 Hawai‘i Senate Journal (Special Committee Reports) at 1235.

⁵ 1980 Hawai‘i House Journal (Standing Committee Reports) at 1676–77 (noting the amendment “restricts the counties from amortizing or phasing out existing buildings or premises used for residential or agricultural purposes.”).

variety of contexts to ensure that property uses lawful under preexisting zoning ordinances receive grandfathering protection.⁶

B. As Amended, SB 2919 S.D. 1 Could Result in Violations of the State and Federal Constitutions by Impairing Existing Vested Rights and by Enacting an Unconstitutional Special Law

It is incontrovertible that the Hawai‘i State Legislature has a duty to pass laws that are consistent with and effectuate the protections of the Hawai‘i and Federal Constitutions.⁷ Passage of this bill would conflict with the Legislature’s obligations to adopt laws consistent with constitutional principles. Amending HRS § 46-4 through SB 2919 S.D. 1 would not change the underlying constitutional protections that the statute codifies. Furthermore, the Legislature’s authority to adopt laws does not authorize it to redefine constitutional requirements.⁸ Such a change could, thus, result in substantial litigation, which would be time-consuming, costly, and harmful to Hawai‘i’s residential landowners.

1. SB 2919 S.D. 1 would impair existing vested rights in violation of existing State and federal constitutional protections.

As noted, one of the fundamental purposes of HRS § 46-4 is to protect the uses that lawfully existed prior to the effective date of a zoning restriction. Such protection has its foundation in principles arising from protections in both the United States and Hawai‘i constitutions. The Fifth Amendment to the United States Constitution prohibits “private property [from] be[ing] taken for public use, without just compensation.” U.S. Const. amend. V. Similarly, the Hawai‘i Constitution states that “[p]rivate property shall not be taken or damaged for public use without just compensation.” Haw. Const. art. I, § 20. Furthermore, the Hawai‘i Constitution provides even broader protection than its federal counterpart, as it prohibits not just takings, but also mere “damage” to property interests.⁹ As such, “[w]hen applying the Hawai‘i Constitution, Hawai‘i courts may interpret it to afford greater protection than provided by the U.S. Constitution.”¹⁰

Both Hawai‘i and federal litigation has recognized the principle that all preexisting uses of land are protected, including nonconforming uses. “Under the United States and Hawai‘i

⁶ See, e.g., *Waikiki Marketplace v. Zoning Bd. Of Appeals*, 86 Hawai‘i 343, 354, 949 P.2d 183, 194 (Ct. App. 1997).

⁷ “[E]very enactment of the Legislature is presumptively constitutional.” *Schwab v. Ariyoshi*, 58 Haw. 25, 31, 564 P.2d 135, 139 (1977) (citing *State v. Kahalewai*, 56 Haw. 481, 541 P.2d 1020 (1975)); cf. *League of Women Voters of Honolulu v. State*, 150 Hawai‘i 182, 194, 499 P.3d 382, 394 (2021) (“[I]f the Legislature could alter the meaning of the Hawai‘i Constitution through its own rules of procedure, theoretically, there would be no need to go through the formality of amending the Hawai‘i Constitution. See *Mason’s Manual [of Legislative Procedure]* (2010 ed.) § 12, ¶ 1 (‘A legislative body cannot make a rule which evades or avoids the effect of a rule prescribed by the constitution governing it, and it cannot do by indirection what it cannot directly do.’).”)

⁸ *Sierra Club v. Dep’t of Transp. of State of Hawai’i*, 120 Hawai‘i 181,196, 202 P.3d 1226, 1241 (2009), as amended (May 13, 2009).

⁹ See, e.g., *Cnty. of Hawai’i v. C & J Coupe Family Ltd. P’ship*, 119 Hawai‘i 352, 382, 198 P.3d 615, 645 (2008).

¹⁰ *Id.* (citing *Hawai‘i Hous. Auth. v. Lyman*, 68 Haw. 55, 69, 704 P.2d 888, 896 (1985)).

Constitutions, ‘preexisting lawful uses of property are generally considered to be vested rights that zoning ordinances may not abrogate.’”¹¹ Significantly, even preexisting nonconforming uses are protected from subsequent restrictive zoning regulations.¹² As the Hawai‘i Intermediate Court of Appeals has recently stated, “The statutory protection of lawfully existing uses and structures ‘prior to the effective date of a zoning restriction is grounded in constitutional law.’”¹³

The Ninth Circuit has similarly recognized that the right to continue a preexisting lawful use is constitutional in nature. “A provision permitting continuance of a nonconforming use is ordinarily included in zoning ordinances because of the hardship and doubtful constitutionality of compelling the immediate discontinuance of nonconforming uses.”¹⁴

It is important to note that one of the primary issues raised by SB 2919 S.D. 1 is its attempt to define any rental of property less than 180 days in length as no longer constituting a “residential” use. However, courts in Hawai‘i and across the United States have repeatedly reaffirmed that short-term rentals are a fundamentally residential use. Most recently, the Hawai‘i Federal District Court held that short-term rentals of 30-89 days were “residential uses” because the property was being “used” for “ordinary living activities.”¹⁵ The court further recognized that residential owners have such vested rights and that limitations would likely violate constitutional takings principles in holding that the County ordinance likely violated both Section 46-4(a) and the Takings Clause of the Hawai‘i and Federal constitutions.¹⁶ As to Section 46-4(a), the court recognized that short-term rentals are a residential use of property, and counties therefore were required to provide grandfathering protection.¹⁷ But the court did not stop there. Recognizing that Section 46-4(a)’s statutory protection was grounded in constitutional principles, it also found the ordinance likely violated the Takings Clause. The court stated:

The Takings Clause, made applicable to the States by the Fourteenth Amendment, provides that private property shall not “be taken for public use, without just compensation.” U.S. Const. amend. V. 21 . . . In the present case, 30–89-day rentals in non-Resort districts are a vested property right protected by takings principles. Plaintiff has articulated its vested entitlement to this property right on the basis of equitable reliance principles: . . . Here, there is no question that there has, in that Ordinance 22-7 outlaws the rentals in question within 180 days and without

¹¹ *Ferris Trust v. Planning Comm’n of Kaua‘i*, 138 Hawai‘i 307, 312, 378 P.3d 1023, 1028 (Ct. App. 2016) (internal citations omitted).

¹² *Young v. Planning Comm’n*, 89 Hawai‘i 400, 410, 974 P.2d 40, 50 (1999) (internal citations omitted)

¹³ *Ferris Trust*, 138 Hawai‘i at 312, 378 P.3d at 1028 (internal citations omitted); *Waikiki Marketplace*, 86 Hawai‘i at 353, 949 P.2d at 193 (citing the due process clauses of the United States and Hawai‘i Constitutions).

¹⁴ *League to Save Lake Tahoe v. Crystal Enterprises*, 685 F.2d 1142, 1145 (9th Cir. 1982).

¹⁵ *Hawai‘i Legal Short-Term Rental All. v. City & Cnty. of Honolulu*, No. 22-CV-247-DKW-RT, 2022 WL 7471692, at *7-8 (D. Haw. Oct. 13, 2022).

¹⁶ *Id.* at 10 (“In the present case, 30–89-day rentals in non-Resort districts are a vested property right protected by takings principles.”)

¹⁷ *Id.* at *5-8.

providing any process to compensate or accommodate nonconforming uses. In this light, Ordinance 22-7 likely violates the Takings Clause.¹⁸

Accordingly, the Hawaii Federal District Court enjoined the City and County of Honolulu from enforcing certain provisions of an ordinance that prohibited the previously lawful rental of one's residence for 31–89 days because it effected an unconstitutional taking.¹⁹ Further, just last month, the Hawai'i Federal District Court permanently enjoined enforcement of that very same Honolulu ordinance.²⁰

Ultimately, the passage of SB 2919 S.D. 1 would inevitably lead to continued improper attempts to regulate existing vested uses of residential property that are protected. As such, we would urge that the bill be held as it would not accomplish any legitimate governmental objective and would ultimately lead to substantial and unnecessary litigation.

C. SB 2919 S.D. 1 Potentially Implicates the Equal Protection Clauses of the Hawai'i and United States Constitutions.

It should be noted that the distinction being created by SB 2919 S.D. 1 by characterizing transient accommodations, i.e. stays of less than 180 days, as somehow not a residential use, while stays of 180 days or more are a residential use, creates a distinction between different owners of traditionally residential property that does not appear to have any rational basis. In order for a law such as SB 2919 S.D. 1 to create distinctions between individuals, the legislature must have, at a minimum, a rational basis for such disparate treatment.²¹

To the extent that SB 2919 S.D. 1 creates the distinctions identified herein, it has not provided any valid justification for such disparate treatment.

It is noted that in the recently decided Hawai'i Federal District Court case, Judge Derrick Watson examined the fundamental nature of a short-term rental and concluded that it was a “residential use.”²² In response to the argument that “short-term rentals are [] business, commercial, and transient/resort type land uses; they are not ‘residential uses’ protected from amortization under HRS § 46-4,”²³ Judge Watson stated: **“The Court disagrees. Whether a use**

¹⁸ *Id.* at *6-7.

¹⁹ *Id.*; see also *Hawai'i Legal Short-Term Rental All. v. City & Cnty. of Honolulu*, No. 22-CV-00247-DKW-RT, 2023 WL 8850247, at *1 (D. Haw. Dec. 21, 2023).

²⁰ *Hawai'i Legal Short-Term Rental All.*, No. 22-CV-00247-DKW-RT, 2023 WL 8850247, at *1.

²¹ See *Willowbrook v. Olech*, 528 U.S. 562, 564 (2000); *Armendariz v. Penman*, 75 F.3d 1311, 1327 (9th Cir. 1996); *DW Aina Lea Development, LLC v. Bridge Aina Lea, LLC.*, 134 Hawai'i 187, 218, 339 P.3d 685, 716 (2014) (“[T]he equal protection clauses of the United States and Hawai'i Constitutions mandate that all persons similarly situated shall be treated alike[.]”).

²² *Hawai'i Legal Short-Term Rental All.*, No. 22-CV-247-DKW-RT, 2022 WL 7471692, at *9.

²³ *Id.* at 8.

is residential depends much more on what is being done at a residence than for how long.²⁴
Judge Watson continued to state:

[T]hese rentals are being used for ordinary living activities by the occupants. Although the occupants of monthly rentals may shift more frequently than some neighbors and perhaps Defendants would like, there is no doubt that these tenants are using the homes for residential purposes. Moreover, the use does not depend on why the property is owned. By Defendants’ logic, any home rental of any length is a commercial use if the property is owned for “speculative” financial or investment purposes.²⁵

Thus, Judge Watson has already identified the standard for evaluating what constitutes a residential use and found that the distinction between a shorter term use and a longer term use is not legally significant, as the character of the use is the primary factor. SB 2919 S.D. 1 does not articulate any rational basis as to why a tenant with a six month lease is a valid residential use, but none of the following uses are “residential”: (1) a temporary worker who comes to Hawaii for 90 days to help address the lack of affordable housing; (2) an environmental scientist who spends 30 days in Maui reviewing environmental impacts; or (3) a guest professor who comes to Hawaii for a semester to teach a class. All of these uses are fundamentally the same in that they are all using the rented property for ordinary living activities and all are providing great benefit to the State of Hawaii. The fundamental effect of SB2919 would be to characterize these as different uses even though they are essentially identical. As such, this attempted redefinition of what constitutes a residential use results in a law that impermissibly treats groups of people disparately in violation of the Hawaii and United States Constitution. For this reason, SB 2919 S.D. 1 should be held.

D. SB 2919 S.D. 1 would violate the General Laws Provision of the Hawai‘i State Constitution.

In addition to conflicts with vested rights, SB 2919 S.D. 1 could be challenged pursuant to Article XI, section 5 of the Hawai‘i Constitution, which provides that the power of the legislature “shall be exercised *only by general laws*,” rather than by special laws.²⁶ The Hawai‘i Supreme Court has held that in order to be a general law, a statute “must apply uniformly” to a particular class.²⁷ The Hawai‘i Attorney General has similarly opined that “[a] law is a special, not a general, law if it operates upon and affects only a fraction of persons or a portion of the property encompassed by a classification, granting privileges to some and not others.”²⁸

²⁴ *Id.* (emphasis added).

²⁵ *Id.*

²⁶ Haw. Const. Art. XI, § 5 (emphasis added).

²⁷ *Sierra Club v. Dep’t of Transp. of State of Hawai’i*, 120 Hawai‘i 181, 214, 202 P.3d 1226, 1259 (2009), as amended (May 13, 2009).

²⁸ Att. Gen. Op. 07-2.

SB 2919 S.D. 1 is an unconstitutional “special law” because it affects only a fraction of the class of residential property in that the proposed law expressly carves out protections for uses of property less than 180 days, which have traditionally been considered residential, while other properties, including other residential uses of property, remain protected.

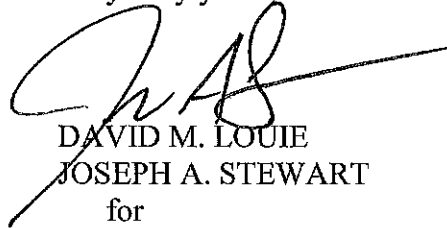
There is no question that vacation rental units represent a residential use of property regardless of the rental period. As Judge Watson recognized in the recently decided Hawai‘i Federal District Court case, “appellate courts of at least nineteen states have decided that even rental stays of less than 30 days—nightly, weekend, or weeklong stays—constitute *residential uses* or purposes.”²⁹ Similarly, other courts have recently recognized that “[a] ‘residential building’ is used for human habitation without regard to length of occupancy” and “[i]t is possible to reside somewhere for a night, a week, or a lifetime.”³⁰ The proposed bill flies in the face of established law by excluding vacation rentals from the protection from amortization expressly afforded to residential uses in HRS 46-4. The legislature must either give vacation rentals the same protection as other residential uses or else allow phasing out of all residential uses of property – a drastic result that is surely not intended by SB 2919 S.D. 1.

Given that SB 2919 S.D. 1 fails to apply uniformly to residential property, it is inconsistent with the Hawai‘i State Constitution’s general laws provision. Importantly, the Hawai‘i Supreme Court has not hesitated to declare statutes that violate the provision as unconstitutional.³¹ As such, SB 2919 S.D. 1 would be the target of significant litigation around the State.

E. Conclusion

For the reasons set forth herein, we have significant concerns about the proposed changes in SB 2919 S.D. 1 and would strongly recommend that the Committee hold this bill.

Very truly yours,



DAVID M. LOUIE

JOSEPH A. STEWART

for

KOBAYASHI, SUGITA & GODA, LLP

²⁹ See *Hawai‘i Legal Short-Term Rental All.*, No. 22-CV-247-DKW-RT, 2022 WL 7471692, at *16 (emphasis added).

³⁰ *Keen v. City of Manhattan Beach*, 292 Cal. Rptr. 3d 366, 370 (2022).

³¹ See *Sierra Club*, 120 Hawai‘i at 214, 202 P.3d at 1259.



The Senate Committees on Judiciary and Ways and Means

Hearing Scheduled: March 1, 2024 10:31am
State Capital, Conference Room 211

Re: SB 2919, Relating to Zoning

Testimony in Strong Opposition

Aloha Chair Rhoads, Chair Dela Cruz, Vice-Chairs, and Members of the Committee,

The O`ahu Short Term Rental Alliance (“OSTRA”) represents many thousands of residents who own, manage and work within the legal mid and short-term rental industry – and we oppose SB2919.

Our rentals provide over 13,000 living wage jobs that support property managers, cleaners, contractors and their families. Our short and mid-term rentals provide critical housing to meet the needs of residents and vacationers. Short-term rentals on O`ahu provided \$46 million in taxes and fees toward the state’s budget in 2022 and contributed \$165 million toward the County budget.

We believe you also will oppose SB2919 when you understand the immediate implications for housing, local jobs, the economy, and tax revenue for Hawai`i. Simply holding hearings on these types of bills creates unnecessary uncertainty particularly for housing, tourism, and real-estate related businesses at a vulnerable time.

SB2919 would give the counties authority to enact ordinances to eliminate, or phase out short-term rentals in any zoning classification.

What Hawai`i needs most is clear, consistent, fair rules for business to thrive. Instead, this bill would have each County able to eliminate existing property rights without compensation (so making it legal for Counties to do what would now be considered an illegal taking of private property). The most likely result will be confusion, litigation, and illegal attempts by county officials to eliminate productive, legal, tax and local-job generating businesses.

This bill creates fear for some of our most vulnerable residents and would hit them hardest: on O`ahu, 80% of the short-term rental owners are residents and also *kupuna* (*seniors*). 70% of them own 1 unit that provides income to subsidize the ever increasing cost of living in Hawaii.

Our short-term rentals provide furnished, temporary housing to residents as well as visitors. 25% of Oahu’s visitors are non-vacationers (per the HTA). 13% of those visitors are friends and family that need affordable accommodations. It is very likely that if you live on another island, you have stayed in a short-term rental on O`ahu.

The following groups stay in our affordable, temporary or transitional housing¹:

Residents

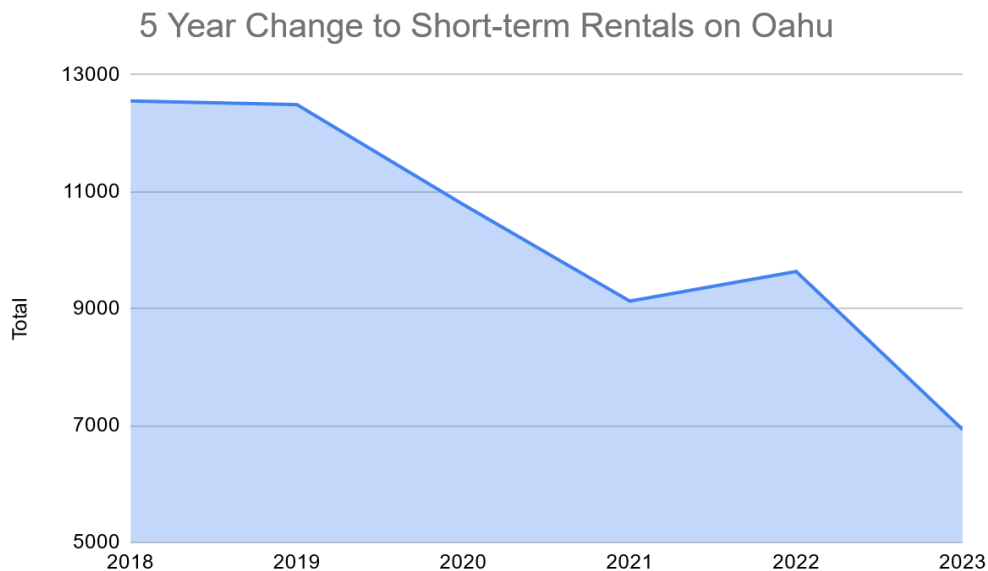
- Inter-island neighbors visiting for work, health procedures or family events
- Residents displaced from emergency events such as the Red Hill Crisis and the Marco Polo fires
- Residents needing temporary housing due to life's transitions
- Newly housed residents that cannot qualify for an annual lease
- Residents needing a vacation or place to gather for events

Non-Residents

- Thousands of Traveling Nurses and other medical personnel
- Temporary military and emergency contractors
- Film and sporting event participants
- Family & friends visiting for various life events

These residents and important visitors cannot afford the average hotel rate of \$700/night. They choose short-term rentals for affordability and also the livability versus a hotel room.

The following chart shows the **45% decline** in short-term rentals on O’ahu due to regulations:



SOURCE: AirDNA, July 2023

By passing this Bill, the counties will further eliminate mid and short-term rentals creating another housing problem for residents and important visitors.

Excluding rentals defined as “hotel units”, O’ahu is down to 2,000 legal short-term rentals or 1% of our housing. Vacant homes account for 9% of all housing on Oahu.

¹ Note, for O’ahu, the short-term rental (less than 30 days) industry is extremely small and increasingly owned by hotels due to recent changes in Honolulu County rules (and recently amended by the Courts due to successful litigation by a group representing owners called HILSTRA). Due to the litigation, there is now a small group of people who can advertise for mid-term rentals. This group may become increasingly important as STRs have almost disappeared on O’ahu but much of our existing data does not necessarily distinguish these new categories.

We support legal rentals and will work to make compliance clear and easy. Unfortunately, it appears that the inability of the Honolulu City and County Planning and Permitting Department to enforce existing regulations before passing new regulations has resulted in continued illegal activity. Additional authority will result in new laws that will punish those operating legally, and proliferate the illegal activity.

Our industry provides living-wage jobs, flexible housing and vacation options, opportunities for residents to own, live, and rent, and keeps spending in the communities.

Please do not pass this Bill that would allow the County to further erode an essential right and component of housing for our residents and important visitors.

Sincerely,

A handwritten signature in black ink, appearing to read "Kelly Lee". The signature is written in a cursive style with a horizontal line underneath the name.

Kelly Lee, President
O'ahu Short Term Rental Alliance (OSTRA)

Contact@OSTRA.org

February 23, 2024

Re: Resolution 24-27, HB1838 and SB2919

To Whom It May Concern:

We are the owners of Four Paddle unit 708 in Waikiki. The property is located in residential zoning and not resort zoning. We purchased our unit in August of 2001 as both our second home and an investment property for when we are away. We purchased this unit because it had the Non-Conforming Use Certificate (NUC) attached to it. We wanted to buy a higher floor but the State sanctioned short-term certificate attached to the unit was a legally accepted way to rent the unit. It allowed us to use the unit and additionally contribute to the economy remotely until we could retire.

We don't understand the need to eliminate NUC's as there are currently less than 2000 still active. These units help local residents in many ways. They offer furnished housing for displaced residents, residents from outer islands seeking medical treatment, those effected by building fires, Red Hill, traveling nurses, etc. Having 2000 legal short-term rentals is needed in the community, it only helps and does not cause harm.

During the past 22-years of owning our condominium, we have added greatly to the economy of the State and City. We employ a full-time management company that does our rentals and maintenance. Our rental guest also drives the economy with every dollar they spent. We pay all the required short-term rental taxes along with the NUC renewal fees. The management team members are paid a living wage driven by our legally allowed short-term rental. Local 6 has made it perfectly clear that hotels do not provide a living wage to their employees. It is a constant fight for wage increases for Local 6 while the hotel chains make huge profits off the backs of workers.

We have a one-bedroom condominium and have done two full renovations of the unit in the last 22-years. The last renovation was over \$100,000. There is also yearly upgrading and replacing furniture and items. That's all monies which go directly back into driving the local economy.

For the last 22-years, we have done everything legally required by the State and City to maintain our NUC. Now with Resolution 24-27 and bills HB1838 and SB2919, the Legislators want to change the rules yet again but this time it is against those with NUC's who follow the law. The Legislator's created Bills HB 89 and HB 41 so that the DPP can monitor short-rentals. In 2019 when Bill HB 89 passed, the DPP was given enforcement powers over illegal vacation rentals. Those the units that the Legislators should be addressing, not the legal NUC units.

We are in the process of returning to the island full-time as we have both retired and plan to purchase a two-bedroom condominium. That again contributes more to the island economy. Our rental investment with the NUC is part of our retirement plan that has been in the works

for over thirty years. Part of our retirement income includes the revenue from our legal short-term rental. That revenue is returned back to the local economy. Now you are proposing to rip away the NUC's from those who have done nothing but follow the rules of the law. After 22-years of doing everything legally and contributing greatly to the economy you want to change the rules. We feel this is unacceptable and wrong.

We recommend that the State reject Resolution 24-27 and bills HB1838 and SB2919.

Thank you,

Charles Snider and Daniel Muzinich

SB-2919-SD-1

Submitted on: 2/27/2024 7:28:51 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Barbara DeBry	Individual	Oppose	Written Testimony Only

Comments:

Aloha. Ohau is actually down 2,000 short term rentals if you exclude hotels rooms/units.

There is no we can afford to lose MORE of them. Short term rentals are a life line for displaced residents, newly housed residents looking for housing, traveling nurses, emergency contractors, temporary students including our families and friends. There will be NO WHERE to stay when you come to Oahu to work or seek special health care available only on Oahu.

Please do not pass this bill. Short term rental owners continue to get hit every year with another tax, fee or permit requirement. The solutions you are presenting ARE NOT solutions. They are only creating more problems.

SB-2919-SD-1

Submitted on: 2/27/2024 7:30:13 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Lynne wood	Individual	Oppose	Written Testimony Only

Comments:

I oppose. How many people actually determine the fate of this bill? A handful to determine the fate of 28 thousand units? Couple years ago only 3 days prior to this group banning short term it was discovered one person's significant other was the in head position at Aston. I know thousands testified to not ban airbnb so who and how did it get passed??? Seems the excuses kept changing. First it was due to taxes not being collected and airbnb said ok we will collect and give you the millions and that wasn't accepted. Then excuse was its destroying neighborhoods which 99% wasn't true. Most are couples or families that come here. Explore all day and come home to sleep. 3rd excuse was locals need housing. So many people, 28k units, trying to get long term renters, traveling nurses. Nice buildings now have low income people if they are lucky to have anyone. I know have older, disabled drug addict next to me. Thanks for hurting so many for why??

February 23, 2024

Re: Resolution 24-27, HB1838 and SB2919

To Whom It May Concern:

We are the owners of Four Paddle unit 708 in Waikiki. The property is located in residential zoning and not resort zoning. We purchased our unit in August of 2001 as both our second home and an investment property for when we are away. We purchased this unit because it had the Non-Conforming Use Certificate (NUC) attached to it. We wanted to buy a higher floor but the State sanctioned short-term certificate attached to the unit was a legally accepted way to rent the unit. It allowed us to use the unit and additionally contribute to the economy remotely until we could retire.

We don't understand the need to eliminate NUC's as there are currently less than 2000 still active. These units help local residents in many ways. They offer furnished housing for displaced residents, residents from outer islands seeking medical treatment, those effected by building fires, Red Hill, traveling nurses, etc. Having 2000 legal short-term rentals is needed in the community, it only helps and does not cause harm.

During the past 22-years of owning our condominium, we have added greatly to the economy of the State and City. We employ a full-time management company that does our rentals and maintenance. Our rental guest also drives the economy with every dollar they spent. We pay all the required short-term rental taxes along with the NUC renewal fees. The management team members are paid a living wage driven by our legally allowed short-terms rental. Local 6 has made it perfectly clear that hotels do not provide a living wage to their employees. It is a constant fight for wage increases for Local 6 while the hotel chains make huge profits off the backs of workers.

We have a one-bedroom condominium and have done two full renovations of the unit in the last 22-years. The last renovation was over \$100,000. There is also yearly upgrading and replacing furniture and items. That's all monies which go directly back into driving the local economy.

For the last 22-years, we have done everything legally required by the State and City to maintain our NUC. Now with Resolution 24-27 and bills HB1838 and SB2919, the Legislators want to change the rules yet again but this time it is against those with NUC's who follow the law. The Legislator's created Bills HB 89 and HB 41 so that the DPP can monitor short-rentals. In 2019 when Bill HB 89 passed, the DPP was given enforcement powers over illegal vacation rentals. Those the units that the Legislators should be addressing, not the legal NUC units.

We are in the process of returning to the island full-time as we have both retired and plan to purchase a two-bedroom condominium. That again contributes more to the island economy. Our rental investment with the NUC is part of our retirement plan that has been in the works

for over thirty years. Part of our retirement income includes the revenue from our legal short-term rental. That revenue is returned back to the local economy. Now you are proposing to rip away the NUC's from those who have done nothing but follow the rules of the law. After 22-years of doing everything legally and contributing greatly to the economy you want to change the rules. We feel this is unacceptable and wrong.

We recommend that the State reject Resolution 24-27 and bills HB1838 and SB2919.

Thank you,

Charles Snider and Daniel Muzinich

SB-2919-SD-1

Submitted on: 2/27/2024 7:35:22 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
David White	Individual	Oppose	Written Testimony Only

Comments:

Esteemed members of the legislature, thank you for the opportunity to present my perspective on HB1838. My name is David White and my wife and I have been coming from Oakland California with our children to Kuilima Estates in the North Shore for over a decade. We fell in love with Oahu and the North Shore, and started coming at least once a year, more when we could. In addition to the weather and the beaches we loved exploring the towns, shops, restaurants, and roadside stands. We always made a point of stopping at Leonard's for malasadas when we land, and then hit Ted's pie shop on our way to where we are staying. Over the years as we started thinking about what retirement might look like, without hesitation we both very much want to move to the North Shore permanently. We spent 2 years looking at waiting for the perfect palace and finally we had the opportunity to buy a wonderful condo at Kuilima Estates. To be honest it was more than we could afford, but since KE was in an area that has been allowed to have STRs, we believed that we could make it work until we can move there full time. There have been some challenging months, as tourism across Hawaii has been so affected both during and since Covid but so far, we have been able to squeak by.

As you can tell, we are very invested in Oahu. As I write this I am looking at my Kahuku Red Raiders ball cap. We love our time there and are very much looking forward to retiring to our place that we worked so hard to get. We are still a number of years away from retirement but if HB1838 passes, it may destroy not just our plans but much of what we have worked for. In the event that STRs are prohibited from renting for less than 30 days, 2 very sad things would happen. First, we would have to sell our condo. There is just no way that we could afford to keep it if we are not able to offset the costs by using it as a short term rental. The second thing is that we would likely lose a tremendous amount of money since we would need to sell quickly and almost certainly sell at a loss since the value of the condo will plummet if it cannot be used as a STR. This would wipe out decades of hard work and careful saving on top of losing the condo. In short, we would be devastated both emotionally and financially if this were to go through.

As catastrophic as it would be for us, I fear that it may be even more detrimental to the North Shore that we so enjoy. The STR tenants are people that are far more likely to spend money, supporting the local community. Most people, when they come and stay in a hotel, are likely to take the majority of their meals there, and often may never leave the hotel at all. When people

stay in STRs that are far more likely to shop at the stores, go to the local restaurants, and stop at the roadside stands to buy fresh fruit and banana lumpia from the wonderful ladies there. The STR industry on the northshore, though very small, manages to make a significant amount of money for not just stores and restaurants, but cleaners, repair people, and property managers. This is money that continues to cycle in the local economy and not get siphoned off back to the mainland. The entire economy of the North Shore is so entrenched in tourism, and honestly, it would be a tragedy to devastate the tourism industry that supports so many people for whatever small gains that may come by eliminating STRs.

Thank you for your time and careful consideration of this issue. I have faith that upon reflection, you will agree that it is in the best interest of the North Shore and Oahu for the measure to NOT pass.

Sincerely,

David

A. White

SB-2919-SD-1

Submitted on: 2/27/2024 7:49:25 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Leyla Matsueda	Individual	Oppose	Written Testimony Only

Comments:

My sister and I are the surviving owners of a condo at Kuilima Estates East, which our mother purchased with us in 1975. This condo is in a resort zone and is a legal short-term rental. We oppose HB1838 because it takes away our right to use the condo as a short-term vacation rental now that our mother has passed on. Renting it out short term allows us to afford to keep our family property and use it some of the time for ourselves, other family, and friends when they visit Oahu. The condo's HOA fees and property taxes are expensive, so we need to rent it out some of the time in order to cover these and other costs. In the past, we have tried to find longer-term renters but were unsuccessful. Kahuku is far from places to work and the condo is too small for a family to live in comfortably, so we have relied on short-term rentals to defray the costs of keeping our property. We have been renting the condo out since 2015 and paying our GE, TA, and now OTA taxes faithfully. We hope that we can continue to do so, and that the ordinance that now allows short-term rentals, especially in resort zones, will be maintained.

Leyla Matsueda

SB-2919-SD-1

Submitted on: 2/27/2024 7:50:40 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Barbara Barry	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill as I use this income as a retiree to help suppose my living expenses

HB1838 is not a solution that will solve affordable housing, inflation, tourism issues, and more. We believe that the current measures being considered will actually harm or exacerbate those existing problems because short-term rentals in and of themselves are not the problem that needs a solution. As the sayings go, "Don't rob Paul to pay Peter" and "Don't cut off your nose to spite your face." Instead, address the real issues directly, one of which is the fact that STRs (and resorts) provide SO MUCH income to county and state that local government needs to employ experts in business to use those funds wisely and smartly to provide affordable housing, better teacher pay, tourism education (and limitation, which we are for), and more.

As owners of a condo/cottage, we use it as a place for medical respite at sea level and offer it as a retreat to others in nonprofit work or in crisis. Outside of those times, we rent the unit to vacationers, and that income makes it possible for us to continue to use it for our own health and the health and recovery of others. On top of that, as an STR, our unit alone provides work for 7 Maui residents who love their jobs and depend on short-term rentals for that work. Not to mention the fact that condo neighborhood was built in the 1960s (International Colony Club in West Maui) originally as a vacation destination. Without the option to STR our cottage, we would no longer be able to provide retreat for those who cannot afford it. STRs are also one of the main lodging options for traveling medical professionals. We have rented to a handful of traveling nurses for extended stays and love knowing that our place is helping people locally. Beyond our personal concerns about our own little piece of property, we are concerned about the immediate and long-term broader impacts, such as:

- Eliminating or stifling STRs that are already legal would remove 40% of the real property tax revenue for Maui county, which is the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's \$1.7 billion dollar budget (already a massive budget that is robust enough to address issues and needs on the island if managed well). If STRs are curtailed, where will the equivalent revenue come from?

- Statewide, over 40,000 jobs are supported by the short-term rental industry. Restricting this sector could have far-reaching consequences on employment.

- In times of crisis, like the Lahaina Fire, short-term rentals serve as essential temporary, furnished housing for displaced residents. Our place was the neighborhood hub for nearly 10 days because of our solar power during the weeks right after the fire. Where will residents find temporary, furnished housing if our industry is further decimated?

We understand that there are huge issues and needs at the state and county levels; however, we believe that HB 1838 will create more problems than solutions.

SB-2919-SD-1

Submitted on: 2/27/2024 8:03:48 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Andrew Logreco	Individual	Oppose	Written Testimony Only

Comments:

My wife and I both work as government workers and serve our community to it's fullest. But we still struggle to keep up with cost of living. We are fortunate enough to have a little extra income from our legal short term rental. Local people need ever bit they can get and once again you will be stripping the local community of a chance to make a little extra income. In turn giving it over to the big businesses of hotels and foreign investors. Mahalo for your time and we the people believe you will do what's best for our community future

SB-2919-SD-1

Submitted on: 2/27/2024 8:03:57 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Craig Stevens	Individual	Oppose	Written Testimony Only

Comments:

I urge you to oppose this Bill.

There has already been a significant reduction in short term rentals on Oahu.

These rentals provide a key role in assisting displaced residents, emergency contractors and other short term needs for military families, student and medical staff finding transition accomodation at affordable prices.

The huge hotel rates are not a credible alternative.

The focus on reducing rentals in residential areas and those without permits/non legal is understable and has been supported. Proceeding on a pathway to total short term rental destruction is not. That path will lead to loss of short term accommodation for needed residents, local jobs and also significant tax revenues.

Many thanks for your consideration.

Craig Stevens

SB-2919-SD-1

Submitted on: 2/27/2024 8:15:51 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Sheryl Logreco	Individual	Oppose	Written Testimony Only

Comments:

Although my husband and I are both employed as government employees, we still encounter difficulties with keeping up with the cost of living in Hawaii. My husband will often work overtime or find other means to pay for our bills. We heavily rely on our income from our legal short-term rental to keep us afloat. Without this extra income from our legal short-term rental, we would not be able to continue to live here. Please consider how this bill will detrimentally affect the local people and the community at large.

SB-2919-SD-1

Submitted on: 2/27/2024 8:26:38 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kevin Williams	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

Our family home burned to the ground. Our possessions are ashes. Our memories are tarnished. Our mental health is barely hanging on and if this bill is passed it threatens the one thing we have left, our HOPE.

My name is Kevin Williams and I used to live in Lahaina. We are a family of six our lives were forever changed on August 8th, 2024. We lost our home, we lost our business, and nearly our lives. Unfortunately, this is a story you have heard too many times. We have stayed in Maui (Napili) every day since the fire to support our community. Even though our lives were devastated, we still stand strong and are providing other victims and community members with support in any way possible (offering professional advice on insurance/FEMA/SBA for free to other victims, starting a mommy-and-me workout group at Napili Park, coaching keiki soccer weekly and tipping and shopping local everywhere we can). Had this property we fled to not being a STRH we would have had no place to turn.

Passing Bill SB2919 puts our livelihood and that of many others at serious risk. It would devastate us even further if short-term rentals were phased out in Maui in any way. After establishing roots in west Maui now for over 12 years, we would no longer be able to live the life we have worked so hard to build. We also file 1099's for nearly a dozen West Maui residences and families who would also be negatively affected. This impact would trickle down to shops, restaurants, and businesses of all types. I'm not sure devastated is a strong enough word to describe what would happen to the Lahaina economy. It has suffered enough.

I am writing in opposition to this bill because it will threaten my ability to make a living along with the other cleaners, electricians, maintenance workers, and small businesses like me, who live and work in my community.

I ask that you please do not move this bill forward.

Mahalo for your time and personal attention to this matter,

Williams Ohana

Kevin, Kelly, Sienna, Malia, Landon and Leilani

808-495-2869

SB-2919-SD-1

Submitted on: 2/27/2024 8:31:04 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Lynnette Frank	Individual	Oppose	Written Testimony Only

Comments:

Dear Esteemed Members of the Committee,

I write to you today with a heavy heart and deep concern about the potential impact of proposed legislation on the vacation rental industry in Hawaii. As a third-generation owner of a condominium in beautiful Kihei, I have deep ties to this community, and the prospect of being unable to rent out our property would have devastating effects on my family and our ability to continue enjoying the beauty that is Maui.

For close to 50 years, my family has been visiting the island of Maui for both business and pleasure. Our condominium has been not only a place of respite for us, but also a means to provide short-term housing to residents in need, especially during times of displacement. In August 2023, we were able to support displaced residents by offering them short-term housing in our condo. If we are not allowed to continue renting out our property, we will be forced to sell it, as it will be too expensive to maintain. Moreover, the potential loss of this rental income would not only impact our family but also have ripple effects on the local community, including the workers who depend on the vacation rental industry.

I ask the Committee to please reconsider the potential consequences of this legislation and work together to find balanced solutions that preserve opportunities for citizens to participate in Hawaii's tourism industry, ensuring economic stability for families like mine and others who rely on this industry to make ends meet.

Mahalo for your consideration and attention to the voices of the local community members who will be greatly affected by this legislation.

Warm Regards,

Lynnette Frank

OPPOSITION TO BILL SB2919

This bill will impact us as owners of a short-term rental, possible put us in foreclosure of our property along with many other short term rental owners.

This bill could result in the phasing out of 13,744 LEGAL short-term rentals on Maui. This can change the future of Maui forever.

- Limit the number of tourists that come to the island
- Decrease jobs on the island, most tourist related jobs
- Restaurants would close their doors, more jobs lost
- Maui's short-term rentals provide 40% of real property tax revenue for the county as well as being the top funding source for affordable housing for Maul.
- Short term rental property tax revenue represents 18% of the county's 1.7-billion-dollar budget. Where will that revenue come from?
- Short term rentals house many that are coming to Hawaii to visit family, traveling nurses, emergency contractors, temporary military, students, family & friends.
- Taxes such as GET & TAT will be greatly reduced
- The Cities, Counties, and State will lose so much money

Please vote no on Bill SB2919

SB-2919-SD-1

Submitted on: 2/27/2024 8:58:18 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Nish Yan	Individual	Oppose	Written Testimony Only

Comments:

****Testimony Opposing Bill SB2919****

Dear Honorable Members of the Hawaii State Legislature,

I am writing to express my strong opposition to Bill SB2919, which **will authorize the counties to phase-out short-term rentals in any zoning**. This bill, while intended to address housing concerns, does not take into account the unique circumstances of families like mine who require flexibility due to work commitments across states.

My family and I travel frequently between Hawaii and California for work purposes. Our stays in Hawaii typically last two to three weeks at a time, and we visit the island 3 to 5 times a year, totaling about 3 months annually. The proposed legislation would severely impact our ability to make use of our property during these periods, forcing us to leave our home vacant for extended times, which is not only impractical but also financially burdensome.

The ability to rent our home on a monthly basis when we are not in Hawaii is critical for us. It allows us to maintain our property while also providing a service to visitors who prefer a home setting over traditional hotel accommodations. Many of our guests have shared that their trips (typically one month long) to Oahu, often for special occasions, would not have been possible without the option of a more residential accommodation that offers the space and comfort they need.

The proposed six-month rental minimum would not only affect property owners but also potential visitors to Oahu who rely on these flexible rental options to meet their travel needs. By restricting the ability to rent properties on a monthly basis, this bill could inadvertently harm Hawaii's tourism industry, which benefits from a diversity of lodging options.

We are planning to move to Oahu for our daughter's high school study in two years. We need the flexibility of renting out our home for short to mid-term rentals in order to keep our home until we move to Hawaii permanently.

I understand the intention behind Bill SB2919 is to address housing shortages and concerns within the state. However, I urge you to consider the unintended consequences this bill could have on families like mine and the overall visitor experience to Hawaii. There are certainly more

balanced approaches that can address housing concerns without unduly burdening property owners and affecting the state's tourism industry.

I respectfully request that you oppose Bill SB2919 and seek alternative solutions that protect the interests of all stakeholders involved. Thank you for considering my testimony.

Sincerely,

Nisha Yan

SB-2919-SD-1

Submitted on: 2/27/2024 9:11:22 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
George Vierra	Individual	Support	Written Testimony Only

Comments:

I am in full support of this bill, counties need to be able to phase out inappropriate short term rental projects that are commodifying much needed long term housing especially in apartment zone districts. Also campervan tourism is a big problem and should pay their fair share of taxes no loopholes

Mahalo,

George Vierra

SB-2919-SD-1

Submitted on: 2/27/2024 9:14:13 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ken Middleton	Individual	Oppose	Written Testimony Only

Comments:

Written Testimony for SB2919

Aloha, I'm Capt Ken Middleton. I'm a small business owner that relies heavily on the tourist trade. Thank you for the opportunity to share my testimony with you.

I believe the State and counties need to go back to the drawing board and come up with legislation that includes all existing TVU's and BNB's whether permitted or not and regardless of their location in a resort or residential zone.

I will list some of the sound, practical and reality reasons why your staff needs to do so. This future bill needs to be structured so that families can run their vacation rental business year round with existing 30 day rental agreements and not be penalized for creating employment. Grandfathering properties current on their GET & TAT taxes would be a start.

1. Vacation Rental owners don't go on strike disrupting and compromising vacationers' and business travelers' experiences. Ask Waikiki residents and merchants how these union practices have impacted them.
2. Any sound business model is based upon diversity. In other words you don't put all your eggs in one basket. One size does not fit all. You need to acknowledge and provide the accommodation choices our 9 million plus visitors expect and demand of any 1st world vacation destination. Accommodation diversity & choices are very important ingredients in keeping visitor counts stable.
3. Oahu's vacation rentals offer tremendous advantages to travelers when compared to a hotel. Privately owned vacation rental properties can offer more room, flexibility, amenities, freedom and privacy than a hotel room.

4. Many families prefer vacation homes as it permits them to cook together, hang together and play together with ease and with no logistical head-aches. Many of our charter & wedding clients say that Oahu needs to get their act together on family vacation rentals before they consider returning to the Islands.
5. Hotel room conversions to condotels, time-shares, private ownership, etc. have reduced hotel room inventories to critically low levels. How about supporting families trying to fill this niche instead of prosecuting them?
6. Vacation renters are much more likely to make personal connections and friendships with local families which is rewarding not only to visitors but also to Island residents. Waikiki hotel experiences are not nearly as memorable and repeat visitor numbers bear this out.
7. The Hawai'i Visitors Bureau markets Hawai'i as family-friendly destination. Could we get on the same page as the outfit that spends over \$100 million/year touting our Aloha and family friendly environment?
8. Vacation rental homes are considerably more eco-friendly than hotel rooms in Waikiki. The carbon-footprint of a family vacation based in a home is substantially less when you add up the 24/7 air conditioning, daily laundry services, unlimited hot water and no solar of the hotel sector.
9. Short term vacation rental rates permit many families to make their monthly mortgage & bill obligations whereas long term rental rates will not. You have been messing with families', couples' & individuals' property rights for going on 30 years. It's time to call off the inspectors, politicians & unions and show some common sense and civility. How about a little respect for home owners trying to make ends meet and provide a valuable and much appreciated service to visitors.
10. Residential vacation rental tenants tend to spend their recreational & dining budgets in the same neighborhoods and communities they are staying which benefits business owners outside of Waikiki. Vacation rentals dispersed around the Island of Oahu reduce the traffic and congestion around Waikiki and Honolulu.
11. A very high percentage of Oahu's short term vacation renters are responsible adults with children and grandparents traveling with them. These families are just like yours and mine looking for a high quality, good value travel experience. Let's be good hosts and leave the light on.
12. Vacation rentals have a positive impact on lowering the crime rate in neighborhoods where they are prevalent. Residential break-in rates have been documented to be substantially lower in neighborhoods where tenants are in and out with no predictable schedule compared to the typical 8am-5pm commuter neighborhood.
13. Vacation rentals are typically among the nicest kept up properties in their neighborhoods. They have a positive impact on the attractiveness of our neighborhoods and as a by-product a positive impact on property values.

14. BNBs and TVUs are not responsible for our homeless situation. Rent control will not solve it nor will forcing private owners to become slumlords. The solution is for the State & City & County to build low income housing on public lands away from our neighborhoods, beaches, and businesses.

15. The vast majority of short term rental operators pay their GET & TAT taxes generating tens of millions of dollars to our State and Counties. The few that don't can be pursued after you have a fair permitting process.

Letter opposing SB2919

Dear Members of the Senate,

As a property owner on Maui, I am deeply concerned about the potential impacts of SB2919 on the vacation rental industry in Hawaii. The testimony of individuals like Kris Adair, Marbella Alford, Karen Anderson, Quentin Parker, and Philip Andriano, along with numerous others, clearly illustrate the detrimental effects this type of legislation can have on the livelihoods of local residents and the broader community.

The proposed restrictions and increased fees will not only jeopardize the financial stability of property owners and workers in the vacation rental industry, but they will also have far-reaching consequences for the availability of affordable housing and the overall economy. It's evident that SB2919, if passed, will not address the root issues it aims to solve, and instead, it will exacerbate the challenges faced by working-class families and individuals who rely on the vacation rental industry for their livelihood.

I urge you to consider the voices and concerns of the local community, as reflected in the heartfelt testimonies opposing SB2919, and to seek solutions that support the sustainable and responsible operation of vacation rentals in Hawaii.

Mahalo for your attention to this critical matter.

Sincerely, James Loughhead Jr

3300 Wailea Alanui Dr 54D

Kihei, Maui, HI 96753

SB-2919-SD-1

Submitted on: 2/27/2024 9:17:15 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Rosaline Wang	Individual	Oppose	Written Testimony Only

Comments:

Hawai'i does not have any dominant industry except depends on tourism. Leaving the county to decide or kill the short term rental or mid term (less than 180 days) rental is like killing your own golden goose. Unless the state and the legislature know how to create new industry and attract investors to Hawai'i, blaming short term rental to drive the cost of living up is the most convoluted excuse. The rising of cost of living is global macroeconomic phenomena that affects all over the world, not because of short term rental or mid level rental taken away the affordable housing! Inventory. In fact, Providing affordable housing is the city, county and state government responsibilities! When on earth has it become the citizens who rent out their place to outsiders to stay afloat themselves?! Blaming on the ordinary locals or mainlanders or foreign buyers who try to either have a second home in Hawai'i, spend 4-6 months on the island for rehab, and rent out the unoccupied time to people outside of Hawai'i is easy way out for the authorities not hold themselves responsible for the housing, cost of living problem. Keep in mind, not necessarily people came to Honolulu for sun and fun, people are here for rehab, for works like traveling nurse, professors, researchers, hotel lodgings in the designated resorts areas simply won't work for them.

SB-2919-SD-1

Submitted on: 2/27/2024 9:27:32 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Tamara Paltin	Individual	Support	Written Testimony Only

Comments:

Aloha e Chair Dela Cruz, Chair Rhoads, Vice Chair Moriwaki, Vice Chair Gabbard and committee members,

Thank you for the opportunity to testify in strong support of SB2919 SD1.

We are in a housing crisis and we are working on building housing as fast as we can, some of the biggest obstacles are availability of water, adequate sewer infrastructure and fire suppression as well as the cost of this infrastructure and access to land. We cannot solely build our way out of this crisis. Since the invention of the internet and subsequently the creation of hosting platforms like Airbnb and VRBO, etc we have seen the widescale commodification of housing. In particular the Minatoya list on Maui allows non-conforming short term rentals in apartment zoned districts if they were built prior to April 1989 and not specified whether or not it was for long term rental to be a codified non-conforming use. Since that codification which allowed the commodification of shelter we have seen so many local families have to leave and now with the fire that has been exacerbated. Allowing counties to amortize non-conforming short term rentals would be the first step in taking back our neighborhoods and communities for our residents to live and play and a step back against the inflationary nature of housing in general.

Mahalo for your service and commitment to our communities,

Tamara

SB-2919-SD-1

Submitted on: 2/27/2024 9:27:52 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Danielle Beck	Individual	Oppose	Written Testimony Only

Comments:

I am a local resident and producer of commercial shoots. I do numerous photo shoots locally, as do friends for non local Hawai'i companies. We hire all local staff for these shoots, but clients and or talent have to travel for these type of projects. Locations and budgets do not allow at most times for them to stay in \$700+ a night hotel accommodations. If this bill passes the state loses out on many projects like this and the \$'s it brings for local hires, because housing is unaffordable and unavailable on a short term level. I oppose this bill.

SB-2919-SD-1

Submitted on: 2/27/2024 10:01:25 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Christine Frazer	Individual	Oppose	Written Testimony Only

Comments:

Banning existing, legal vacation rentals would have a devastating impact on my financial well-being and that of all the staff servicing the units. I have invested my the entirety of my retirement funds into real estate properties used for vacation rentals, relying on the income generated to support myself in my later years. Without this source of income, I would be left without a stable financial foundation, facing uncertainty and potential bankruptcy.

Moreover, the staff who work tirelessly to maintain and service these vacation rental units would also be severely affected. Many individuals depend on these jobs to support themselves and their families, and a ban on vacation rentals would result in widespread job losses and financial hardship for these hardworking individuals.

Additionally, banning vacation rentals would price out a significant portion of travelers who cannot afford the exorbitant rates of traditional hotels, which can range from \$700 to \$1000 per night. Traveling nurses, employees on short to mid-term assignments, and other individuals who rely on the affordability and flexibility of short term rentals would be left without viable accommodation options, further exacerbating the impact of the ban on both guests and property owners.

In conclusion, the repercussions of banning vacation rentals would extend far beyond financial losses for property owners like myself. It would have a domino effect on the livelihoods of staff servicing the units and would also disproportionately affect travelers who rely on the accessibility and affordability of vacation rentals. It is crucial to consider the broader implications of such a decision and work towards finding a balanced solution that supports the sustainability of the vacation rental industry while addressing any concerns raised.

SB-2919-SD-1

Submitted on: 2/27/2024 10:21:28 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Pam Schlauderaff	Individual	Oppose	Written Testimony Only

Comments:

Please oppose this bill to disallow vacation rentals. Owning a home in Hawaii is costly. Allowing owners to rent their homes when not personally using them helps defer the cost of home ownership. I paid extra to have ownership in a complex that allows vacation rentals. Taking away my property rights is not fair to me as an owner.

I own a vacation rentable condo and when not personally using it rent it to visitors coming to Maui. This income is vital for me and many others to be able to afford home ownership.

My biggest concern right now is the skyrocketing cost of home insurance. The rising costs of insurance and maintenance are driving up the cost of home ownership and making it less affordable for owners and renters.

Removing my ability to short term rent my home will be a financial burden on me and many others. Please vote no on the bill allowing counties to modify zoning that currently allows vacation renting.

SB-2919-SD-1

Submitted on: 2/27/2024 10:24:54 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Debra Piro	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

My name is Debra Piro and I live on the island of Oahu.

I am writing in opposition of this bill because it will threaten my ability to make a living along with the other cleaners, electricians, maintenance workers, and small businesses like me, who live and work in my community.

I own/work for a small business that services short-term vacation rentals on my island. I am paid good wages, create my own schedule and work very near where I live, reducing my commute time.

This bill will hurt me and put at risk my ability to pay for my own housing and bills.

Let the counties enforce the laws that they already have.

I ask that you please do not move this bill forward.

Thank you for your time.

SB-2919-SD-1

Submitted on: 2/27/2024 10:35:55 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Leslee Matthews	Individual	Support	Written Testimony Only

Comments:

I support this bill and its intent to support home rule authority.

SB-2919-SD-1

Submitted on: 2/27/2024 10:47:48 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Charles & Elizabeth Voigt	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

Our names are Charles & Elizabeth Voigt, and we are local residents and vacation rental owners in Hawaii. As small business owners who have been renting out condos in South Maui since 2010, we are deeply concerned about the potential impacts of SB2919 on our livelihood and the livelihoods of others in our community.

The vacation rental industry has been a crucial source of income, not only for our family but also for the cleaners, handymen, and others we employ. We contribute significantly to the local economy through various taxes such as TAT, GET, MCTAT, and property taxes. SB2919, if passed, could make it extremely challenging to continue operating our vacation rentals and supporting our family and those who work with us.

We urge you to consider the broader implications of SB2919 on the local community's economic stability and the diverse workforce it supports. Let's work together to find solutions that balance the needs of the community while preserving opportunities for citizens to participate in Hawaii's tourism industry.

Mahalo for your consideration.

SB-2919-SD-1

Submitted on: 2/27/2024 10:48:07 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Richard Fernandez	Individual	Oppose	Written Testimony Only

Comments:

Totally oppose to any bill that will grant the counties carte blanche to do whatever they want. There has to be some checks and balances or else what's the role of the Hawaii State government? You can conceivably have one county due to bad policies adversely affect another county by making unsustainable zoning laws. Imagine the long term consequences and legal battles that could ensue. The counties already have sufficient authority bestowed by the State of Hawaii. There has always been a logical reason for sustaining the Enabling Act.

Mahalo

Richard and Janina

SB-2919-SD-1

Submitted on: 2/27/2024 10:55:30 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Alejandro Goya	Individual	Oppose	Written Testimony Only

Comments:

Hello,

I'm reaching out on behalf of my family, which includes my parents in their late 70s, three siblings, my wife, and myself as the manager of my parents' property and business. Additionally, I represent the numerous individuals who work with us, including our cleaning crew, landscapers, and handymen.

Passing this bill would not only bring an end to our business but also compel us to sell the property we've owned since 1993. My elderly parents [my mother has Alzheimer's and Parkinson's], rely on the income generated by our vacation rental business, which I oversee on their behalf. I'm certain many other hardworking families will be similarly affected, along with our employees, family, and myself.

If those advocating for this bill remain indifferent to the human impact I've described, perhaps they'll consider the following:

Maui's short-term rentals (STRs) contribute 40% of the county's real property tax revenue and are a primary funding source for affordable housing initiatives. This revenue accounts for 18% of the county's \$1.7 billion budget. Without it, where will this crucial funding come from?

Throughout our tenure with a B&B license, we've provided temporary accommodation to displaced residents on multiple occasions, including those relocating to the island, individuals in transition, traveling nurses, and visiting family members. During events like the Lahaina Fire, many B&Bs served as temporary homes for displaced residents. If our industry is further diminished or worse, eliminated, where will these individuals find furnished, temporary housing?

Our vacation rental industry fulfills essential needs within our community. Its elimination would undoubtedly lead to both anticipated and unforeseen disruptions that would impact us all in Hawaii.

If additional affordable housing is necessary, perhaps the solution lies in constructing more affordable housing, rather than dismantling thriving industry—a move that would likely fail to resolve the issue while introducing new challenges.

Thank you for considering our perspective.

Alejandro Goya.

SB-2919-SD-1

Submitted on: 2/27/2024 10:56:01 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
RALPH FURLEY	Individual	Oppose	Written Testimony Only

Comments:

Dear State Senators,

I wish you reconsider relinquishing the little authority you have regarding zoning or each county is going to look uniformly and radically different. this difference can impose long term consequences and for this reason there has to be a uniformaty and consistency among all the islands.

I also oppose this bill because on Oahu it will allow the county to impose a 90 day rental restriction. Now just imagine the following consequences such a bill will do for a population that requires housing flexibility and not more restrictions.

Countless of essential workers who repeatedly testified against ordinance 22-7 argued that it will reduce the ever increasing shortage of workers that mid-term rentals (between 30-180 days) can house during their stays on Oahu. Hotels are for tourists who typically stay less than 12 days according to tourism records. Temporary workers (many who are essential) are unwilling to stay in hotels and high cost resort areas for weeks. As a result this will add to the ever increasing shortage of workers.

Countless of local residents (primarily service sector worker) who frequently pursue and seek better jobs throughout Oahu require flexible rental terms such as monthly leases. Image the long commutes and gas expenses these renters will endure without the opportunity to freely relocate because they are restricted with a 90+ day rental agreement. Or residents who are undergoing home repairs or upgrades and can't afford the high hotel costs for extended periods of time. Or visiting family members who come visit or take care of relatives and need to be nearby yet can't afford staying in hotels for extended periods of time. Or families that are relocating and looking for a home to build or buy can't afford to pay for hotels for extended periods of time. Or families like those in Maui that endured a natural or made-made disaster and require temporary and transient accommodations.

Countless of homeowners who offer legal monthly rentals can't afford not to be paid rent (with a 90 or 180 day rental restriction) if a tenant decides to break the rental agreement shortly after moving-in.

There is no economic impact assessment endorsing any 90 or 180 day improve the housing issues or help the economy on Oahu – in fact it will make the situation worse. There are other

means to improve the housing situation by removing the red tape for planning and permitting, offering commercial zones for housing, reducing property taxes, etc..

SB-2919-SD-1

Submitted on: 2/27/2024 11:02:50 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Karen Luke	Individual	Oppose	Written Testimony Only

Comments:

When I retired 30 years ago, I started renting two rooms in my house to supplement my income. This bill is very harmful. It impacts my ability to remain in my home and I do not want to sell and leave Hawaii again. When I was young, I had to leave for education and job opportunities, but returned because there's no place like home.

I've hosted so many different people in my home. It's been a cultural exchange as much as a financial one. I live on the beach, but I don't notice many outsiders, so it's difficult to believe the numbers UHERO puts out. I have noticed the rise in costs to rent and number of people in my neighborhood who have sold and moved to the mainland. In their place, we have a migration of military people and management companies cycling people through our neighborhood.

I truly believe the service I provide is also a big help to local people who need temporary accommodations, people who want a staycation, and workers. I recently hosted a group of young men who installed the solar farm above Kapolei.

Long-term tenants have not been easy for me because I live in the same house. The old saying that familiarity breeds contempt, has occurred too often, and I suspect my age is a contributing factor to the increase in financial exploitation by long-term tenants. Short-term tenants don't quit their jobs and try to live off the ocean, fix multiple cars in the yard, or sell whatever they can get their hands on.

Please consider that Hawaiians have been hosting families before the hotels came. This has been a means of support for generations of us.

Please oppose SB 2919.

Mahalo,

Karen in Ewa Beach

SB-2919-SD-1

Submitted on: 2/27/2024 11:04:12 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Douglas Vacek	Individual	Oppose	Written Testimony Only

Comments:

- This Bill could result in the phasing out of 13,744 LEGAL short term rentals on Maui.
- Maui's STRs provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's 1.7 billion dollar budget. Where will that revenue come from?
- my property taxes incr'd by 50% last year
- I'm trying to continue to contribute to Maui's tourism economy
- Mid and Short-term Rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.
- Events like the Lahaina Fire displaced thousands of residents. Where will residents find temporary, furnished housing if our industry is further decimated?

SB-2919-SD-1

Submitted on: 2/27/2024 11:11:32 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kelcy Durbin	Individual	Support	Written Testimony Only

Comments:

I support SB2919. West Maui short term rentals should be converted to long term rentals.

SB-2919-SD-1

Submitted on: 2/27/2024 11:11:50 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Cecila Gomez	Individual	Oppose	Written Testimony Only

Comments:

Hello everyone,

My name is Cecilia Gomez, I'm elderly and have lived in Hawaii all my life. My family and I oppose this bill because it will give away too much power and authority of anyone island to a mayor. As you already know Hawaii has a long history of unethical government leaders and I am afraid that the State would be left hopeless and helpless to those it is entrusted to serve. Imagine if we get a Trump-like mayor and a couple of crooked council members radically altering zoning laws to satisfying the lobbying of the powerful hotel industry? Who would us citizens turn to as the State had relinquished necessary laws to prevent radical changes to a large portion of the population. The hierachal extension shared among the State and the counties has to be sustained to prevent radical zoning fromm being implemented without any grandfathering in. Such drastic changes would undoubtedly cause severe economic dependence for many who can not quickly adapt or change. The State's authorities have always been in place for an important reason in the past.

Please don't screw this up for us and our future ohana as you will be remembered as the legislators responsible for future zoning fiascos.

Mahalo and vote with reason no politics,

Cecilia Gomez

SB-2919-SD-1

Submitted on: 2/27/2024 11:48:13 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Diana Tevaga	Individual	Support	Written Testimony Only

Comments:

I support bill SB2919 SD1, a bill that expands the zoning powers of counties. Expands the scope of the transient accommodations tax law to include certain shelters and vehicles with sleeping accommodations. As a resident born and raised here in Hawaii who has been displaced by the Lahaina wildfire along with a multitude of my Lahaina community, *I believe this bill is a crucial step in keeping our residents in the communities that we grew up in and/or have genuine altruistic interest in. This bill will support our desire to address our housing crisis not only in Lahaina but for our entire State of Hawaii.*

SB-2919-SD-1

Submitted on: 2/27/2024 11:48:29 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Katrina Galvan	Individual	Oppose	Written Testimony Only

Comments:

This bill poses a threat to the livelihood and sustainability to our community members and homeowners alike.

Throughout the course of my property management career I have been entrusted to secure good tenants in homes owned by various homeowners. Homeowners who hold onto their only retirement asset. Homeowners who are not out of town/country investors - but have lived here their entire life.

In some cases, more often than you can imagine, its a trustee in charge of their parents hospice care and rely heavily on being able to rent their home through at least the end of their parents needs. At which point their family home will be removed from the rental market and listed for sale. Having satisfied hopefully the brunt of the heaviest of burdens a family can go through.

Homeowners who find themselves quickly in need of relocating but holding on to their home they intend to return to.

In the last 12 years, many bills have been passed to increase property taxes on out of state homeowners and/or homeowners that do not hold a “personal exemption” on their home.

Many homeowners property taxes doubled and in some cases tripled. Causing an increase tax burdens to financially cover the property taxes and rising costs of living. Adding on top hospice care, what income does the state think these homeowners are enjoying? It is matter of trying to make ends meet.

There is no denying that greater financial benefits derive from Vacation Rented homes (30 days or more) vs. Long Term rentals (180 days or more). There are also greater risks of vacancy loss in a Vacation Rented home. In a world of uncertainty, it should be at a homeowners discretion to choose their level of risk to satisfy theirs or their loved ones financial needs and livelihood.

The Vacation Rental community is comprised of not just the homeowners but every single person that works at a property. When a home is on the vacation rental market and rented (30 days or more) there is more work opportunities for cleaners, maintenance crew members, landscapers, pool technicians, florists, personnels that offer concierge or tailored services, swim/surf instructors, trainers, AC technicians, chefs, fitness instructors, welcome package providers, inspectors, baby equipment rentals, drivers, etc, etc. The community is vast and these

people depend on 30+ days or more rentals to cover their heavy costs of living in a place we call paradise.

These are the people that embody the Aloha Spirit by first hand serving the visitors that these islands depend on.

I cannot speak on their behalf but I implore you listen to their testimonies. They are some of the hardest working individuals I've ever encountered. It will be heavy on so many hearts including my own if this bill is passed and the livelihood and ability to sustain in an already overtly high cost of living becomes unbearable. Do not pass a bill that will oppress so many of our community members.

Elizabeth Edmonds
75 Piialii St
Haiku HI 96708

27 February 2024

Committees on Judiciary and Ways and Means
Hawaii State Legislature
415 South Beretania St
Honolulu, HI

Dear Judiciary and Ways and Means Committees,

Re SB2919

I write to oppose SB2919. I oppose this bill because it could lead to the reversal and elimination of a fundamentally good STVR law that is best placed to manage the demands of and issues around visitors' short-term accommodation, including the potential conflict with affordable housing availability.

As quick background, my name is Elizabeth Edmonds and my husband and I have owned a home on Maui's north shore since 2007. We obtained an STR licence in 2013 to enable us to rent the home rather than it sitting empty while we visited our children and family back in Australia. We grow flowers and various fruit, including lots of coconuts, which we sell at local markets on Maui.

Maui's short-term vacation rental (STVR) law is a good policy. The STVR law achieves numerous benefits for the County and its residents. First, it provides the county with a way of managing the scale of the vacation rental industry by limiting the total number of STVRs and the number within specific neighbourhoods. Second, it protects communities where STVRs operate by giving neighbours the opportunity to comment/complain through the initial application process, by requiring an on-island property manager whose contact details are prominently displayed and by rental restrictions on potential annoyances such as parties, noise and parking. Thirdly, the law removes any financial incentive for home purchases for short term renting purposes by requiring a minimum 5 year wait before applying for a licence. Finally, and importantly, the law ensures that the county and state benefit from the vacation rental revenue earned. We support and abide by the STVR law despite the fact that its requirements greatly increase our expenses, including liability insurance, paying for a property manager and paying the various short term rental taxes (GET, TAT, MCTAT). The STVR law is a balanced rule that should be applauded rather than potentially disregarded.

The importance of the STVR sector to Maui and the State should also not be ignored. As I understand from the Maui Vacation Rental Association, Maui's STVRs account for 40% of the real property tax revenue for the county and the STR property tax revenue represents 18%

of the county's \$1.7 billion budget. In addition, the short-term rental market supports an important industry of workers, including managing agents, cleaners, house and lawn maintenance teams. The proposed SB2919 has the potential for Maui County to irresponsibly shut-down this industry at the cost of significant revenues and livelihoods for many residents currently working in the industry.

I am assuming SB2919 is being considered to allow counties the flexibility of eliminating STVRs if deemed appropriate. I believe a primary argument for this is the need for more affordable housing. Maui in particular is under considerable pressure given people displaced by Lahaina fires. However, revoking an existing, good system for managing short term rentals is not a solution to providing affordable housing. At least three reasons are evident. First, phasing out **LEGAL** short term rentals will be unlikely to significantly address the housing shortage. Many owners will not rent long term or sell their house. We, for example, would not rent our house long term – we live there and manage our farm. Our home is also of a size and in a location that is quite likely to be unappealing to many previous Lahaina residents. Second, while the phase-out may not help the housing situation, it **WILL** reduce revenue to the county and destroy the livelihoods of those currently involved in the short-term rental industry. The revenue currently received helps fund county projects, including affordable housing. Finally, banning vacation rentals will simply foster a larger **ILLEGAL** rental market. Any lawmaker who believes outlawing short term rentals will eliminate them is dreaming. The whole process will just go underground.

It is horrid what happened in Lahaina and the State is dealing with quite a difficult situation. But setting the stage for revocation of a truly good STVR policy is not the solution. I ask you to oppose SB2919 and instead consider ways to work with policies such as Maui's STVR law to manage the short term rental situation.

Thank you for your consideration.

Regards,



Elizabeth Edmonds

February 27, 2024

Honorable Members of the Hawaiian Senate,

I am writing to express my **strong support for Senate Bill 2919**, which seeks to address the issue of short-term vacation rentals in apartment-zoned areas. As a resident of Molokai, I have witnessed firsthand the impact of these rentals on our communities.

It is alarming to note that nearly half of the short-term vacation rentals on Molokai are currently operating in apartment-zoned areas. These areas are designated for residential use, not for commercial activities such as short-term rentals. However, these rentals have been allowed to operate for years, thanks to the Minatoya opinion and inclusion on the Minatoya list.

This situation is unjust and detrimental to our communities. Apartment-zoned areas are meant to provide housing for residents, not to be turned into de facto hotel zones. The proliferation of short-term vacation rentals in these areas has led to increased noise, traffic, and other disruptions that impact the quality of life for residents.

Passing SB2919 would be a significant step towards addressing this issue. By restricting short-term rentals in apartment-zoned areas, we can ensure that these areas remain true to their intended purpose of providing housing for residents. It is time to prioritize the needs of our communities over the profits of short-term rental operators.

I urge you to support SB2919 and take action to end short-term vacation rentals in apartment-zoned areas. Our communities deserve better, and it is time to put an end to this harmful practice.

Thank you for your attention to this important matter.

Sincerely,
Mitchell Moore

Molokai Resident

SB-2919-SD-1

Submitted on: 2/28/2024 12:32:43 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Steve Riley	Individual	Oppose	Written Testimony Only

Comments:

Hello Senators,

I oppose this bill because I am afraid what the county of Honolulu will do to many local families that require a mobile housing relocations due to the type of business I and my staff run. We are best accommodated with monthly rentals because our food and packing business requires us to live at various locations on Oahu and cant be bogged down with a 90 day rental agreement every time we require to relocate to furnished homes.

Sincerely,

Steve R

Testimony for SB 2919 from Patrick Chin

1. **Economic benefits:** Short-term rentals can bring in additional income for homeowners, which can help stimulate the local economy. This is especially helpful in areas that may not have a strong tourism industry, as it provides another source of income for residents. In addition, Short-term rentals can also attract visitors to a community, which can lead to increased spending at local businesses.
2. **Preservation of affordable housing:** In some cases, Short-term rentals can help preserve affordable housing in areas where there is high demand for housing and gentrification is occurring. By allowing homeowners to rent out their properties on a short-term basis, Short-term can provide an alternative to selling the property to developers or raising the rent, which can help to preserve the availability of affordable housing.
3. **Cultural exchange:** Short-term rentals can provide an opportunity for travelers to immerse themselves in local culture and for hosts to share their culture with guests. This can foster a sense of community and understanding between different cultures.
4. **Environmental benefits:** Short-term rentals can be a more sustainable option for travelers, as they often involve staying in a private residence rather than a traditional hotel. This can lead to a reduced carbon footprint, as travelers are not using additional resources such as towels and linens on a daily basis.
5. **Neighborhood revitalization:** Short-term rentals can help revitalize underutilized or undervalued properties, which can help to improve the appearance and overall quality of a neighborhood.
6. **Flexibility:** Short-term rentals offer travelers the flexibility to choose where they stay and for how long, as well as the type of accommodation they prefer. This can be especially beneficial for travelers who want to stay in a specific neighborhood or who have specific needs, such as accessibility accommodations.
7. **Safety:** Short-term rentals have several safety measures in place to protect both hosts and guests, including identity verification and a review system. This can help to ensure that both parties feel safe and secure during the rental process.

Testimony for SB 2919 from Patrick Chin

8. **Professional development opportunities:** Hosting a Short-term can provide individuals with the opportunity to develop new skills and learn about hospitality, customer service, and property management.
9. **Support for local initiatives:** Short-term has a number of initiatives in place to support local communities, such as the Short-term Community Fund and the Short-term Public Benefit Corporation. These initiatives provide grants and resources to support local initiatives and projects that benefit communities.
10. **Access to unique accommodations:** Short-term rentals can offer travelers the opportunity to stay in unique and interesting accommodations that may not be available through traditional means, such as treehouses, tiny homes, or converted warehouses. This can provide a unique and memorable travel experience for guests.
11. **Community development:** Short-term rentals can also contribute to the development of a sense of community within neighborhoods. By allowing travelers to stay in local homes, Short-term encourages a sense of connection and belonging within the community.
12. **Increased housing options:** Short-term rentals can provide additional housing options for travelers, which can help alleviate the strain on traditional accommodations such as hotels and motels. This can be especially beneficial in areas with a high demand for housing, as it can help alleviate pressure on the local housing market.

Overall, Short-term rentals can provide a number of benefits to a community, including economic, cultural, and environmental benefits. They can also provide additional housing options and help revitalize neighborhoods.

It's important to note that while Short-term rentals can bring many benefits to a community, it's also important for local governments to regulate and manage these rentals in a way that is fair and balanced. This can include setting rules for occupancy, noise, and safety, as well as collecting taxes on the rentals. By working with Short-term and local

Testimony for SB 2919 from Patrick Chin

communities, governments can help ensure that the benefits of Short-term rentals are shared by all members of the community.

Sincerely,

Patrick Chin

SB-2919-SD-1

Submitted on: 2/28/2024 1:30:53 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Elen Stoops	Individual	Oppose	Written Testimony Only

Comments:

Oppose bills to attempt zoning laws until the additional language inserted

except that any county that phases out single-family transient vacation units must provide just compensation to the owners of such units

so that this is not in violation of existing US Federal law.

SB-2919-SD-1

Submitted on: 2/28/2024 3:35:03 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Supriya Joshi	Individual	Oppose	Written Testimony Only

Comments:

I oppose.

SB-2919-SD-1

Submitted on: 2/28/2024 4:44:26 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Laurie R	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

It is my understanding that many of the properties you speak of are on the Maui County Minatoya list, and they have been conducting their businesses in a lawful manner according to this list. The residents and owners of these properties have done nothing wrong in accordance to the laws of the State of Hawai'i (and the County of Maui). Yet it appears that you are speaking of taking away the rights and essentially the properties of lawfully and legally acquired homeowners.

The majority of the properties on the Minatoya list were built in the 70s and 80s (some in the 60s) and operating for 40-60 years. After that many years, how is it that this legislature can say this is the primary problem on our islands? You and all of your predecessors could have been addressing this "so called" problem for all of those years if it was really the reason for the issues you espouse.

You are essentially removing rights from these people, that which is rightfully theirs. Instead of addressing the problem that the State and County legislatures have allowed to fester for years and years and years, which is securing land and building affordable housing for the community. YOU have allowed that to happen, not the people that you are targeting.

If necessary, regulate new proposed structures for short term use going forward. But don't act like a dictatorship and begin removing the rights of those who have done nothing wrong.

This term of "phasing out" these properties is nonsense as well. You will crush your own economy by doing that through loss of tax dollars. You will ultimately do more harm to those you are espousing to help than anything.

Many of these rentals that you are targeting are also not appropriate for the families you seek to help. They are often 1 bedroom units with 1 parking spot, and very, very high HOA dues

I would urge you to develop other, better serving ideas for your community than removing the rights of some.

SB-2919-SD-1

Submitted on: 2/28/2024 4:44:58 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
John Kevan	Individual	Oppose	Written Testimony Only

Comments:

Subject: Opposing SB2919 - Unconstitutional and Unnecessary

Aloha,

I am writing to express my strong opposition to SB2919, which aims to heavily regulate vacation rentals in Hawaii. This bill includes provisions such as pre-approval for all listings, state-operated database validation, exorbitant fines for non-compliance, and intrusive home inspections, among others. I believe that this bill is an unconstitutional taking of property owners' economic rights and will not stand up to legal challenges. The \$10,000 per day fine is excessively high and inconsistent with the violations listed, which goes against the constitution of the State of Hawaii. Furthermore, on most islands, vacation rentals are already heavily regulated, making this bill unnecessary.

As a resident of Hawaii, I am deeply concerned about the impact of SB2919 on our local communities. For example, on the Big Island where hosted rentals are both legal and unregulated, over 7,000 families depend on this income for financial stability. Passing this bill will undoubtedly result in significant financial hardship for these families and at least since myself, my wife, two of my children work in this industry, you will continue to force more people to leave the island unless that is your objective to free up housing by destroying an industry and forcing people to leave so there is more for everyone else.

Additionally, our industry contributes substantially to the state's economy, paying over \$720M in taxes last year and employing more than 49,000 people at an average wage of \$40/hr. However, SB2919 threatens to shut down the industry, forcing many families to leave Hawaii.

It's also important to note that previous attempts to restrict vacation rentals, such as those on Oahu, did not have the desired effect on housing prices and instead led to a significant increase in the number of vacant homes. Ultimately, this bill will not address the housing issue and will only result in job losses and a surplus of empty homes.

I urge you to reconsider the detrimental impacts of SB2919 on our local economy and the livelihoods of many working families in Hawaii. Let us work together to find effective and balanced solutions that benefit the community without jeopardizing the opportunities for citizens to participate in Hawaii's tourism industry.

Mahalo for your consideration.

Sincerely, John Kevan Hawaii Resident

SB-2919-SD-1

Submitted on: 2/28/2024 4:45:25 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Neil Patel	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

My name is Neil Patel. I am a co-owner of a condo at Maui Kamaole in South Kihei. I purchased here because of my love of Hawaii, the land and the people. I fell in love with Maui after my first visit, have family and friends here, and saved for years to buy a home here, so that I could continue to live out my dream of being in Maui. Renting it out short term is the only way I'm able to make this work financially that still allows me this opportunity. I love spending time here to decompress and experience Aloha. I also love sharing that with my colleagues, family and friends, to whom I rent my unit when I am unable to be on island, so they can experience the joy of Maui.

I am writing in opposition of this bill because short-term rentals are important. **Importantly, I rent my condo to many health care workers some of whom are here for learning, conferences and or to work and directly give back to the people of Maui.**

Therefore, this bill will not only hurt me, but in turn hurt the local residents by eliminating housing for the visitors who are giving back to the island in many ways, and rely on short-term rentals as temporary, furnished, affordable housing. This legislation would importantly affect the livelihood of our cleaning team, our maintenance teams, condo staff, etc. and numerous restaurants, vendors, tourist businesses that rely on tourism and good folks who come to Maui and spend money on island.

I ask that you **please do not move this bill forward.**

Mahalo for your time.

Neil Patel

SB-2919-SD-1

Submitted on: 2/28/2024 4:46:31 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jason Freedman	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

My name is Jason Freedman. I am a co-owner of a condo at Maui Kamaole in South Kihei. I purchased here because of my love of Hawaii, the land and the people. I fell in love with Maui after my first visit, got engaged here, have family and friends here, and saved for years to buy a home here, so that I could continue to live out my dream of being in Maui. Renting it out short term is the only way I'm able to make this work financially that still allows me this opportunity. And, as a pediatric oncologist, with a very stressful job, I love spending time here to decompress and experience Aloha. I also love sharing that with my colleagues, family and friends, to whom I rent my unit when I am unable to be on island, so they can experience the joy of Maui.

I am writing in opposition of this bill because short-term rentals are important. A hotel room is not affordable nor livable to many that have families, need to prepare meals or need more space than one room. **Importantly, I rent my condo to many health care workers some of whom are here for learning, conferences and or to work and directly give back to the people of Maui.**

Therefore, this bill will not only hurt me, but in turn hurt the local residents by eliminating housing for the visitors who are giving back to the island in many ways, and rely on short-term rentals as temporary, furnished, affordable housing. This legislation would importantly affect the livelihood of our cleaning team, our maintenance teams, condo staff, etc. and numerous restaurants, vendors, tourist businesses that rely on tourism and good folks who come to Maui and spend money on island. Finally, it would change the experience of travel to Hawaii forever and put it out of reach for most people financially.

I ask that you **please do not move this bill forward.**

Mahalo for your time.

Jason Freedman, MD, MSCE

SB-2919-SD-1

Submitted on: 2/28/2024 5:28:33 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Sedlic	Individual	Oppose	Written Testimony Only

Comments:

Dear represenatatives and members of the comittee

I opposse to SB2919 for the following reasons,

This Bill could result in the phasing out of 13,744 **LEGAL** short term rentals on Maui.

Maui STRs provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's 1.7 billion dollar budget. Where will that revenue come from?

Mid and Short-term Rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.

Events like the Lahaina Fire displaced thousands of residents. Where will residents find temporary, furnished housing if our industry is further decimated?

Papakea was built in 1978 where I have been a homeowner since 2016 where I come 3 times a year to enjoy all the beauty of Maui with my family. This complex has been operated as a short-term rental for almost fifty years.

I want my kids and their grandkids to enjoy this as well and operating this as short-term rental provides me with sufficient income to pay all the fees, and taxes to own in this complex.

Papakea employees approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry level positions and now are in

supervisory roles and play a key role in the economy of Maui as taxpayers and consumers to support local businesses.

Papakea supports a wide variety of local trade professionals ranging from plumbers, HVAC, pest control, carpenters, electrical, tree trimming and small trades and handymen.

Papakea can only support the current personnel & operational maintenance levels with high HOA dues which rely on short term rental revenue
Papakes STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, contractors that have families and call Maui home and depend on the business they get from STRs. This is important to consider.

Papakea STR supports the State Of Hawaii and the county of Maui through payment of property taxes at the short term rental rate, Transient Tax and General Excise Tax and the Maui TAT. What would be a great idea for the county and the state to do instead of banning STRs declare that all revenue from STRs will be put dollar for dollar to build new affordable housing only for Maui residents and zoned accordingly. If you shut down STRs where will the funding come from to the state for all the services they provide? Printing money and borrowing money to oblivion only goes so far before the state goes bankrupt and there are many examples in the world were running rampant budget deficits and ballooning debt catches up with the state, country or company.
Papakea has a high number of returning guests and families that are now the 2 nd and 3 rd generation who remember their parents and grandparents coming to Papakea over the years.

This is a family resort and has been for over 50 years so please consider all the factors carefully and all the jobs that will be lost and the impact to the local economy if STRs are shut down. I would love to see an independent 3 rd party do a cost & benefit analysis of the STRs to the state and then show if the \$\$ from all STR revenue is put directly into new housing for local residents only how the impact would be.

For the reasons stated herein I OPPOSE SB2919 and urge the comittee to defer it.

Kind regards

Lisa Sedlic

SB-2919-SD-1

Submitted on: 2/28/2024 5:52:27 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Pete Warsinske	Individual	Oppose	Written Testimony Only

Comments:

Hi all - I strongly discourage this Bill. If passed, we will immediately need to layoff all local staff, handymen, property managers and more as they are crucial to the management of our short term rental. Without the ability to rent short term, we can't afford their services. Tracey Buck Walsh submitted a letter describing the history of our property and other reasons we collectively oppose. I am one of the other owners on the property and have enjoyed coming to the island, spending money, generating tax revenue for years, and my family has for generations. We've built long-standing relationships with local professionals that support our rental and the local economy. We must rethink all of that if this bill is passed, which will likely exacerbate an approaching economic crisis. We are not passive owners of property on Maui. We deeply care about the community, many of us, having flown out immediately, including myself, to volunteer full-time shifts after the fires and put our jobs on hold on the mainland. The island and community means a tremendous amount to us. We are lucky to have these experiences and deep connections to it. We respect the complexity of the issue, and prioritization of local communities. The reality is, however, the economy is driven by tourism and services to it. Short term rentals play a key role in driving that ecosystem. Whether we agree with it or not, those are the unfortunate facts of today's world. Phasing these out immediately impacts the most vulnerable in our communities first, disproportionately. We urge you to vote no and support the communities and locals that need these jobs created by short term rentals.

SB-2919-SD-1

Submitted on: 2/28/2024 5:53:23 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jenelle Morella	Individual	Oppose	Written Testimony Only

Comments:

As a long-time owner of a condominium at Papakea, I strongly oppose SB2919.

Papakea has operated as a vacation rental property for its entire existence--over 47 years. We have owned our condo for 26 years using it for our family's vacation home as well as a short-term rental.

Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles.

Papakea supports a wide variety of local and trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming.

Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenues.

Papakea STRs support several small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors.

Papakea STRs support the State of Hawai'i and the County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Task, and Maui Transient Accommodations Tax. Our condo rentals provided over \$50,000 in taxes in 2023 alone, and that was in a year when occupancy was down due to the tragic fires.

Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops.

Papakea has a high number of returning guests who have been visiting Maui for years and have deep connections with the community.

Eliminating STRs would have a catastrophic impact on Maui's budget and operations, especially at a time when tremendous challenges are on the horizon.

STRs provide support to Maui in many ways as I have noted. Doing away with them will hurt the tax base and employment of residents.

Please vote to oppose SB2919

Sincerely,

Jenelle Morella

SB-2919-SD-1

Submitted on: 2/28/2024 5:54:56 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ken Kribel	Individual	Oppose	Written Testimony Only

Comments:

I oppose SB2919. Shutting down STR's will shut down many small businesses. Without the much needed additional income we will suffer financially. Many support people will lose their jobs. The people who stay in our home cannot afford a hotel. This will price Hawaii out for many travelers. Local businesses will suffer. If chain restaurants like Outback and Islands how is an independent owner going to survive. Not only restaurants but many other businesses rely on tourists who stay in an STR.

please vote no to SR2919

SB-2919-SD-1

Submitted on: 2/28/2024 5:59:25 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jamie Green	Individual	Support	Written Testimony Only

Comments:

I definitely support this bill

SB-2919-SD-1

Submitted on: 2/28/2024 6:03:42 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Karen Young	Individual	Oppose	Written Testimony Only

Comments:

I currently own a condo in Honolulu. The rental income supplements my retirement pension which puts nutritious food on the table & other necessities for my children & I. The rental income loss would reduce nutritious food for my children & other necessities such as home heating, water & school supplies that every parent must purchase.

Oahu is down 2000 legal short-term rentals excluding hotels. We cannot afford to lose more.

Mid & Short-term Rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.

Events like the Red Hill Crisis & Marco Polo fires displaced thousands of residents. Where will residents find temporary, furnished housing if our industry is further decimated?

Where will people stay when they come to Oahu for work, visit family or seek healthcare? A \$700/night hotel?

SB-2919-SD-1

Submitted on: 2/28/2024 6:07:56 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Virginia Dudden	Individual	Oppose	Written Testimony Only

Comments:

Chairman and Committee Members,

I am writing to express my strong opposition to SB2919 and its potential negative impact on my ability to continue providing short-term and 30+ day rentals in Hawaii. As senior citizens, my husband and I rely on our single 30-day rental, which we self-manage, to support ourselves and to positively contribute to our community.

Our vacation rental home has been a source of comfort and support for families and individuals during sensitive and important times in their lives.

For example, a few months ago, a family rented and stayed in while they lovingly spread their Mother. Their mother was born and raised in Kailua and loved spending time on Kailua Beach.

Other parents rented our home for 30 days while their son retired and transitioned out of a high-ranking naval post.

During the Marco Polo fires, a family lived in our home for free for months while their apartment was repaired.

These meaningful connections by respectful adults demonstrate the profound impact that our vacation rental has had on families during difficult or significant times in their lives.

If SB2919 is passed, it will not only affect us personally but will also have widespread repercussions for residents and visitors alike. The bill could potentially disrupt the housing options for displaced residents, newly housed residents, individuals in transition, inter-island residents seeking medical treatment, traveling nurses, emergency contractors, temporary military personnel, and students.

Moreover, events like the Red Hill Crisis and Marco Polo fires have previously displaced thousands of residents. Further decimating the vacation rental industry would severely limit the availability of temporary, furnished housing for those in need. As a result, residents would face significant challenges in finding suitable accommodations during these critical times.

The bill's proposed restrictions and regulations would have a detrimental impact on my livelihood, as well as that of many other families who depend on the vacation rental industry for

their economic well-being. The woman who helps me clean is a prime example. She formerly cleaned hotel rooms but finds the flexible hours of STR cleaning allow her to be available for her school-age children. **Cleaning for me and other owners pays much better than cleaning for hotels. This is especially important now that she is the sole family support since her husband is receiving chemo treatments for cancer.**

I urge you to consider the far-reaching implications of SB2919 and to recognize the essential role that legal and compliant short-term rentals play in supporting families, enriching the lives of residents and visitors, and contributing to the local economy. I urge you to work towards finding solutions that support the community's needs while preserving opportunities for citizens to participate in Hawaii's tourism industry, ensuring economic stability and support for local families.

Thank you for considering my testimony and for your attention to this crucial matter. **Oppose SB2919.**

Respectfully,

Virginia Dudden

SB-2919-SD-1

Submitted on: 2/28/2024 6:08:23 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Milo McGarry	Individual	Oppose	Written Testimony Only

Comments:

Dear Representative Tarnas, Chair, Representative Takayama, Vice Chair, and Members of the Committee:

We OPPOSE H.B. 2919, for the following reasons:

This bill could give local authorities the ability to phase out STR's that have been operating on Maui for many years. These STR's are integrated into the local economy providing employment people and a strong source of property tax revenue. As STR operators we spend thousands of dollars each year on maintenance of the replacement of furniture and appliances. We hire local plumbers and tradespeople. Our guests spend huge sums and we contribute thousands to state coffers through transient accommodation taxes.

Papakea is a resort property. It was built as a resort property in 1977. The property could not be used for long term housing because of the cost to maintain it. The property employs 35 full time staff. The average maintenance fee per unit is over \$1000 per month. How could Papakea ever be used for anything but short term vacation rental?

Respectfully submitted,

Milo and Michelle McGarry

STR Guest Testimony

Hello Chair, Vice Chair and Committee,

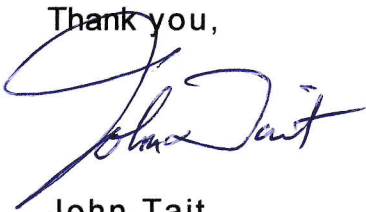
My name is John Tait. I stayed in a short-term rental because it was more cost effective overall for the time period I was there. I would not have visited Maui if I had to stay in a hotel and eat at restaurants each day....too expensive.

I am writing in opposition of this bill because short-term rentals are important. A hotel room is not affordable nor livable to many that have families, need to prepare meals or need more space than one room.

This bill will hurt me, other residents and important visitors that rely on short-term rentals as temporary, furnished, affordable housing.

Please let the counties enforce the laws that they already have. I ask that you please do not move this bill forward.

Thank you,

A handwritten signature in blue ink that reads "John Tait". The signature is stylized and cursive.

John Tait

Jht513@windstream.net

SB-2919-SD-1

Submitted on: 2/28/2024 6:18:42 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kyle Bernhardt	Individual	Oppose	Written Testimony Only

Comments:

As a real estate professional, I believe we need more short term rentals to accommodate residents in transition. Hotels are far too expensive for most people and prohibitive for those with deitary restrictions who need to cook for themselves.

SB-2919-SD-1

Submitted on: 2/28/2024 6:45:38 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Roderick Yu	Individual	Oppose	Written Testimony Only

Comments:

We are residents who are struggling to keep up with the cost of living here in Maui. Part of what we have saved is to have purchased a tiny studio in a legally zoned area for STR. It supplements our meager income so as just to make ends meet. We pay the considerable taxes (property, GE & TAT) timely and we also employ local cleaners, housekeepers and maintenance to help for the upkeep.

Please do not penalize us for having this property for STR as we have doing everything legally. Please go after the illegal ones that skip taxes, and don't even contribute to the local economy.

SB-2919-SD-1

Submitted on: 2/28/2024 6:50:14 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Tracey stefanyk	Individual	Oppose	Written Testimony Only

Comments:

I am writing to oppose SB2919 as it is short sighted and would be devastating to the economy.

Short term rentals are a solid source of revenue for counties. In Maui, short term rentals provide 40% of the total Real Property Tax collected. This represents 18% of Maui's total 1.7 billion dollar budget, and the largest source of revenue for affordable housing. If Short Term Rentals were shut down in Maui, it would create an unmanageable loss of revenue for the county.

In addition, short term rentals in Hawaii pay Transient Accommodation Tax (10.25%) and General Excise Tax (5%). Short term rentals in Maui pay an additional 3% for Maui Transient Accommodation Tax, adding millions of dollars to State and County budgets. Losing this steady and reliable revenue would deal a severe blow to county and state budgets.

Short term rentals are also a solid source of income for local families, and in some cases, the sole source of income. I know several families who rely on income from housekeeping in short term rentals to support their families. They would be devastated if this bill passes. There are currently 13 744 legal short term rentals in Maui. If they shut down, it would leave thousands of local families without income.

Many local business rely on the patronage of guests who chose to stay at short term rentals. There are many restaurants, entertainers, boutiques, gift shops, markets, tours, and rental companies who rely on business from these guests. Many of these businesses would be forced to close if short term rentals were shut down.

Allowing counties to shut down short term rentals is short sighted. It would severely damage the economy through major job losses, business foreclosures, and massive loss of revenue for programs, housing and infrastructure. It's an unsustainable option. A wiser option is to keep short term rentals, preserving jobs and the economy, and use this revenue to support more affordable housing. Thank you for your time.

SB-2919-SD-1

Submitted on: 2/28/2024 6:54:02 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Brett Hulme	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

My name is Brett Hulme and I live on the island of Oahu.

I am writing in opposition of SB2919 as current, legally permitted short-term rentals (per Ord 22-7) are important for tourism on the island of Oahu as they provide family and visitors with variety and choice as compared to a hotel room. A hotel room is not affordable nor livable to many that have families, need to prepare meals, or need more space than one room.

This bill will hurt the county and state due to the loss of revenue created by GE, TA, and OTAT taxes that current, legally permitted short-term rentals generate and pay to the county and state of Hawaii.

In addition, this bill will hurt me, other residents and important visitors that rely on current, legally permitted short-term rentals as temporary, furnished, and affordable housing. In addition, it will also threaten my ability to make a living along with the other cleaners, electricians, plumbers, painters, maintenance workers, and small businesses like me, who live and work in my community and put at risk my ability to pay for my own housing and bills.

Please let the counties enforce laws that they already have.

I ask that you please do not move this bill forward.

Thank you for your time.

Brett

To Whom It May Concern:

I want to respectfully voice strong opposition to SB 2919.

The proposed legislation, which will allow Maui county, among others, to eliminate permitted short-term vacation rentals, is of real concern to my family and should be to all families who have relied upon the income from legally permitted short-term rental properties.

Short-term vacation rentals brought in 40% of real property tax in Maui County, and more than 17% of the entire Maui county operating budget last year. Short-term rentals were the top funding source for the affordable housing initiative on Maui. And short-term vacation rental operators generate *a lot* of tax revenue for the State via the GET and TAT taxes.

Short-term vacation rentals also provide affordable lodging for visitors, especially large families, and they obviously help to stimulate the local economy as visitors spend money at local restaurants, shops, and small businesses. They are a valuable option for local families traveling within the state to visit other family members. And short-term vacation rentals provide countless jobs for maids, landscapers, handymen, as well as for all of the other people who regularly service and maintain them. Eliminating short-term vacation rental is going to make life quite a bit more difficult for quite a few of Hawaii's permanent residents.

It is, furthermore, simply a "red-herring" to blame legal, permitted short-term rentals for Maui's – or Hawaii's - housing problems. The housing problem may well be one of supply, but there simply aren't enough permitted short-term rental properties to significantly increase the supply. And a great many of the properties now legally permitted for short-term vacation rental will likely simply sit empty for those periods their owners choose not to use them. This will obviously not benefit anyone.

In short, to open the door to the outright elimination of short-term vacation rentals, which HB 1838 threatens to do, while politically popular at the moment, is seriously short-sighted. Legal, permitted short-term rental owners and operators have demonstrated a commitment to responsible operation. They are simply being scape-goated for a much larger problem.

In short, I urge the Hawaii State Legislature to take into account the perspectives of all those who will be impacted by the proposed legislation and vote to reject SB 2919.

Sincerely,

Craig Gay
25 Kai Pali Place
Lahaina, HI

SB-2919-SD-1

Submitted on: 2/28/2024 6:55:03 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Sharon Keahi	Individual	Oppose	Written Testimony Only

Comments:

I HIGHLY Oppose this bill, I am a Maui Born & raised 54 year old female. I own a vacation condo cleaning business. This is how I earn a living for my family of 7. I work hard daily so that my family can afford to live here on Maui instead of having to be Priced out of Paradise. Like so many local families that are being forced to move to the mainland. If this bill is passed it will forever ruin Maui, we depend on tourist to come and stay in these short term vacation rentals. If this bill passes not only will I be out of a business my family will be forced to leave the islands because of no jobs for me. Please DO NOT PASS THIS BILL.

I am opposed to SB2919.

As a tourist who has been visiting Maui (and all the other islands) for 42 years, I would like to have you review the benefit to Hawai'i from visitors like me, who stay one or two weeks at a time:

1. We add to the economy of the State and County when we stay in a condo or house for one or two weeks at a time:
The local property management company, who hires local employees, benefits from our short term rental- from accounting personnel to maintenance people (using only local companies); from house/condo cleaners to the managers, the money we spend is spread out to a large number of people who rely on this income from 1-2 week at a time visitors.
There are property taxes paid to the county where we are staying, as well as the transient taxes, general excise taxes and other taxes I see on my housing bills- ALL of which goes into the economy of Hawaii, providing services to the people of Hawaii.
The owner also benefits from the dollars we pay to stay in the unit or house, paying property taxes to the State of Hawai'i.
2. When we are on island we spend LOTS of money on eating: both in grocery stores and in restaurants- all of which provides employment to Hawaiian business people: from servers and chefs to check-out people and stockers, utility companies, managers and bartenders. I have no way to count how many Hawaiian people the "ripple effect" of 1 short term visitor (defined as 1 or 2 week stay) has on the economy, but it is Substantial! Because tourists like me stay only a week or two at a time we tend to "cram" a lot of eating out and entertainment expenses into a short period of time; if the 6 month stay was required, there would NOT be an equivalent amount of money spent in the same amount of time.
3. And then there are a myriad of Hawaiian people that provide services that short term guests are looking for- snorkeling gear rental companies, whale watching and boating trip companies, shopping for Hawaiian art and clothing, Hawaiian adventures (like biking, zip lining, etc.) which employ a Lot of local people. See #2- the Hawaiian income in intense with short term rental visitors.

If you picture me-the short term tourist- as a pebble thrown in a pool of water, the impact of that One Pebble on the water as it ripples out is great. I, as the short term visitor, provide a Lot of Money to provide employment to a great many citizens of Hawai'i. I am grateful for all the experiences and visits I have had on the islands of Hawai'i and I would like to have those continue- 2 weeks at a time!

Thank you for considering my opposition to SB2919,

Elizabeth/"Betsy" Christensen

theshome@gmail.com

SB-2919-SD-1

Submitted on: 2/28/2024 6:56:44 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
nick seiersen	Individual	Oppose	Written Testimony Only

Comments:

Subject: Opposition to HB1838

Aloha,

As a part-time resident of Maui, I want to express my strong opposition to HB1838. I believe that properties occupied by owners part of the year provide much-needed tourist accommodation and play a vital role in the local economy.

Specifically, when my family stays in our proerty, we bring all the economic benefits linked to our extended stays. When we rent out the property to help cover the operating expenses, we bring employment for the operation and upkeep, and significant short term rental and real estate taxes to the state and the county.

Forcing the property into long term rental would be incompatible with our usage. We would either leave the property empty when we are off island, or sell the property outright. Either way, the long term rental pool will not be increased.

The proposed bill fails to consider the mutually beneficial and affordable opportunities provided by tpart-time rental properties, and its restrictive measures may have unintended consequences in reducing tourist accommodations without increasing local resident housing capacity. Economic activity and tax income would be adversely effected. A no-win outcome.

I urge you to reconsider the impact of this bill and work towards solutions that preserve opportunities for citizens to participate in Hawaii's tourism industry, ensuring economic stability for families like mine.

Mahalo for your consideration.

Sincerely, Nick Seiersen Maui Resident

SB-2919-SD-1

Submitted on: 2/28/2024 7:09:31 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Mary Ann Schober	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

Regarding SB2919 – I strongly oppose!

My name is Mary Ann Schober. I am the owner / operator of a luxury legally permitted short term rental in West Maui. I am strongly opposed to SB2919.

Legally permitted SRT homes have a place in Maui. They provide tax revenue for the County, as well as being the top funding source for affordable housing on Maui. The STR property tax revenue represents 18% of the County’s 1.7-billion-dollar budget. If you phase out 18% of the budget, how will this vital revenue stream be replaced?

1. consider that legally permitted luxury homes are never going to be “affordable housing” or long term rental options.
1. is a niche tourist market that luxury STR homes serve in Maui. The guests that book luxury homes want the privacy and space only a home can provide. Guests often travel with multi generational family members. If luxury homes are not available in Hawaii, the guests will not travel to Hawaii and all those tourism dollars will go else where, possibly to Mexico, the Caribbean, or Florida.
1. employ and pay a good living wage to a booking agent, a house manager, a pool cleaner, a team of house cleaners, and a team of gardeners. Those jobs would be severely cut if short term renting was not an option. How would those jobs be replaced?

Please remember that Short Term Rental holders have applied for all the necessary permits, have paid the required taxes, and employ local residents. Why hasn’t the County gone after illegal short term rental homes that are not paying taxes?

Please know that everyone has a story of how they started a short term rental. I never thought I'd be a short term rental operator. My late husband and I bought our home in 2007, with the intention of raising our three young children in West Maui. Tragically, my husband passed in 2016 after a long illness. It was best for my children to be close to family on the mainland. Short term renting has allowed me, a widow, to keep the home with the goal of eventually move back. The house has been a respite for my family and many guests. We would not have traveled to Maui if we didn't have the privacy of a home as it has allowed us space and privacy to grieve and rest.

Please remember during the pandemic, STR were a wonderful option for tourist to travel to Maui and have the least exposure to the community. Luxury SRT have an important place in Maui – they serve a high end tourist community that spends a lot of money on the island. The high end tourist, employees private chefs, takes excursions, uses high end spas, shops at the high end stores, and so much more. Bottom line is the high end tourist spends money on Maui.

Before you cast your vote on phasing out short term rentals, please answer three simple questions.

1. How will losing 18% of Maui's tax revenue stream from Legal Short Term Rentals going to be replaced?
2. How will lost jobs provided by Short Term Rentals going to be replaced?
3. Why hasn't the government stopping illegal short term rentals?

Please vote NO on SB2919.

SB-2919-SD-1

Submitted on: 2/28/2024 7:13:09 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Maurice Schreiber	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

My name is Mo Schreiber and I live on the island of Oahu.

I am writing in opposition of SB2919 as current, legally permitted short-term rentals (per Ord 22-7) are important for tourism on the island of Oahu as they provide family and visitors with variety and choice as compared to a hotel room. A hotel room is not affordable nor livable to many that have families, need to prepare meals, or need more space than one room.

This bill will hurt the county and state due to the loss of revenue created by GE, TA, and OTAT taxes that current, legally permitted short-term rentals generate and pay to the county and state of Hawaii.

In addition, this bill will hurt me, other residents and important visitors that rely on current, legally permitted short-term rentals as temporary, furnished, and affordable housing. In addition, it will also threaten my ability to make a living along with the other cleaners, electricians, plumbers, painters, maintenance workers, and small businesses like me, who live and work in my community and put at risk my ability to pay for my own housing and bills.

Please let the counties enforce laws that they already have.

I ask that you please do not move this bill forward.

Thank you for your time.

Maurice Schreiber

SB-2919-SD-1

Submitted on: 2/28/2024 7:16:56 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
JULIE LARSEN	Individual	Comments	Written Testimony Only

Comments:

Maui's STR's provide 40% of the real estate property tax revenue for the county- how do you intend to fill the gap when you take away this income source? How do you intend to support families who can no longer afford to keep their personal property without the income of an STR? There are as many off island owners as well as ON island owners that rely on this income. Your actions will cause a free fall of the tax basis as well as jobs and supplemental income. It is one thing to put a moratorium on issuing NEW STR permits, it is a whole problematic issue to pull permits that have already been issued!! I encourage you to think this through. If our government can set up entire support systems in countries near and far following a state of emergency, they can provide temporary housing while Lahaina rebuilds. CUT the red tape and start BUILDING instead of causing further problems for our beautiful state!!

Aloha Chair, Vice Chair and Committee:

My name is Janice Davis and I own a condo on the island of Maui.

I am writing in opposition of bill SB2919 because short-term rentals are important. This bill will threaten the income and ability of the residents I support who make their living providing services to private condo owners. Just for my one (mid-price) condo I personally contribute:

- over \$7,200 a year for local housekeepers, electricians, carpet cleaners, maintenance workers and repair/handyman services,
- \$15,000+ a year at local small businesses like grocery stores, restaurants, car rental, hardware, flooring, furniture, appliance, furnishings, crafts and artists,
- over \$12,000 to support the residents working directly for the property on administration, management, maintenance, landscaping and many other local contractors too numerous to list.

In addition, over \$18,000 goes directly to the islands in property, TAT and GET taxes.

My condo is rented approximately 75% of the time each year. The figures above do not include all the money my guests spend on tours and many of the things I have listed. I wish I had a way to calculate that figure.

Another important consideration is, many guests choose STRs because they are here in support of COVID, natural disaster support or other assistance for the island. A hotel room is not affordable nor livable to many that have families, need to prepare their own meals or need more space than one room.

This bill would adversely affect me, but more importantly it will hurt too many residents that rely on the small business income, work flexibility and close-proximity to their work that short-term rentals provide. It could also affect the ability of important visitors like Dr/nurses, first responders and other emergency relief personnel that rely on temporary, furnished, affordable housing to do their jobs, in support of the people.

I believe privately owned STRs also provide a check & balance for room rates. Without the competition hotels & resorts can and will charge more than the over-inflated rates they already charge. Guests staying there pay more money to the out-of-state corporations leaving them less money to spend on local businesses. As a premier host, I always provide my guests with a long list of suggested local businesses for food, activities and souvenirs. In addition, many request information on volunteer opportunities that I am more than happy to provide.

Please let the counties enforce the laws they already have. I ask that you please do not more this bill forward.

Thank you for your time.

Janice Davis
Maui Condo Owner

SB-2919-SD-1

Submitted on: 2/28/2024 7:25:27 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Margo Brower	Individual	Oppose	Written Testimony Only

Comments:

I am a resident of Oahu and my job depends on the short term rental industry. If this David vs Goliath scenario of SB2919 were to be approved and vacation rentals banned, I and many other local people would be unemployed. Anyone who needed furnished living quarters for less than 90 days would have no recourse except for expensive hotel rooms which are not living quarters and are beyond most people's means, especially for longer than a week or two. If vacation rentals were banned, you would be wiping out tax revenue by discouraging many visitors from coming here and decimating the local incomes that depend on this industry. Simply enforce the laws and zoning currently in existence in each County and you will solve any problems related to short term rentals.

SB-2919-SD-1

Submitted on: 2/28/2024 7:26:16 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Warsinske	Individual	Oppose	Written Testimony Only

Comments:

Both my wife and I urge a no vote on this bill which dramatically impacts our property. Our compound is fenced and self-contained for parking, unnoticeable by neighbors, and has been generating TAT and GE taxes since its creation—and more recently it generates Maui County STR taxes. We have rental brochures dating back to 1972, with rules of conduct. Notably, in the over 50 years of operation, no complaint has ever been lodged against the short term rentals in our compound.

We provided Maui County with our historical use as a vacation rental, providing 50 year old guest books, declarations from our valued vendors and STR tax payment records. Based on our history, Maui County confirmed our property is a legal non-conforming use under its short term rental ordinance.

Our home, and the 3 other homes on our compound, are unsuitable for “regular” or affordable housing stock. We are served by one water meter, we have no interior fencing, and share the costs to maintain the grounds: landscaper, coconut removal, tennis court maintenance, garbage, water, pest maintenance, etc. The costs are considerable and, if divided equally, would place the houses out of reach for any long-term rental market. Instead, we rent them and our families can enjoy the homes and grounds as we did before —free from crowded condos or expensive hotels where paid parking is the norm and the only food available is through restaurants.

Visitors to the Hawaiian Islands like a choice in vacation accommodations. HB1838 threatens to eliminate choice such as our humble home, which gives visiting families a taste of old Hawaii at an affordable price. For these reasons, I respectfully, I urge a no vote.

SB-2919-SD-1

Submitted on: 2/28/2024 7:26:21 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Michelei Tancayo	Individual	Support	Written Testimony Only

Comments:

Aloha Honorable members of the Senate committee, I am writing in support of SB2919. We are in a housing emergency, especially on Maui due to the Lahaina Fire. It has opened our eyes that the short term rental industry has significantly, been one of the main contributing factor at 87% the cause of the housing crisis. Therefore, giving the counties the clear authority to phase out single family and apartment vacation rentals uses will help Maui residents and return long term housing back into the long term rental pool.

Mahalo!

SB-2919-SD-1

Submitted on: 2/28/2024 7:29:40 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Gordon Hanson	Individual	Oppose	Written Testimony Only

Comments:

1. We OPPOSE this Bill. It will not create as many long-term rental units as you think. Like many others, we live in a small 1 bedroom cottage with a small Ohana, which because we need it for our family and friends, we cannot rent long term. We legally rent it when available to pay our high property taxes.
2. This will shut down North Shore surfing competitions, as there are no hotels there (other than Turtle Bay which they cannot afford).
3. We have elderly neighbors who rent their Ohana to pay their property taxes – so they don't have to sell and be replaced by a McMansion.
4. We have rented to residents in transition and inter-island residents for family visits. This bill would shut down Mid and Short-term Rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.

SB-2919-SD-1

Submitted on: 2/28/2024 7:43:36 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Youssef Ben Youssef	Individual	Oppose	Written Testimony Only

Comments:

Hi,

Thank you for the opportunity to testify at this hearing. I believe that this bill will not help folks impacted by the Lahaina fires to get a decent living on the island. The issues that we face in terms of lodging are structural and cannot be easily mitigated by simply obliging folks who own short term rentals to surrender their properties. The local and state government needs to invest in decent long term solutions to provide the suitable lodging for the needy families.

Owners of short term rentals such as myself have invested our lifetime savings to be able to afford these properties. We work very hard to provide a great service to the community and employ a decent number of local services. All of these services will be discontinued with the cessation of any short term business.

The value of the property we acquired was drastically higher than average because of the STR license. Removing this right to host visitors to Maui and participate in its economy will literally make many families bankrupt. We have mortgages to pay and various taxes considerations to take care of that were totally based on the short term status of the property.

On another level, many of us use the property for a decent time of the year. We cannot provide the property for a long term rental and use it for our own purposes at the same time.

Thank you

SB-2919-SD-1

Submitted on: 2/28/2024 7:44:37 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Suzanne Mitchell	Individual	Oppose	Written Testimony Only

Comments:

To Whom It May Concern,

Thank you for allowing me to testify in this very important matter before the legislature.

As a part-time resident and vocal advocate for Maui, this is an extremely important part of my life. Purchasing two condos in Kihei has allowed us to share this beautiful island with our family, friends, and guests from around the world.

As Maui's STRs provide 40% of the real property tax revenue for the county, we are also providing a sustaining source of income for all those on the island.

There is no greater example of the ripple effect than the recent shutdown of Hawai'i during the recent pandemic. When 80% of your income is a result of tourism everyone suffers when it disappears. Maui was still recovering from the effects of a long travel ban when the devastating Lahaina fire struck.

We need visitors more than ever.

Knowing that STR was legal made purchasing property a viable option for us. In doing so, we have created a wonderful family place where we, and many others, stay- providing economic support for all the local businesses.

We also employ on-island managers, handymen, repair people, and most importantly- housekeeping companies. Without STRs all these locally owned businesses would suffer.

Please consider the whole cost of your actions. Many restaurants, shops, adventure tours, and other entrepreneurs would suffer. What makes Maui such an amazing place is the Aloha. There is no Aloha without the local population and we need to provide a steady source of income for all.

Mahalo nui loa, Suzanne Mitchell

SB-2919-SD-1

Submitted on: 2/28/2024 7:44:49 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Darcy Tellock	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

My name is Darcy Tellock and I live on the island of Maui.

I am writing in opposition of this bill because it will threaten my ability to make a living along with the other cleaners, electricians, maintenance workers, and small businesses like me, who live and work in my community.

I own/work for a small business that services short-term vacation rentals on my island. I am paid good wages, create my own schedule and work very near where I live, reducing my commute time.

This bill will hurt me and put at risk my ability to pay for my own housing and bills.

Let the counties enforce the laws that they already have.

I ask that you please do not move this bill forward.

Thank you for your time.

Much Aloha,

Darcy Tellock

Trinity Properties

SB-2919-SD-1

Submitted on: 2/28/2024 7:45:30 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
David A Johnson	Individual	Oppose	Written Testimony Only

Comments:

2/27/2024

To whom it may concern,

I am opposed to the county of Maui's attempt to force hotel zoned homes to be turned into long term rentals. As a hotel zoned homeowner, I paid \$155,425.80 last year to the tax base of the island in property, GE and TA taxes. This home also employs many people to serve the visitors and maintain the property. In addition the guest spend money at the local businesses. We would not rent our home as a long term rental as we use our home multiple times each year.

I think that there is a misconception that just because a home is zoned hotel it is owned by a large corporation. This is not the case with our home. We are a family that has traveled to Maui for 53 years. It was always a dream to have a home on the island. We looked at the finances and knew we could not afford to keep a home without rental income. Thirty years ago when we bought our property the only options were residential, long term rental and hotel zone. We elected to spend extra to buy land on one of only a handful of single family dwelling sites on island that were zoned hotel. This was more expensive but gave us the flexibility to rent our home and not have it sit vacant. We cannot afford to keep the property and not rent it for short term use, which will mean it gets sold to a very wealthy person or company that can afford the cost of letting a home sit vacant.

I understand the need to provide living spaces to displace families on island but this is only half of the problem. MAUI NEEDS FUNDS TO SUPPORT THESE FAMILIES! The property taxes a hotel zoned home pays are almost 5x the property taxes a similar residential property pays. We are helping the county and doing it legally. Turning our home into a long term rental would financially hurt the county, our family and the families that support our property.

The need to provide homes to the displace families **cannot** be solved by turning all the short term rental homes into long term rentals. There needs to be combination of solutions going on at the same time. Maui needs to fast track the building of a large home development near services. Homes that are illegally being rented as short term rentals should be forced to rent long term. Zoning rules and enforcement for affordable homes needs to be addressed. These things

will not be easy or popular to do but, Maui must make hard choices that will solve the housing problem in the near and long term.

Regards, David Johnson, Home owner of a hotel zoned property 50 Kai Ala Place

SB-2919-SD-1

Submitted on: 2/28/2024 7:49:25 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Zachary Johnson	Individual	Oppose	Written Testimony Only

Comments:

Dear Dedicated Public Servants,

I humbly submit this testimony to implore you to oppose SB2919. This type of legislation terrifies me and my Wife. We fear that our financial future and Hawaiian dream could be in jeopardy.

My Wife began her Hawaiian love affair in college when she became roommates with multiple Hawaiian Native Students. They shared their Aloha and Culture and she quickly immersed herself into it. And then when we met, she shared this amazing experience with me and I too quickly fell in love.

I proposed to her atop of Haleakalā during the final sunrise of 2010, it was simply magical in so many ways. Since then, we've been able to visit more Hawaiian Islands and we have always been undoubtably certain that Maui is where we wanted to be.

Over the years, we worked very hard, saved and sacrificed and we were fortunate enough to be able to purchase our Maui dream condo in Kihei in early 2021. It was still an uncertain time within the COVID19 Pandemic, there were still economic difficulties and uncertainties, but we had dreamt about this for years and everything else fell into place so it was meant to be, the name of the building that our unit was in is even named Haleakalā!

In order for us to afford this condo, we had to place a huge amount down and we have to be able to rent it out as a vacation rental. Renting it out allows us to cover our expenses and even allows us to visit each year and enjoy this beautiful paradise that we love so much. Our goal is to use the vacation rental income to help pay off the mortgage and then be able to retire in Maui.

If we are no longer able to rent as a vacation rental, it would be devastating. We would not be able to afford the expenses, we would not be able to use the condo for our visits and it would decrease the resale value. We would be stuck in the water with no viable option to go forward that wouldn't greatly impact us, both financially and personally.

We are definitely in favor of improving housing for our Maui Ohana, that should be a top priority. But this is not the way to do it, there are much better ways to address this very important issue.

Thank you for your time and your service, respectfully, Johnson Family.

SB-2919-SD-1

Submitted on: 2/28/2024 7:57:59 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Grier	Individual	Oppose	Written Testimony Only

Comments:

Feb 28/2024

Senator McKelvey, Rep. Cochran and Rep. Amato,

I am writing you in opposition to bills HB 1838 and SB 2919.

I am a long-time Maui resident and have an STRH permit in Haiku near the Haiku Cannery.

If passed, these bills will be detrimental to my family's income. In addition to my own family's economic well-being, I employ five area residents whose small businesses would be devastated by the passage of these bills.

Neighbors of my short-term rental have never expressed opposition to it, and have shared that they prefer it.

I am not negatively impacting the housing market in Maui. Rather, I am having a positive impact by creating employment for small businesses in the community in which they reside.

Let the counties enforce the laws that they already have.

I ask that you please do not move this bill forward.

Aloha,

Michael Grier

157 Mauu pl Haiku Hi 96708

mikeg96708@gmail.com

SB-2919-SD-1

Submitted on: 2/28/2024 8:02:00 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Paul D Crawford	Individual	Oppose	Written Testimony Only

Comments:

Short term rentals are the last way for Seniors living in rural areas to get by financially. Here in Puna on Hawaii Island, the volcano destroyed our economy, followed by the hurricane, followed by the pandemic. Now they want to take away the STRs which are the last thing left here. The majority will be going back to growing pakalolo, and cooking meth. as there is no other way of making a living here. Taking away property rights is a terrible way to encourage housing growth, and is counter productive.

Paul Crawford

SB-2919-SD-1

Submitted on: 2/28/2024 8:05:07 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Shannon Heath	Individual	Oppose	Written Testimony Only

Comments:

Testimony

My husband and I are fortunate to own a small condominium in Kuilima Estates West, Turtle Bay. We are not residents, but do have strong ties to the islands that span many decades. My grandmother was born and raised in Kukuihaele on the Big Island, later moving to Hilo. My mother was born in Hilo and the family later moved to Honolulu. My mother and father met when he was stationed there during WWII. He was a Pearl Harbor survivor. Both have their final resting place in the Punchbowl. In their retirement, they purchased a condominium in the Kuilima Estates West community which allowed them to visit often and also use the rental income to supplement their retirement. We enjoyed visiting them when they were there. I don't remember exactly when they sold their condo. After they passed, my brother and I sold their California home, allowing us to purchase our condo and feel like we were in some way continuing their legacy. We thoroughly enjoy visiting a couple of times per year and operate it as a short term rental the rest of the time. To keep our condo renting and renting well, we employ two property managers, a house cleaner, a pest control company, contractors for both small and large jobs. We purchase all furnishings, linens, supplies, etc locally. We serve a significant percentage of guests (local or visiting) who either can't afford hotel prices or prefer to stay in an accommodation where they can prepare their own meals and feel more a part of a community. While we are visiting, we spend locally - grocery stores, hardware stores, restaurants, etc. If this bill were to pass, we would no longer be supporting the local services or vendors noted above. Additionally, we would no longer be able to provide an accommodation option for displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends. Please oppose SB2919.

SB-2919-SD-1

Submitted on: 2/28/2024 8:08:06 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kelly Young	Individual	Oppose	Written Testimony Only

Comments:

We purchased our property in Wailea as a future partial retirement property as well as short-term rental. If we are unable to use it as a short-term rental, we will not be able to afford the mortgage. We pay high property taxes and also collect TAT taxes, which contributes to Maui's budget. We also employ a local STR manager company who, in turn, employs local cleaners, handymen, etc. Loss of these jobs would affect the local economy. Immediately after the Lahaina fires we housed a local family for 1 month with no compensation. We donated 10% of our STR fees to the Hawaii Community Fund Maui Strong fund. Our family has been coming to Maui for years and plans to reside there part-time. Many STR owners consider themselves to be part of the community, and support the community by employing local year-round citizens.

SB-2919-SD-1

Submitted on: 2/28/2024 8:09:57 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Nani	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Keohokālole, Chair DeCoite, Chair Wakai, Vice Chair Fukunaga, Vice Chair Elefante, and Members of the Committees,

On behalf of our our generational Hawaiian who stuggles to survive and remain in our homeland of Hawai'i nei, I strongly SUPPORT SB2919. I agree with the statment made by the Sierra club, which states this, "would help to directly and meaningfully address our islands' housing challenges, by ensuring that residential units are used to house local residents, and not transient visitors". It is time we think of solutions that help keep our generational Hawaiians here and not just the selling of Hawaii and our culture as a commodity.

Thank you,

Nani Be

TESTIMONY REGARDING SB2919

My name is Toni Knight. I am the owner of Unit K508 at Wailea Beach Villas, 3800 Wailea Alanui Drive. This unit is my second home where I spend six to eight weeks per year and I have owned it for 14 years. When I am not using my second home, I have a management company that rents out the unit for vacation visitors. These visitors are a substantial boost to the local economy.

On a recent trip when I was in Wailea last week, many full time residents commented to me how happy they are that people who love Maui are continuing to come visit and stimulate the local economy. With the impacts of the Lahaina tragedy, it is crucial at this time to have robust economic activity. Vacationing visitors eat out every day, shop in the local community, use rental cars, and take part in multiple activities offered by local businesses. When I have talked with friends about my visit, many people have been surprised that Maui's "open." Having people continue to use short term rentals helps spread the message that the island welcomes visitors and needs the business as much as ever. Visitors to short term rentals are important advocates and messengers for the island.

In addition to the economic value of having visitors come to the island, Maui's short term rentals are a crucial part of the island's tax base. Short term rentals provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. Short term rental property tax revenue represents a 18% of the county's budget.

Short term rentals aren't just used by vacationers. They are also an important source of housing for island residents. Mid and short term rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends. The tragic Lahaina Fire displaced thousands of residents. If the short term rental market is eliminated, residents will lose a crucial source of temporary, furnished housing.

For all the above reasons, I strongly believe that SB2919 is not in the best interest of Maui's residents or the Maui economy and I strongly urge a No vote.

SB-2919-SD-1

Submitted on: 2/28/2024 8:32:09 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kathleen Fleming	Individual	Oppose	Written Testimony Only

Comments:

I am a 70 year old retired teacher. I was able to retire on Maui five years ago by purchasing a condo and then renting it out short term (I lived there, too). If I am forced to rent long term, I will not be able to afford the mortgage and HOA fees and will be forced to sell. Which brings up the thorny issue of lawsuits against the State of Hawaii by owners like me: we paid market rate for our short term rentals with STR zoning that has been in place for over 40 years and in our bylaws and declaration. If this legislative action suddenly devalues property by 30%, legal action would definitely follow.

I am proud of the \$2,000 GET, TAT and MCTAT revenue I collect and turn over to the government every month. I understand STR revenue accounts for 40% of state revenue. How on earth would this funding be replaced? I also employ cleaners, pest control, handymen, and tax preparers. My guests keep our tourism industry humming. Losing our STR's would send waves of destruction through our entire local economy.

Finally, I suspect that this legislation is sponsored by the big hotels and resorts, which don't like the fact that STR's give visitors more affordable lodging options. I was a visitor for ten years before I became a resident, but I never would have been able to vacation on Maui on a teacher's salary if my only options were Wailea or Kapalua.

Please understand most STR's are not owned by big investment firms or even wealthy people who live off island. They are owned by locals, who rely on them to pay the bills.

Please oppose this terrible bill, which would hurt the people of Hawaii and not solve our housing shortage.

SB-2919-SD-1

Submitted on: 2/28/2024 8:34:46 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
David Morts	Individual	Oppose	Written Testimony Only

Comments:

My wife and I own a house in Kihei which we purchased in 2013 as our retirement home. We are not an investment company. We would not rent our house to long term renters because that is not why we own it--it's our home.

We understand the frustration people have with corporate real estate investors and absentee owners, but not everyone who owns a short term rental is a faceless business.

We rent it out as a vacation rental for the times that we are not on island. We have good relationships with our neighbors and they support us when we are not there. We find that having short term rentals to be a good way to make sure our house is well maintained and occupied year round.

Our house is a permitted short term rental in Maui County. We must comply to a thorough and strict set of regulations to create a safe place for guests and happy neighbors. Our permit is renewed through a review process periodically.

Most of our guests are multigenerational families who appreciate the opportunity to stay together in a single family home with all the conveniences of home and frankly better prices than a hotel. It is easy to understand how the hotel industry might feel threatened by such an attractive accommodation option.

We also have an ohana in the back where we have housed first responders, nurses, and others who need a short term rental to stay. They are not on vacation and prefer to feel more comfortable with the amenities of home.

It goes without saying that we hire local people to keep our house well maintained and pay competitive, living wages for their services. We are constantly improving and maintaining our house and therefore the neighborhood in general.

Eliminating our permit will not add more housing for Maui. It is still our home where we love to spend as much time as we can and it will never be a long term rental.

We have been following the rules, paying higher property taxes (even during covid when it was unrented), paying GET & TAT, and have been good neighbors.

Mahalo for taking to our testimony.

Aloha,

Dave & Jenni Morts

SB-2919-SD-1

Submitted on: 2/28/2024 8:38:38 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Stephen Cornell	Individual	Oppose	Written Testimony Only

Comments:

My name is Stephen Cornell, and my family has been the proud owners of a short-term rental property at Wailea Beach Village for over a decade. Our property has not only been a source of cherished memories for our family, but it has also been a vital means for us to maintain the property and enjoy it as a place of respite.

When we made the investment in this property, one of the key considerations was the ability to utilize it for short-term rental purposes. Not only has this allowed us to sustain our home, but it has also been our way of contributing to the local economy by providing visitors with a chance to experience the beauty of Maui. In our view, this mutually beneficial arrangement has been instrumental in supporting both our family and the local community.

I am writing to express our strong opposition to bill SB2919, as we firmly believe that its provisions are not in the best interest of the people of Maui, including those like us who are not local residents but deeply value the island.

The proposed legislation, if enacted, would have a severe impact on our ability to continue offering our property for short-term rentals. This would not only jeopardize our capacity to maintain our property but also greatly limit our opportunities to visit the island in the future.

We implore you to consider the far-reaching repercussions of this bill on individuals and families like ours who have made significant investments in properties with the understanding that short-term rentals are a viable option. We urge you to seek solutions that support the economic contributions of short-term rentals to the local economy while also considering the interests of property owners and visitors alike.

Thank you for your attention to this matter, and we respectfully request your support in opposing bill SB2919.

Sincerely,

Stephen Cornell

SB-2919-SD-1

Submitted on: 2/28/2024 8:46:58 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Aimee Agnew	Individual	Oppose	Written Testimony Only

Comments:

We purchased our proeprty in a zone that was and still is labeled as a transient property. We are a 5 star, law abiding short term rental property that provides an affordable place to stay for local residents that need to travel between islands and different areas of Oahu as well as folks visiting the island for work or pleasure. We work with local cleaning crews, contractors, and property managers and help provide a form of income for locals. I do not see how a govenernment can come in and simply override a property that we purchased under a certain agreement and understanding. Please do not proceed with this bill. Please oppose it.

SB-2919-SD-1

Submitted on: 2/28/2024 8:54:13 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Randall Moss	Individual	Oppose	Written Testimony Only

Comments:

We had purchased our property in a zone that was and still is labeled as a transient property. We are a 5 star, law abiding short term rental property that provides an affordable place to stay for local residents that need to travel between islands and different areas of Oahu as well as folks visiting the island for work or pleasure. We work with local cleaning crews, contractors, and property managers and help provide a form of income for locals. I do not see how a government can come in and simply override a property that we purchased under a certain agreement and understanding. Please do not proceed with this bill. Please oppose this bill to rezone.

SB-2919-SD-1

Submitted on: 2/28/2024 8:55:02 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Sharon Moss	Individual	Oppose	Written Testimony Only

Comments:

I purchased a property in a zone that was and still is labeled as a transient property. We are a 5 star, law abiding short term rental property that provides an affordable place to stay for local residents that need to travel between islands and different areas of Oahu as well as folks visiting the island for work or pleasure. We work with local cleaning crews, contractors, and property managers and help provide a form of income for locals. I do not see how a government can come in and simply override a property that we purchased under a certain agreement and understanding. Please do not proceed with this bill. Please oppose this bill to rezone.

SB-2919-SD-1

Submitted on: 2/28/2024 8:57:28 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
M Hybiske	Individual	Oppose	Written Testimony Only

Comments:

Aloha Honorable Elected Representatives,

I am writing in **strong OPPOSITION of SB2919** to restrict short-term vacation rentals. This bill will have an extremely negative impact on my family personally, as well as other residents and visitors that rely on short-term rentals as their choice. We are not rich mainland investors....but **we are invested in Maui. We are not the enemy.**

Most STRs are **legally-permitted** and follow the rules, pay their taxes, support the economy, and promote Aloha. Please do NOT remove the choice that visitors have to stay in permitted, correctly zoned, tax-paying condos. **We fill a need for many visitors.** Many visitors do not want to stay in a hotel room. Certainly returning visitors prefer to stay where they have more rooms and can cook meals.

My parents are original owners of our condo which was built in 1972. It was their **home on Maui for 50 years**. The condo is now ours to enjoy for much of the year. 4 generations of our family have called it their "Maui home". **My husband and I are now in our 70's and retired on fixed incomes. Our condo is in a resort area where short-term rentals have been permitted to operate for the last 50 years. If short-term rentals are not allowed, we would not be able to afford the ongoing high cost of ownership.**

Short-term rentals fill an important need on the islands, but they are **NOT designed for long term living**, especially families or more than one person. They are small and were built for short-term "transient" use. HOA policies don't allow animals or noise. Parking is limited, usually one space per condo. Vacation rentals have kitchens, but units lack storage because short term visitors do not need storage. The walls separating the units are thin and do not block out noise. Most lack a designated place for kids to play.

Many local residents will be impacted negatively. We employ a housekeeper who has a young family. We employ local repair people. They have become friends. What will these independent people and small businesses do for income if we are unable to continue to rent our condo? Oceanfront living creates considerable maintenance issues. It cannot be considered "affordable housing." We pay many thousands in tax dollars and contribute to the economy with our purchases and expenses. Maui's STRs provide **40% of the real property tax revenue** for the county, as well as being the top funding source for affordable housing for Maui. This **STR**

property tax revenue represents 18% of the county's 1.7 billion dollar budget. Where will that revenue come from?

Short-term vacation rentals are **NOT a good substitute for long term affordable housing** for residents and they do not work, either economically or practically. Housing for residents should be homes and apartments in appropriate neighborhoods which are not in resort locations and do not come with the high maintenance costs and fees associated with HOAs, in part due to their oceanfront locations in prime resort areas.

If passed, the bill will (1) vastly **decrease tax revenue** (both property tax and GET/TAT), (2) **cripple tourism** on Maui and **create hardships for the significant number of Hawaiians who depend on the industry for work**, (3) crush property values AND lead to a spike in foreclosures among owners who can no longer afford their properties without STR income, (4) decrease the inventory of furnished housing available to locals as lowered property value will allow more mainlanders to purchase retirement and/or second homes on the island, and (5) **lead to years of costly litigation** for the state and counties.

STR's are NOT the cause of the housing problem. Mid and Short-term Rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.

Build homes and apartments that are specifically designed for long-term occupancy. **Creating more affordable housing is a noble effort, but stripping long-held property rights from existing owners is not the way to achieve it.**

I ask that you **please do not move this bill forward.**

SB-2919-SD-1

Submitted on: 2/28/2024 9:00:19 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Scott Cooper	Individual	Oppose	Written Testimony Only

Comments:

My ohana's life savings is invested in our vacation rental property. It's what we live on, as Social Security is so small. Please don't take this away from us. It will hurt us so bad. Please!

SB-2919-SD-1

Submitted on: 2/28/2024 9:02:26 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Cara Birkholz	Individual	Oppose	Written Testimony Only

Comments:

I strongly OPPOSE yet another attempt of hotel industry lobbying government to kill competition under the guise of affordable housing.

Counties already have laws in place to shut down illegal STRs. They should be required to enforce existing laws in place.

Subject: Testimony in Opposition to SB2919

Dear Members of the Committee,

We are writing to express our vehement opposition to SB2919, which threatens to devastate our community and jeopardize the livelihoods of countless residents in South Kihei and across Maui. This bill, if passed, will have profound negative consequences for both property owners and local workers who rely on the short-term rental industry.

First and foremost, SB2919 will force my family to sell our condominium as the demand for long-term rentals in South Kihei cannot support the number of short-term properties in existence. The financial burden of monthly association dues, insurance, utility bills, and other ongoing expenses would be insurmountable without the income generated by short-term rentals. We, like many others, simply cannot afford to shoulder these costs without the revenue from short-term rentals.

Moreover, the impact of this bill extends beyond property owners like ourselves. Our housekeeper and her employees depend on the income generated by short-term rentals for their livelihoods. Long-term rentals would result in significantly fewer cleanings, thereby eliminating crucial employment opportunities for local residents. The ripple effect of this bill would be felt throughout our community, driving many hardworking individuals out of jobs and exacerbating economic hardship.

Furthermore, SB2919 threatens to phase out 13,744 legal short-term rentals on Maui, which play a pivotal role in our local economy. These rentals contribute 40% of the real property tax revenue for the county and serve as the top funding source for affordable housing initiatives. The loss of this revenue would have dire consequences for our community, affecting essential services and programs that benefit residents across Maui.

Short-term rentals are not just a source of income for property owners; they serve as a lifeline for many individuals and families in need. These rentals accommodate displaced residents, newcomers in transition, inter-island travelers seeking medical treatment or family visits, traveling professionals such as nurses and contractors, temporary military personnel, students, as well as our own family and friends. HB1838 would deprive these individuals of crucial housing options and disrupt the fabric of our community.

In conclusion, we urge you to reject SB2919 and consider the devastating impact it would have on our community. Instead of imposing sweeping regulations that undermine our local economy and threaten the livelihoods of residents, we implore you

to work towards solutions that balance the needs of property owners, workers, and the community as a whole.

Thank you for considering our testimony.

Sincerely,

Craig and Jill Tompkins
2777 S Kihei Rd. #J115
Kihei, HI 96753

SB-2919-SD-1

Submitted on: 2/28/2024 9:09:01 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
David W Medina	Individual	Oppose	Written Testimony Only

Comments:

My name is David Medina and I am a resident of Lahaina. I have owned a legal vacation rental in Lahaina since 1989. I use this income to support myself. Legal vacation rentals on Maui provide 40% of the real property tax revenue revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's 1.7 billion dollar budget. Where will that revenue come from? Maui is in a financial crisis since the fires in Lahaina. Eliminating short term rentals will only make this issue worse.

Events like the Lahaina Fire displaced thousands of residents. Where will residents find temporary, furnished housing if our industry is further decimated?

Additional it seems unfair to give the power to change our legal rights. Many local residents like myself have made investments in our community based on the legal right to rent our properties.

Finally, being one of the thousands of local residents which have lost their primary home in the Lahaina fires I find it despicable that this bill would even be considered at this time.

Please vote no on SB2919

Respectfully submitted

David Medina

355 Front Street

Lahaina

SB-2919-SD-1

Submitted on: 2/28/2024 9:13:17 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Adrian Cable	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chairs Keohokalole, DeCoite, Wakai, and Members of their Committees:

Mahalo for the opportunity to write this testimony in opposition to SB2919 and present a 'reality check' to those in favor.

SB2919 grants the Counties the power to eliminate legal short term rentals via zoning ordinance. As pointed out in other testimony, if the Counties exercise this power, it will have the effect of denying rights to homeowners which are prima facie protected by the takings clause of the Hawai'i and Federal Constitutions, which have been affirmed previously in very similar situations by the Hawai'i Federal District Court, the US Supreme Court and others. It is unlikely that any straightforward amendments to SB2919 would address these issues, since taking this legal risk off the table would require compensation of impacted homeowners which (a quick calculation shows) would be unaffordable to the State or Counties. As a result, a legal challenge from affected homeowners, of which there are tens of thousands, is inevitable.

The principal beneficiaries of SB2919 will thus be the attorneys representing the State of Hawai'i and Counties in the protracted, and expensive, litigation that will follow. This money (paid by our taxes) would be better spent building affordable housing in Hawai'i, providing downpayment assistance to low-income potential homeowners, or other approaches to the pressing housing problems faced by the State.

The tragic thing, here, is that those involved in drafting and supporting SB2919 are well aware of this high level of legal risk and the consequences of the inevitable litigation that will follow, indicating that the motive behind its drafting is to disingenuously curry popular favor with the electorate, instead of a genuine attempt to address the State's critical housing issues. I find the number of testimonies in support of this bill on the basis that it ostensibly provides a mechanism to address the State's housing situation rather depressing, especially the 'cut and paste' testimonies from those who clearly haven't thought deeply about what they are helping to set in motion by supporting this bill. I hope that, instead, the Committees and residents of Hawai'i will take a few moments to reflect on the reality of the consequences of trying to pass magical 'silver bullet' bills like SB2919 before choosing to support them.

Mahalo for your consideration.

SB-2919-SD-1

Submitted on: 2/28/2024 9:14:05 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
brandi corpuz	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is Brandi Corpuz and I am from Kula Kai Maui. I strongly support SB2919 for the following reasons.

1. Our communities all across Hawaii have suffered a shortage of affordable housing due to the fact that many outside people buy and sell properties and homes as profitable businesses. Short term rentals take away the available housing for us and leave us with limited choices and extreme rental prices. As is the case right now, our government is going to pay Short term rental owners an outrageous amount of money, up to \$11,000 a month to provide housing for our fire survivors! This outrageous pricing is causing a frenzy of outside homeowners to charge much higher prices than weve ever seen. We already had a housing crisis before Aug 8 2023 now its even worse with many families being forced to move to the mainland just to have a place to live. This causes us to have a shortage of workers, businesses, and families who cant afford to live here. This also causes a breakdown of community as most people who own the STR units do not live in Hawaii. This provides less revenue to our state and county as these owners are not spending their money here.

2. Short term rentals have created triple the amount of visitors coming to our islands. The ripple effects of this are so great that while its happening we don't even see the many problems. Too many people on our islands degrades our way of life, destroys our natural resources, causes extreme traffic issues and emergency service problems (as seen in the Lahaina fires). People buying homes and land to live here is one thing but more tourist accommodations only helps the owners of these STR not our community at large.

3. You must amend this bill to take effect immediately to help Maui recover from the devastations caused by the August 8th fires. STRs are the biggest obstacle we face at this moment with new affordable housing years down the road. 20 years from now in 2040 we wont have any locals left on these islands. Make this law right now while you are in office to show us all that you truly care about us and are looking out for our best interest. We are the people that YOU represent and we need this now!

Please stop the "gold rush" of Hawaii through STR businesses. We can not make it another 20 years.

Sincerely, Brandi Corpuz

Written Testimony for SB2919

Aloha, I'm Rosalie Middleton. I'm a small business owner here in Honolulu. Thank you for the opportunity to share my testimony with you.

I believe the State and counties need to go back to the drawing board and come up with legislation that includes all existing TVU's and BNB's whether permitted or not and regardless of their location in a resort or residential zone.

I will list some of the sound, practical and real reasons why your staff needs to do so. This future bill needs to be structured so that families can run their vacation rental business year-round with existing 30 day rental agreements and not be penalized for creating employment. Grandfathering properties current on their GET & TAT taxes would be a start.

1. Vacation Rental owners don't go on strike disrupting and compromising vacationers' and business travelers' experiences. Ask Waikiki residents and merchants how these union practices have impacted them.
2. Any sound business model is based upon diversity. In other words you don't put all your eggs in one basket. One size does not fit all. You need to acknowledge and provide the accommodation choices our 9 million plus visitors expect and demand of any 1st world vacation destination. Accommodation diversity & choices are very important ingredients in keeping visitor counts stable.
3. Oahu's vacation rentals offer tremendous advantages to travelers when compared to a hotel. Privately owned vacation rental properties can offer more room, flexibility, amenities, freedom and privacy than a hotel room.
4. Many families prefer vacation homes as it permits them to cook together, hang together and play together with ease and with no logistical headaches. Most families staying at a vacation rental are out exploring our beautiful island and want to relax together as a family in the evening. This also our families preferred way to travel, as is many folks.
5. Hotel room conversions to condotels, time-shares, private ownership, etc. have reduced hotel room inventories to critically low levels. Not to mention since our city and county have sided with the big hotel unions the prices for hotels in Honolulu are out of control. How about supporting families trying to fill this niche instead of prosecuting them with outrages rules and penalties.
6. Vacation renters are much more likely to make personal connections and friendships with local families which is rewarding not only to visitors but also to Island residents. Waikiki hotel experiences are not nearly as memorable and repeat visitor numbers bear this out.

7. The Hawaii Visitors Bureau markets Hawaii as family-friendly destination. Could we get on the same page as the outfit that spends over \$100 million/year touting our Aloha and family friendly environment?
8. Vacation rental homes are considerably more eco-friendly than hotel rooms in Waikiki. The carbon-footprint of a family vacation based in a home is substantially less when you add up the 24/7 air conditioning, daily laundry services, unlimited hot water and no solar of the hotel sector.
9. Short term vacation rental rates permit many families to make their monthly mortgage & bill obligations whereas long term rental rates will not. You have been messing with families', couples' & individuals' property rights for going on 30 years. It's time to call off the inspectors, politicians & unions and show some common sense and civility. How about a little respect for home owners trying to make ends meet and provide a valuable and much appreciated service to visitors.
10. Residential vacation rental tenants tend to spend their recreational & dining budgets in the same neighborhoods and communities they are staying which benefits business owners outside of Waikiki. Vacation rentals dispersed around the Island of Oahu reduce the traffic and congestion around Waikiki and Honolulu.
11. A very high percentage of Oahu's short term vacation renters are responsible adults with children and grandparents traveling with them. These families are just like yours and mine looking for a high quality, good value travel experience. Let's be good hosts and leave the light on.
12. Vacation rentals have a positive impact on lowering the crime rate in neighborhoods where they are prevalent. Residential break-in rates have been documented to be substantially lower in neighborhoods where tenants are in and out with no predictable schedule compared to the typical 8am-5pm commuter neighborhood.
13. Vacation rentals are typically among the nicest kept up properties in their neighborhoods. They have a positive impact on the attractiveness of our neighborhoods and as a by-product a positive impact on property values.
14. BNBs and TVUs are not responsible for our homeless situation. Rent control will not solve it nor will forcing private owners to provide low income housing. The solution is for the State & City & County to build low income housing on public lands. As well as offering low income house where you have authorized the condos in Kakaka instead of multimillion dollar condos no one can afford.

15. The vast majority of short term rental operators pay their GET & TAT taxes generating tens of millions of dollars to our State and Counties. The few that don't can be pursued after you have a fair permitting process.

SB-2919-SD-1

Submitted on: 2/28/2024 9:15:24 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Carole Kitchell	Individual	Oppose	Written Testimony Only

Comments:

Sirs/Madams, I am opposed to further restrictions on short-term rentals. Our family has owned a house on Maui for 51 years. The taxes and maintenance expense have increased dramatically. If we were not able to rent our house, we could not afford to own it. The legacy of 51 years, and our love for Maui, would go out the window. The property would likely be redeveloped and eliminate STR revenue to the county and residents. We support a local property management company, cleaners, contractors, gardeners, pest control workers, etc., many of whom we have been working with for those same 51 years.

Now more than ever, Maui cannot afford to lose the revenue from STRs. Eliminating temporary housing is not the way to increase affordable housing on Maui. STR tax revenue covers 18% of the county's budget. Maui and its residents cannot afford to lose that revenue.

Thank you for your consideration.

Carole Kitchell

SB-2919-SD-1

Submitted on: 2/28/2024 9:20:52 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Anne Fender	Individual	Oppose	Written Testimony Only

Comments:

After visiting Maui many times over years, my husband and I purchased a home in Puamana in Lahaina a couple of years ago. Our plan was to spend all family vacations in this beautiful paradise, with the hope that my husband and I could eventually retire to Maui. Mortgage and HOA payments related to this purchase were made possible by the ability to short term rent our home when we were not using it. At this time, our Maui home is uninhabitable/ and inaccessible after the Lahaina fire. When services (potable water and sewer) are restored to the neighborhood, we are hoping to provide the home as a long term rental as a way of contributing to a community we love. That said, preserving the ability to short term rent the home in the more medium term future is essential to maintaining some of the long term value of the home -- a value that was already totally decimated by the fire. Please do not take away the right to short term rent this home - we've already lost so much!

February 28, 2024

To whom it may concern,

I am writing to voice my opposition to the proposed SB2919 legislation. My wife and I both have disabilities and have made significant investments to retrofit and customize our condo to accommodate our mobility and visual needs. We chose to purchase a condo within Wailea Beach Villas specifically because of the unique level of accessibility that the complex and surrounding area provides. Since purchasing, we have used the condo as our second home for several months of every year and have offered it as a short-term rental during the remainder. Offering our Maui home for long-term local housing is not an option that we would entertain if we were to lose the right to rent on a short-term basis. To do so would render us unable to use the home that we have customized to meet our unique needs.

We strongly believe that this proposed legislation is a violation of our personal property rights. Furthermore, it is short sighted. Without the option to rent on a short-term basis, our condo will sit vacant for many months of the year. This will mean less tax revenue going to local government, less local people being employed to clean and service the property and less visitors frequenting the restaurants and businesses in the area. The affect will be overwhelmingly catastrophic to the local economy that depends so heavily on the economic output that the vacation rental market generates.

I strongly urge you to consider the far-reaching ramifications of this legislation and vote not to pass Bill SB2919.

Sincerely,

Peter and Debbie Ash

SB-2919-SD-1

Submitted on: 2/28/2024 9:23:57 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Keila Paahana	Individual	Support	Written Testimony Only

Comments:

We are in a housing emergency. We need to shut down short term rentals and provide long term housing for local. About 25% of families displaced by the lahaina fires have moved away because they can't find a place to stay and that is unacceptable. End short term rentals.
thank you

SB-2919-SD-1

Submitted on: 2/28/2024 9:26:35 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Debbie Bettencourt	Individual	Oppose	Written Testimony Only

Comments:

I am writing to oppose bill SB2919 on behalf of myself and my family. My family has been visiting Maui for over 40 years. The islands welcoming spirit, people and culture keep us coming back every year. Several years ago, my family purchased several condos on the island to enjoy family time together. During the time we are not on island, our condo's are rented on a short-term basis. SB2919 would result in our inability to enjoy our time on Maui as a family and loss of rental income. I would seriously need to consider an alternative investment, where our family could get together and continue to rent our condos out as short-term rentals.

Not only does Short-term rentals provide benefits to myself and my family, they provide 40% of the real property tax revenue for the county and represents 18% of the county's \$1.7 billion dollar budget. My families visits, as well as other clients utilizing short-term rentals continue to support Maui's economy through jobs in the industry. A decision to discontinue short-term rentals would have a far-reaching impact on the islands employment including other service sectors.

Short-term rentals immediately allowed the accommodation of displaced residents during the Maui fires as well as several agencies, support workers and first responders. I personally had a representative from the EPA Boston office staying in my condo with all his testing equipment supporting the Maui fire clean up effort.

Please do not approve SB2919

SB-2919-SD-1

Submitted on: 2/28/2024 9:29:16 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Venus Gonsalves Henriques	Individual	Support	Written Testimony Only

Comments:

I am all for this bill! I live in a small village (1 mile long) and we have 22 vacation rentals in the one mile stretch. This is ridiculous! We are woken up at four o'clock in the morning, with music and talking. We can't even do things in our yards with out people using our drive as a turn around, asking for directions etc. as if we are their personal concierges. Behind my house, on Ag land, there are several unpermitted buildings, that have been used for years as a vacation rental and all though reported numerous times, nothing was done. There are 5 vacation rentals within 600 feet of my home! It is time to give our communties back to the people. There was a time when everyone knew everyone, not now. Neighborhoods are for neighbors, not transient strangers!

Mahalo,

Venus Gonsalves Henriques

February 28, 2024

Honorable Members of the Hawaiian Senate,

I am writing to express my **strong support for House Bill 1838**, which could address the issue of short-term vacation rentals in apartment-zoned areas. As a resident of Molokai, I have witnessed firsthand the impact of these rentals on our communities.

It is alarming to note that nearly half of the short-term vacation rentals on Molokai are currently operating in apartment-zoned areas. These areas are designated for residential use, not for commercial activities such as short-term rentals. However, these rentals have been allowed to operate for years, thanks to the Minatoya opinion and inclusion on the Minatoya list.

This situation is unjust and detrimental to our communities. Apartment-zoned areas are meant to provide housing for residents, not to be turned into de facto hotel zones. The proliferation of short-term vacation rentals in these areas has led to increased noise, traffic, and other disruptions that impact the quality of life for residents.

Passing SB2919 would be a significant step towards addressing this issue. By restricting short-term rentals in apartment-zoned areas, we can ensure that these areas remain true to their intended purpose of providing housing for residents. It is time to prioritize the needs of our communities over the profits of short-term rental operators.

I urge you to support SB2919 and take action to end short-term vacation rentals in apartment-zoned areas. Our communities deserve better, and it is time to put an end to this harmful practice.

Thank you for your attention to this important matter.

Sincerely,
Dana Moore

Molokai Resident

SB-2919-SD-1

Submitted on: 2/28/2024 9:30:42 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Douglas Mitchell	Individual	Oppose	Written Testimony Only

Comments:

I am opposed to SB2919. I believe this is a misguided attempt to solve the housing problem in Hawaii. First of all, the government should move to eliminate all illegal units. Secondly, the government should continue its efforts to build more low cost housing. This has been started in the Kihei area and could be expanded. Short term rentals provide significant property taxes as well as TA, GET, and county taxes. Eliminating them would be a significant blow to the economy and a tremendous loss of employment. And, I would imagine that it would bring significant legal action against the state.

SB-2919-SD-1

Submitted on: 2/28/2024 9:41:42 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Terri Zager	Individual	Oppose	Written Testimony Only

Comments:

This Bill SB2919 will kill tourism and the Maui economy. It will violate the constitutional rights of the individual citizen homeowner and create an environment that is hostile, an employment rate that is unacceptable and will force even natives and locals alike to flee as there will be limited employment opportunities. This will reduce property values and severely reduce capital derived from property taxes. Certainly the impending lawsuits this will create if passed will stiffen any good you hope to achieve by the passage of this Bill. It is suicide for the people of Maui. Visitors will take their money elsewhere and leave us reeling in the aftermath of destitution. Consider the consequences, do the research and provide the people with accurate information and data that will give us a clear and honest picture of what the long term effects of a measure like this will have on the citizens of Maui. It's time you put them first by offering smart and reasonable solutions! That is your job!

SB-2919-SD-1

Submitted on: 2/28/2024 9:42:49 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Roxanne Whitbeck	Individual	Oppose	Written Testimony Only

Comments:

Our family has lived on Maui P/T for over 60 years. While on island we regularly volunteer, are members of The Church of Jesus Christ of Latter Day Saints, we attend baby blessings to funerals both cheering and comforting our Maui friends. We can only afford the current taxes and maintenance by renting our place to STR. Our unit is not nearly big enough for a Hawaiian family as long term housing plus by renting it, we employ housekeepers, maintenance persons, landscapers, etc. If you impose a forced long term rental, we will have to sell our unit. The cost would be prohibitive for an islander to purchase it plus it would not meet their needs. You would instead gain a wealthy mainlander who can both afford it and will not be part of the island community. Perhaps rather than vilifying we who short term rent, perhaps you need less hotels and to build quality affordable housing for your residents.

SB-2919-SD-1

Submitted on: 2/28/2024 9:43:33 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Pete Hobart	Individual	Oppose	Written Testimony Only

Comments:

Bill could result in extreme hardship for folks who reside parttime. It will adversely affect many, including local businesses, state revenues and well established communities which are not hotels but a part of the social fabric. Illegal and future rentals, yes, but please do not take away our love of HI and our desire to support the community. And this will not help lower housing costs IMHO.

SB-2919-SD-1

Submitted on: 2/28/2024 9:52:02 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Amy Ramos	Individual	Oppose	Written Testimony Only

Comments:

February 28, 2024

To Honored Members of the State House

Subject: Opposing Bill SB2919 SD1

I'm an owner/operator of a legally permitted Short-term rental home located on Maui OUTSIDE the "hotel district". I've been operating for almost 11 years with ZERO complaints from my neighbors. This business is my livelihood and supports my family of five.

We already pay astronomical taxes with our real estate category, STRH and all the related taxes collected MTAT, state TAT, and GET, almost 18% now. Maui County STR properties have been heavily regulated and there are few operating illegally, at least on VRBO or Air B N B, as they would behave been found without proper listing TMK and Tax numbers.

There are not 75,000 Illegal vacation rentals in Hawaii. Where did the Governor Josh Green receive this information from????? The hotels apparently!

Maui is heavily regulated.

Where will the tax dollars come from if we are phased out?????

My property, along with all other STRs contribute the lion's share to the affordable housing fund. We are permitted, legal, businesses that support thousands of higher paying jobs than hotels could ever offer. Jobs from cleaners, vendors supplying supplies, contractors from electricians to ac folks, construction folks, tour operators, food and flower vendors, and about every business located outside of the resort area. These dollars stay on our island!

While a very small percentage of these properties may be considered viable homes or units for long term tenants, the majority are not affordable by any means. Most of these buildings are 40-50 years old needing expensive repairs that can be only done with expensive HOA fees, reaching upwards to thousands a month. Short term rental allows for these costs to be absorbed.

Maui County Property tax assessed for 2023:

STRH/TVR: \$ 212,486,602

HOTEL/RESORT \$ 51,057,262

\$161,429,340 MORE THAN HOTELS!!!

The one number I've read a couple of times lately in the news is that 52% of vacation rentals are owned by non-residents, but what I acknowledge is that 48% are owned by folks that live here! All these vacation rentals are small businesses, mom and pops, all are contributing to a vibrant local economy because the money stays on island.

The hotels are ALL off island owned, extracting profits from the the islands, paying folks wages that are supposedly a living wage, (if your google this, it shows less than \$50,000.00 a year for a Hawaii resort worker!) using vast amounts of water, taking up fragile environmental areas right next to the ocean, yet they pay the least amount of property tax!

I ask you to oppose bills that would allow the County of Maui and other counties to phase out LEGAL businesses that are supporting so many local families participating in tourism, the #1 economic driver here in Hawaii.

Oppose this SB2919 SD1 please.

Mahalo for the opportunity to testify

Amy Ramos

Maui resident, taxpayer, voter

Kihei, Maui, Hawaii

SB-2919-SD-1

Submitted on: 2/28/2024 9:59:32 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Brian Paris	Individual	Oppose	Written Testimony Only

Comments:

I am writing to vehemently oppose Senate Bill 2919 (SB2919), which would grant Maui County full authority to phase out rentals in any zoning. As a resident of Maui and the owner of two vacation rental units, I heavily rely on the income they generate to support myself and my family. These bills pose a direct threat to my livelihood and to the many others who depend on tourism-related income in our community.

It is crucial to acknowledge the indispensable role that short-term vacation rentals (STVRs) play in our local economy. Beyond providing income for property owners like myself, they also sustain numerous jobs in various sectors, including maids, maintenance workers, groundskeepers, and more. The income derived from tourism is fundamental to the economic stability of Maui County, contributing significantly to its tax revenue.

While I understand the pressing issue of housing shortage on Maui, it is far too easy to place blame solely on STVR owners and small business owners who reside off the island and lack the opportunity to vote. The root cause of the housing crisis lies in the persistent lack of affordable housing options, which has been further exacerbated by recent events such as the fires. Instead of targeting STVR owners, efforts should be directed towards addressing the underlying problem through policies that encourage the development of affordable housing.

One potential solution could involve expediting the process of building new housing units. For instance, the housing aid sent by Hungary, which has been sitting unused for nearly six months, presents an immediate opportunity for action. Streamlining the permitting process and reducing bureaucratic hurdles could facilitate the construction of multifamily homes in a fraction of the time currently required. We cannot afford to wait four years for a single housing project when there is an urgent need for more affordable housing options.

Furthermore, Hawaii, especially Maui, is renowned for its aloha spirit and breathtaking beauty. We must not jeopardize this by implementing measures that would harm our local economy and diminish the unique experience we offer to visitors. Let us work together to find balanced solutions that address the housing crisis without sacrificing the livelihoods of STVR owners and the vibrancy of our community.

In conclusion, I urge you to reconsider HB1838 and SB2919 and to explore alternative solutions that prioritize the well-being of our community while preserving the essence of what makes Maui special. Thank you for considering my perspective on this matter.

Sincerely,

Brian Paris

SB-2919-SD-1

Submitted on: 2/28/2024 9:59:49 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacquelin Carroll	Individual	Oppose	Written Testimony Only

Comments:

My sister and I are the surviving owners of a condo at Kuilima Estates East, which our mother purchased with us in 1975. This condo is in a resort zone and is a legal short-term rental. We oppose SB2919 because it takes away our right to use the condo as a short-term vacation rental now that our mother has passed on. Renting it out short term allows us to afford to keep our family property and use it some of the time for ourselves, other family, and friends when they visit Oahu. The condo's HOA fees and property taxes are expensive, so we need to rent it out some of the time in order to cover these and other costs. In the past, we have tried to find longer-term renters but were unsuccessful. Kahuku is far from places to work and the condo is too small for a family to live in comfortably, so we have relied on short-term rentals to defray the costs of keeping our property. We have been renting the condo out since 2015 and paying our GE, TA, and now OTA taxes faithfully. We hope that we can continue to do so, and that the ordinance that now allows short-term rentals, especially in resort zones, will be maintained.

Jacquelin Carroll

SB-2919-SD-1

Submitted on: 2/28/2024 10:02:41 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Karen Amicone	Individual	Oppose	Written Testimony Only

Comments:

This bill is a violation of an owners inalienable property rights.

It would result in many locals as well as non locals to lose their sole source of income and jobs!
It will hurt the property tax revenue and who will then have to compensate for that?

SB-2919-SD-1

Submitted on: 2/28/2024 10:04:29 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Debbie Moser	Individual	Oppose	Written Testimony Only

Comments:

Aloha, please do not eliminate my ability to keep my mother’s home since being purchased 1983. It is cost prohibiting to have it remain vacant when we are not on Island. Our little one bedroom condo is old and is not suitable for families larger than two. As owners of short-term vacation rentals on Maui, we are very concerned with recently proposed bills HB1838 and SB2919 that are attempting to force the rezoning of “legal” short-term rentals to other classifications disregarding the recent HILSTRA judgment. U.S. District Judge Watson was clear when he stated, “There is nothing to suggest that HRS § 46-4(a) does not mean exactly what it says — that a county is barred from passing any law that would eliminate existing lawful residential uses.” In addition, short-term rentals contribute a significant portion of Maui’s annual budget. Aprox. 60% of Maui tax moneys are from tourism and we employ so many people and keep them paid and they pay taxes

According to the proposed County of Maui’s Department of Finance and Real Property Assessment Budget for 2023, short-term rentals will contribute 35.9% or \$149,800,000 of the overall budget. If short-term rentals are eliminated, where will this shortfall come from? This is a disastrous approach to the housing shortage on Maui and in the Islands in general. Maui will see a financial collapse if this approach is adopted. Hotels won’t be able to, nor will they be willing to make up the tax shortfall. It has also been suggested that the hotel’s lobbying efforts are behind these past and recent bills to eliminate short-term rentals, thereby creating an opportunity for a monopoly. I speculate that if HB1838 and SB2919 pass, they will be challenged in the courts for many years to come. This will cost the State and the County of Maui more than they can imagine. Short-term rental owners will not take this lying down.

In addition, thousands of cleaning, maintenance, property managers, restaurants, and entertainment industry employees will lose their jobs. This will negatively impact business revenues in and around resort communities like Kihei. With the need to rebuild Lahaina, adding the loss of these jobs is very short-sighted at best.

Finally, the solution to the housing shortage on Maui is to build more affordable housing, not eliminate current tax revenue sources provided by short-term rentals. We have significant portions of land available, but the State and County need to get serious about building infrastructure and housing that local people can afford not more luxury properties.

Those of us who own short-term rental properties love our community and want to see it prosper while remaining respectful of our beautiful Hawaiian homeland. As I stated in an earlier letter, we have been closely watching the process that has taken place to reopen tourism, and we're grateful that guests are finally able to stay in our properties just as they would in a hotel or resort.

Unfortunately, bad actors remain a threat to businesses like ours and cause Maui County to lose out on deserved tax revenue. Maui County can easily identify any illegal operations through online platforms like Airbnb and VRBO, which can quickly delete them from their listings. We hope that Maui County officials will recognize these issues and adopt a rational, balanced solution when dealing with short-term vacation rentals.

Respectfully, Debbie Moser

SB-2919-SD-1

Submitted on: 2/28/2024 10:05:54 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Nancy MacPherson	Individual	Oppose	Written Testimony Only

Comments:

My name is Nancy MacPherson, and I have owned a unit in Kaanapali Shores on Maui since 2016. Although I have only owned my place for 8 years, I have been a regular visitor to Maui since I was a young girl, dating back to 1970.

I have a great respect for the people of Hawaii. That is why I'm submitting this testimony against SB2919. If this bill is passed, it has the potential to harm many of the local people of Maui who make a living from the tourism industry.

I recently read that over 40,000 jobs are supported by the short-term rental industry. Think of the many people whose livelihoods will be affected.

Not only would the local residents be negatively affected, but so would those who use the short-term rentals: displaced residents, inter-island residents coming for medical treatment, family visits of local residents who need extra space, traveling medical personnel, emergency contractors, temporary military, students, etc., etc.

During times of crisis, like the recent Lahaina fire, short-term rentals served as temporary furnished housing for displaced residents. If these short-term rentals are reduced in number, where will that immediate furnished housing come from?

Please do not pass SB 2919.

Submitted Respectfully,

Nancy MacPherson

3445 Lower Honoapiilani Rd, #527

Lahaina, HI 96761

SB-2919-SD-1

Submitted on: 2/28/2024 10:07:08 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
kai nishiki	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs and Members of the Committees,

I express my strong support for SB2919, allowing counties to phase out nonconforming single-family transient vacation rental units over a reasonable period.

Our community thrives on the contribution of our local workers, county/state government employees, teachers, healthcare workers, and emergency responders - those who serve our community's needs, not tourism greed. These are the people who form the backbone of our society and vacation rentals have created a housing crisis for these vital members of our community. They are finding it increasingly difficult to find affordable long-term housing in the areas where they work. This not only strains personal lives, but also impacts our ability to serve our community effectively.

The shift to short term rentals disrupts the fabric of our neighborhoods. It replaces long-term neighbors with a revolving door of temporary occupants, which undermines the sense of community and belonging that is essential to the social health of our communities. Without their contributions our communities cannot thrive. This is not just a matter of housing policy. It's about preserving the heart and soul of our community by ensuring that our local workforce has a place to call home.

It is our duty to change laws to protect our people when a use or action starts to hurt our people. In the realm of governance, the primary duty of a government is to enact and modify laws in a manner that safeguards the well-being of its citizens.

When certain actions, such as the proliferation of short-term rentals, begin to adversely affect the local population, it is the responsibility of the government to intervene and rectify the situation. This intervention is crucial in maintaining social balance and ensuring that the economic benefits of tourism do not overshadow the basic needs of local residents, such as affordable housing.

The government's role is not just to foster economic growth but to ensure that growth is sustainable and equitable, benefiting all segments of society. By adjusting legal frameworks and policies, the government can create a harmonious balance where tourism has its place(not in our neighborhoods) without compromising the housing needs of local workers, thereby upholding its duty to protect the interests and welfare of its people.

Aloha,

Kai Nishiki

SB-2919-SD-1

Submitted on: 2/28/2024 10:07:13 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kim godell	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill. It would only hurt the locals by limiting their income and reducing tourism

SB-2919-SD-1

Submitted on: 2/28/2024 10:08:43 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Gabe godell	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill. It would only hurt locals by reducing tourism and therefore impacting businesses and reduce jobs if tourism diminishes.

SB-2919-SD-1

Submitted on: 2/28/2024 10:10:42 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ann Sarna	Individual	Oppose	Written Testimony Only

Comments:

We purchased a condo at the Papakea Resort in August 2022. We are currently renting our condo to a fire survivor through FEMA.

1. feel a connection to the community, and wanted to do our part in helping a woman who is in transition due to the loss of her home from the Lahaina fire. We thought we would be able to visit our unit, and continue to do short term rentals when our contract is finished with FEMA, but now are informed that this part of our livelihood is at risk due to HB1838 and SB2919.
1. Papakea is a resort, which rents out to tourists since it was built in the late 1970's. It was never intended to be an apartment complex. This resort generates revenue for the state of Hawaii, employees local people, and supports the livelihood of cleaners and other contractors. The tourists who use our condo spend money in the local economy by going out to restaurants, renting cars, purchasing local tours etc...

Besides hurting our finances, there is this greater loss of revenue to the local economy.

- **Economic Contribution:** Maui's Short Term Rentals provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's \$1.7 billion dollar budget. The question arises: If Short Term Rentals are curtailed, where will the equivalent revenue come from?
- **Employment Impact:** Statewide, over 40,000 jobs are supported by the short-term rental industry. Restricting this sector could have far-reaching consequences on employment.
- **Community Support:** Short-term rentals accommodate various community members, including displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.

- **Housing Options in Crisis:** In times of crisis, like the Lahaina Fire, short-term rentals serve as essential temporary, furnished housing for displaced residents. Where will residents find such housing in times of emergencies. Where will residents find temporary, furnished housing if short term rentals are severely curtailed?

1. think that the State should invest in more housing for the local population, but not at the expense of eliminating short term rentals. The long-term impacts of eliminating short term rentals will severely hurt the local economy, in addition to hurting the people who invested in these properties in good faith. I ask you to vote no on SB2919, and find a better way to create more affordable housing for the local people.

SB-2919-SD-1

Submitted on: 2/28/2024 10:10:54 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Charlie Godell	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill.

SB-2919-SD-1

Submitted on: 2/28/2024 10:16:05 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kathleen M Gookin	Individual	Oppose	Written Testimony Only

Comments:

I live on Maui months per year. Eliminating my ability to do short-term rental will force me to sell, put my cleaner out of work and take money away from the overall economy of Maui and the state. This is a bad idea.

SB-2919-SD-1

Submitted on: 2/28/2024 10:18:37 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Cathy Medina	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I am concerned about the consequences of SB2919 that is being proposed. Many of the STR's that would be affected by this bill are not appropriate for affordable housing. Some are in HOA's that are not set up for families, ie, limited parking, no pets, studios, some are very expensive with high homeowner dues and property taxes, etc. These properties have been LEGALLY renting to guests that spend money in local mom and pop retail establishments. Guests in hotels typically spend their dollars at their resort property and that does not support the local economy.

Local families are leaving the island due to loss of their homes and jobs and SB2919 would only add to the exodus. The rebuild process is becoming cumbersome and local families whose livelihood was tied to tourism will eventually give up if they see their customer base being eroded.

On a personal note, we are still waiting for our refund from the county on our standing home that is in the disaster zone. If the County is struggling with making these payments, how can a bill such as SB2919 be considered fiscally responsible. The revenue provided by LEGAL STS's to the local community, and to the County by way of taxes, is significant and would be lost if these properties lose the ability to rent short term. The Westside needs to have accommodations for guests as well as local families. SB2919 is not the answer!

Please vote NO on this bill.

Mahalo for your consideration,

Cathy Medina

SB-2919-SD-1

Submitted on: 2/28/2024 10:20:00 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Yoh Kuwano	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

*I am writing in **opposition** of this bill because it will threaten my ability to make a living.*

I work for a small business that services short-term vacation rentals on my island Oahu along with the other cleaners, electricians, maintenance workers, and small businesses like me, who live and work in my community.

This bill will hurt me and put at risk my ability to pay for my own housing and bills.

Let the counties enforce the laws that they already have.

I ask that you please do not move this bill forward.

Thank you for your time.

SB-2919-SD-1

Submitted on: 2/28/2024 10:21:55 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Regina Duncan	Individual	Oppose	Written Testimony Only

Comments:

Dear Senators

The Vacation Rental industry isn't the demon it's being made out to be. There are far more hotel rooms but those aren't being attacked by the recent rhetoric.

Especially on Maui we don't have the diversity in our economy to discourage tourism. This will directly impact local people who depend on the industry for a living.

I encourage the legislature to look for ways to diversify the economy and not hurt locals with bills like this.

Sincerely Regina Duncan

SB-2919-SD-1

Submitted on: 2/28/2024 10:22:25 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Janet mazzei	Individual	Oppose	Written Testimony Only

Comments:

Hi legislatures,

Are short term rental has had many difficulties because of the pandemic and the Maui fire. The employees received free rent until Dec. 19 2023 they also received money from the go fund campaign the owners created for them.

The burden from the pandemic and fire has cost the owners a financial burden that we may never recover. The state is always hurting the short term rentals compared to the hotels. The short term rentals provide the state & county taxes & employment for the Islanders. By passing this bill it takes away our property rights and hurts us financially.

Please vote NO so things will start to go back to normal after these tragedies.

Thank you for your time,

Janet Mazzei

Napili Surf

SB-2919-SD-1

Submitted on: 2/28/2024 10:25:55 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Norm Nichols	Individual	Oppose	Written Testimony Only

Comments:

Strongly opposed to any bill or law that denies the local citizens their property rights. The hotels in hawaii are sycophants on our economy and culture and need to understand that as outsiders here have to respect our native rights

SB-2919-SD-1

Submitted on: 2/28/2024 10:30:46 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Eric Arquero	Individual	Support	Written Testimony Only

Comments:

Offering my testimony in support of S.B. 2919, S.D. 1 with requested amendment.

Please amend the bill to include apartments that are permitted for long-term housing. The severe housing crisis in West Maui post-August 2023 fires could possibly be alleviated by the conversion of short-term rentals to long-term housing.

There is adequate transient accommodations in West Maui within permitted hotels and resorts. We direly need long-term housing and rental dwelling units to support our community and workforce.

Please pass this measure and extend the powers to amortize short term rentals within apartment complexes.

Thank you,

Eric C. Arquero

Lahaina Resident

SB-2919-SD-1

Submitted on: 2/28/2024 10:30:59 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Tim Duchene	Individual	Oppose	Written Testimony Only

Comments:

Opposing HB2919 - Protecting Our Rights as Property Owners

My name is Tim Duchene, and I am a resident of Hawaii. I wanted to let you know about my strong opposition to HB2919. This bill unfairly targets single-family residential properties, allowing counties to phase out short-term rentals in a way that could harm our community.

Here are a few key points that I believe are important to consider in opposing HB2919:

1. Unfairly selects only single-family residential properties, allowing counties to phase out short-term use. Unlike higher-density areas, these properties are well suited for short-term or temporary housing because they provide space and appropriate facilities for temporary living.
2. Allows counties to take away property rights from their community.
3. Allows the counties to retroactively change the rules, creating uncertainty for property owners and investors.
4. It sets a precedent for taking away other rights from homeowners and revoking non-conforming uses, potentially destroying the value of properties.
5. HB2919 can potentially decimate an industry that pays \$740M in taxes and generates \$4.8B in visitor spending each year, impacting the local economy.
6. Punishes people who have followed the rules, navigated the process, and paid their dues, creating unnecessary hardships for law-abiding citizens.

I urge you to consider the negative implications of HB2919 and its impact on residents, property owners, and the overall economy of Hawaii. It is crucial to protect the rights of property owners and ensure a fair and balanced approach to any changes in legislation.

Thank you for your attention to this matter, and I hope for a fair consideration of my opposition to HB2919.

Mahalo, Tim Duchene

Tim & Carolyn Duchene

949.310.6543 cell

Wailea Sunset Condo

SB-2919-SD-1

Submitted on: 2/28/2024 10:32:13 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
JANICE T TOWER	Individual	Oppose	Written Testimony Only

Comments:

RE: SB2919, SB1

I am writing to oppose allowing counties to phase out short term rentals. Since 2007, I have been a permitted owner of a rental in Upcountry Maui which is about an hour drive from West Maui. We provide accommodations to visitors and residents alike who are looking for a quiet place to stay away from busy town centers. The main house has been rented long term for 24 years while the ohana is available short term. My family stays in the cottage for our own getaway. Local Upcountry residents often use the cottage to house their relatives when they come to visit, and we occasionally rent to itinerant workers at the Kula Hospital, 1/2 mile away.

I pay sales and accommodations taxes which contribute to the portion of county revenue provided by short term rentals, which is 40% of the county's real property tax revenue. I hire local contractors for landscaping, maintenance, and house cleaning.

Shutting down accommodations such as ours will not force us to rent the ohana on a long term basis. I would just leave it empty for personal use. However, it would make an impact on the livelihood of our contractors' businesses, and remove a resource that local residents use for their visiting guests.

SB-2919-SD-1

Submitted on: 2/28/2024 10:34:09 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Bruce Fehring	Individual	Oppose	Written Testimony Only

Comments:

My wife and I have resided on Kauai since 1987, and own a family farm. We have a special use permit to run a vacation rental unit. We were approved for this use because we have used the unit to help support our farming venture, and must provide, yearly, information that we make more from farming than we do from the vacation rental.

Imposing a requirement that may lead to our being forced to rent on a long-term basis would diminish the vacation rental income we use to support our farm, and put us in a dubious financial position. As one of the few real farmers on Kauai's North Shore, I do not want this proposed legislation to be hanging over our heads and putting our livelihood at risk.

Any proposed legislation like SB 2919, SB1, that could expand the zoning powers of counties to allow counties to amortize or phaseout transient accommodations in residential and agricultural zones SHOULD ONLY APPLY TO OWNERS WHO DO NOT LIVE HERE, NOT TO LONG TIME FULL-TIME RESIDENTS LIKE OURSELVES.

Thank you for your consideration and your cooperation in this matter.

Sincerely, Bruce and Cynthia Fehring

Fehring Family Farm / Aloha Ola Farms

Kilauea, Kauai

SB-2919-SD-1

Submitted on: 2/28/2024 10:36:41 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Charlene Schulenburg	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

2/28/24

HARM the LEAST while HELPING the MOST. I am opposed to SB2919 due to the following:

There are local Kama’aina, like me, who run Short Term Rentals (STRs) as small businesses on Maui and it has always been my retirement plan. I will be financially ruined if you take a broad stroke to take ALL STRs.

There are empty timeshares (40% vacant annually per data) and empty, non-locally owned 2nd homes (Tens of thousands exist per data). By removing STRs you risk depleting Maui’s economy which is already harmed by the fires and the reduction in tourists. STR property taxes make up 40% of Maui’s income. Do you really want to reduce Maui’s already challenged and damaged income and budget? On its face, it sounds easy to say remove all STRs. PLEASE CONSULT with actuaries and financial experts who analyze all aspects of unintended consequences, the PROS and the CONS, of what shutting down all STRs means to our economy. Please don’t hurt locally run and owned STRs.

Since the fires, I have offered my rentals 6X to help fire victims. My STRs are in Kihei which is apparently, undesirable for fire victims, and navigating the system to rent is difficult!

There are no easy solutions.

Please consider other alternatives before targeting locally owned STRs.

Please try to HARM the LEAST while HELPING the MOST.

Mahalo for thinking this through!

Charlene Schulenburg

Short-Term Rental Owner

SB-2919-SD-1

Submitted on: 2/28/2024 10:37:20 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Marci Cortisse	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

My name is Marci Cortisse and I live on the island of Maui.

I am writing in opposition of this bill because it will threaten countless residents' ability to make a living. Cleaners, electricians, maintenance workers, and small businesses, who live and work in my community struggle to make ends meet as it is.

I own and work for a small business that services short-term vacation rentals on my island. This bill will hurt my employees and vendors and put at risk their ability to pay for their own housing and bills.

Let the counties enforce the laws that they already have.

I ask that you please do not move this bill forward.

Thank you for your time.

Sincerely & With Aloha,

Marcelle Cortisse

SB-2919-SD-1

Submitted on: 2/28/2024 10:38:33 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Stephanie Moreno	Individual	Oppose	Written Testimony Only

Comments:

Honorable Hawaii Sate Legislature,

Please oppose SB2919.

I have been coming to the islands for the last 30 years, I have family and friends living in Maui.

I have since become a property owners on Maui. I am legally licensed and renting out my condo to offset the cost of owning. This has led to contributing to the local and state economy through County and state taxes and jobs.

I have just one home, but as a collective, the removal of short-term Vacation Rentals from Hawaii's tourism sector will be a detriment to us and the state's economy as a whole.

I recently read the 2020 study by Hawaii Tourism authority and saw that short term rentals bring in \$6 billion and over 46,000 jobs.

It is not just us owners who will be negatively impacted. The removal of short term Vacation Rentals will also have an impact on car rental companies, tour operators, restaurants and local retailers.

Let's work together to come up with a solution to Hawaii's housing shortage that doesn't penalize small mom and pop operators who are positively contributing to the economy.

Mahalo,
Stephanie Moreno

SB-2919-SD-1

Submitted on: 2/28/2024 10:43:27 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jessika Lawrence	Individual	Oppose	Written Testimony Only

Comments:

Short-term housing plays a critical role in Hawaii and always has. As far back as 20 years ago when I was a new college graduate, I had to rent the extra rooms in a 3 bedroom house because there was a lack of studio and one-bedroom housing available for the same per bedroom cost I could rent a larger home. With two roommates inevitably there would be a mismatch of personalities and roommates were replaced. If you change zoning and enforce laws that prohibit month-to-month short-term rentals, you will invalidate this vital style of house sharing that continues amongst the 20-30 yr olds living and working in Hawaii. In addition, you will eliminate the fully furnished housing available to military moving to and off island on Permanent Change of Station orders and contract workers (like internet technology remote workers) who contribute to our economy with stays under 6 months. I believe we already have laws prohibiting nightly rentals that are not being enforced and a new law will not help with that lack of enforcement.

SB-2919-SD-1

Submitted on: 2/28/2024 10:45:59 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kencho Gurung	Individual	Support	Written Testimony Only

Comments:

Please pass this bill to return housing to local residents

SB-2919-SD-1

Submitted on: 2/28/2024 10:46:34 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Karissa Anderson	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee:

My name is Karissa Anderson and I live in California and own a condo on Maui.

I am writing in opposition of SB2919 because it will threaten my ability to make a living as well as negatively impact the cleaners and maintenance workers who live and work on Maui. SB2919 could result in the phasing out of over 13,000 legal short-term rentals on Maui. If STRs are phased out/banned, many local residents will become unemployed due to a dramatic decrease in visitors and will need to move to the mainland; they will have no need for the housing that was once a STR, and STRs will be left vacant.

Eliminating short-term rentals benefits no one, especially the state of Hawaii. Maui's STRs provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's 1.7 billion dollar budget. Where will that revenue come from? It will by default increase the tax burden on residents.

Mid- and short-term rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, and our family & friends.

I rent my condo to visitors who are unwilling to stay in hotels and have told me that **they will not visit the islands if forced into hotels**. Many of my guests who rent my condo have been visiting for years and put thousands of dollars into Maui's economy every year by supporting small businesses, restaurants, etc.

My condo is zoned apartment, but is located in a resort complex. Like most STRs in Maui, it is a 1 bed/1 bath unit that is unsuitable for longer term renters as there is no storage, no pets allowed, only a single parking space, and a very high HOA fee of \$800 per month. Phasing out STRs will not create more affordable housing; it will only dramatically reduce the amount of income-generating visitors. Locals will not want to purchase former short-term rentals for the reasons stated above. The default buyers of these properties will be wealthy off-island owners who can afford to purchase them and leave them empty for a majority of the year. Hosting visitors as short-term renters adds so much more to Maui's economy.

I urge you to enforce existing laws and ask that you please not move SB2919 forward.

With respect and aloha,

Karissa Anderson

Linda Siegel
84-680 Kili Drive, Unit 703
Waianae, HI 96792

February 28, 2024

RE: **SB2919**

In 2021 my husband Marc and I purchased our condominium at Makaha Valley Towers (MVT), in Waianae, solely to live in when we retire. We chose Hawaii for health reasons; it is the only state where I don't have terrible allergies. We are not investors or real estate moguls. We only own two homes: one in Waianae, HI and one in San Jose, CA. We did not buy the condominium to make money! We barely make enough money to pay the costs of owning it now! We rent it out for no less than 30 days or more when we are not there and can only afford to keep it if we rent it until we retire. We were told by the previous owner that the condominium was a 30-day rental for years. We chose Waianae because it is quiet, with no heavy traffic, and not full of chaos.

We registered our condominium before ever renting it out. We vet our guests VERY carefully. We register our guests with MVT management and security well before they arrive. Our condominium is a two-bedroom. We only allow up to four people, with one vehicle, for no less than 30 days. We are not causing any traffic congestion. We have strict rules for our guests to follow. We contribute to the local economy when we are there. Our guests also contribute to the economy.

We pay all transient and general excise taxes, and we've never had any complaints against us, not to the state, county or from our neighbors. MVT has 24-hour security, and we pay a hefty HOA fee of \$1247 every month. We also added \$1000 a month to the mortgage on our home in CA to buy the condominium. We carry rental insurance and an umbrella liability policy in addition to homeowners' insurance. We employ local plumbers, electricians, handymen and housekeepers. We shop and dine locally.

Should any bill pass prohibiting 30-day rentals we will have to sell our retirement home. These bills would negatively affect a lot of folks with legal rentals who follow the law, pay their taxes, and contribute to local economies, NOT just people in Honolulu! We oppose **SB2919!**

Respectfully,
Linda Siegel

February 29, 2024

Hawaii State Legislature

Subject: Senate Bill 2919 & House Bill 1838

Dear State Legislature,

As an owner of a townhome in the Puamana complex of Lahaina, whenever we are in Maui, we support many of the small businesses on the Island, including local restaurants, services and shops.

When we are not in Maui, we offer our home for rent to visitors to Maui. Our tenants provide significantly more commerce to small local businesses than guests that stay at the many hotels on the Island. Oftentimes, hotel guests remain at such hotels and do not support off-property businesses. Short-term rentals also benefit the State of Hawaii by generating significant tax revenue.

We are a responsible, short-term rental property owner and can afford our Maui second home due to income it generates while we are away. We visit our property about three times each year with the intent of becoming a full-time residents sometime in the future.

We strongly urge you not to alter current property rights and laws by placing further restrictions on short-term rental properties. These rights were one of the main reasons we purchased our Maui home in the first place. We, therefore, strongly oppose the passage of the subject Bills which would have a significant adverse effect on all short-term rental property owners in Hawaii.

We respectfully thank you for your consideration of this request.

Sincerely,

Bruce & Sue Sakashita

272 Pualei Drive #6
Lahaina, HI 96761

SB-2919-SD-1

Submitted on: 2/28/2024 10:49:42 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Juliana Cherry	Individual	Oppose	Written Testimony Only

Comments:

SB 2919 SD1

I oppose SB 2919 SD1 because it could have a grave impact on my life. It seems that the proposed legislation SB 2919 SD1 has picked up last year’s HB 84. We understand that there are people not following the rules already set forth for short-term rentals, and we support enforcement of the rules. However, the following provision is excessive and seems to go against the historical practices of “grandfathering” in non-conforming uses.

We have a vacation rental with a legal non-conforming use permit and we live on the property in our ADU apartment. My husband and I have lived in Kauai on this property for over a dozen years and we are retired in our mid/late 70s. We cannot live on Social Security alone. The income from the vacation rental is necessary. We have planned and arranged our lives counting on the fact that we are operating under the guidelines set forth by the county and state. We know there are many people, younger and older than us, who live on Kauai and have similar situations where they count on income from short-term rentals. This bill would be a huge impact on ourselves and many others.

The other aspect of the situation is that many visitors prefer to have more of a local experience rather than staying in a hotel or resort. We have hosted many multi-generational families who are happy to spend the day exploring our island of Kauai and then be able to return to a comfortable “home away from home” where they can prepare a meal and play games together or watch TV. And yes, this is a more affordable option for a family of 5-8 people. Is the state of Hawaii trying to discourage the common man, the little people, from being able to travel to and enjoy our blessed islands?

We hope that the state and counties can honor the arrangement made through the process of “grandfathering in” many vacation rentals and not cut off a flow of money much needed by residents of the Hawaiian islands. Plus the fact that the short-term rentals are a source of revenue via GE & TAT taxes and state income tax. We urge you to vote NO on SB 2919 SD1.

SB-2919-SD-1

Submitted on: 2/28/2024 10:50:59 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Mihai Constantin Pau	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Tamas, Vice-Chair and Members of the Committee,

We are owners of an apartment in beautiful Maui and we have long been in love with the culture, people and nature of Maui.

We have been delighted to help our guests have a place to stay and allow them to experience the unique traits of Maui, with us guiding them in the process to local businesses (restaurants, fun activities like surfing, snorkeling, whale watching). We also work with a multitude of local community companies, offering incredible services like cleaning, maintenance, plumbing, construction and others.

We have gone with our partners through good times and challenging times, we supported each other through the tragedy of last year and saw first hand how a decrease in visitors was hurting all of us, unable to hold staff on the long run and endangering people that are so passionate about making sure everyone has a fantastic time in Maui.

We have also been supporting the local and federal budget with ever increasing taxes and fees that made us unable to lower the cost to our customers at previous levels and made Maui less accessible. We have allowed guests to extend their stays, we lost days of rental income and we can no longer do that due to increased occupancy, property and federal taxes.

We understand we are facing lots of affordability challenges and we believe short term rentals are not part of the problem but part of the solution. We also believe lowering taxes/offering tax incentives for owners to encourage them to offer lower prices long term options will be a win-win.

Mahalo for your dedication,

Andreea & Mihai Constantin-Pau

Maui Sunset A207

Kihei

SB-2919-SD-1

Submitted on: 2/28/2024 10:53:57 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Caitlin Maratea	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and esteemed committee members. I am writing in support of HB2919 allowing state counties more bandwidth to regulate short term rentals. As a resident of west Maui who lost my home and business in the Lahaina fire, I am witnessing and experiencing first-hand the glaring issue with lack of available housing in west Maui for the workforce. We struggled immensely to secure housing while we wait to rebuild our home, and since we don't qualify for FEMA assistance, I can't stress enough how difficult it has been with rental and real estate prices skyrocketing.

I understand that tourism is Maui's main economic driver but there needs to be a balance. Over 80% of the available housing in west Maui post-fire is STR and that is simply unacceptable. Building more "affordable" housing in an area with severe drought is not the answer. We have the inventory to house the Lahaina community and this needs to take priority over everything else.

Please approve this bill and prioritize Hawai'i's residents in their utmost time of need.

SB-2919-SD-1

Submitted on: 2/28/2024 10:54:58 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Lindsay grier	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I am writing because I am in opposition to SB2919.

I am a long-time Maui resident residing in Haiku and own a small STRH also in Haiku. If passed, these bills could have a detrimental effect on my family, the residents I employ to help maintain my rental home, and the communities of Paia, Haiku, Upcountry, and Hana.

As a former teacher with the Hawaii DOE, I was unable to give my children the full attention that they deserved. Since I began operating my STRH, I can spend much more time with my own children thereby helping them become responsible, kind individuals.

Operating as a short-term rental home provides two cleaners, one landscaper, and one general handyman with part-time employment near their home. Each has communicated how much they appreciate the work near their home as opposed to having to commute to hotels in Wailea and Ka'anapali for employment.

Not only does my STRH benefit the people I work with, but my visitors also frequent the locally run businesses in Haiku as well as Paia, Upcountry, those along the Hana Highway, and in Hana. Often, my guests have chosen to rent on this side of the island to stay near close friends or family, and then frequent local restaurants and shops. For many of my guests, a hotel room is not affordable nor livable to small families that need to prepare meals or need more space than one room.

Additionally, the operation of STRHs generates a huge percentage of Maui County's tax revenue from higher real property taxes and the MCTAT. Where will this revenue come from if Maui County is permitted to phase out thousands for STRHs?

Let the counties enforce the laws that they already have.

I ask that you please do not move this bill forward.

Thank you for your time.

Aloha,

Lindsay Grier

SB-2919-SD-1

Submitted on: 2/28/2024 10:54:59 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Tamara C Griffiths	Individual	Support	Written Testimony Only

Comments:

As a resident of Lahaina and Maui County, I support this bill. Let Lahaina lead. STR's have driven up the cost of housing for decades and priced indigenous and Kamaaina out of their rightful lands for too long. There is not adequate infrastructure for the building of additional structures. What is in existence often sits empty. Enough already.

Respectfully,

Tamara Griffiths

SB-2919-SD-1

Submitted on: 2/28/2024 10:56:21 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Samantha Shaw	Individual	Oppose	Written Testimony Only

Comments:

Dear Hawaii State Legislature,

I am writing in **opposition** to **SB2919**

When my husband and I were looking to purchase a retirement home, we researched Hawaii and specifically sought out a legally permitted short-term rental in Maui to help with mortgage payments until our retirement in a few years. We ended up buying a condo in Kihei. We have always abided by your state laws regarding licensing, short-term rental zoning, taxes, on-island property manager, etc and now this bill is threatening the possibility of keeping our home.

Short-term rentals have positive economic impacts on Maui in that they provide property tax revenue for the county. Maui's STRs revenue provides approximately 18% of the \$1.7 billion budget. If STRs are prohibited, where will the equivalent revenue come from? Will you increase taxes from residents?

Just our unit alone employs property managers, cleaners, and local trades like electricians, plumbers, painters, and handymen, and purchases supplies from local businesses. Statewide, thousands of jobs are supported by the short-term rental industry. Restricting STRs will have consequences on local employment.

May I also remind you that during Covid-19 and the Lahaina fires, STRs were made available to help displaced residents, medical personnel, first responders, and transitional emergency contractors during these events. STRs are convenient and accessible for people who need temporary housing for various reasons.

Please consider carefully the negative implications if this bill were to pass.

Thank you kindly,

Samantha Shaw (property owner in Kihei)

SB-2919-SD-1

Submitted on: 2/28/2024 10:56:24 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
James Cherry	Individual	Oppose	Written Testimony Only

Comments:

OPPOSE SB2919 SD1

I have been the owner of a non-conforming use vacation rental since 2005. I have always complied with local Kauai requirements regarding our rental, including paying a large annual fee to the county. If SB 2919 SD1 is passed and our rental can no longer be rented to transient vacation guests the retirement income of my wife and I will be severely impacted. The grandfathered-in clause in our legislature is meant to protect the constitutional rights of the owner by preventing him or her from being deprived of the viable economic use of their property. SB 2919 SD1 if enacted would do just the opposite of the intended tenets of the Grandfather Clause.

SB-2919-SD-1

Submitted on: 2/28/2024 10:57:56 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Faith Cummins	Individual	Oppose	Written Testimony Only

Comments:

Aloha, I oppose this bill. The economic impact will be desvisting for the employees and small business owners that live on the west side. The housing that they are trying to use for workforce homes is not feasible for families. These condos are small, have no storage , only allow one car and have no where for children to play that is safe.

There will be many more Lahaina families that will leave the island if they take away our businesses and livelihood alone with rents that are not in the realm of what a average person can pay.

How are our families going to be bale to visit if the only place that they can rent is a \$1000 a night hotel room. How are we going to travel inter island if there are not rentals that are affordable. There needs to be housing for emergency contractors, students, all of this will be removed if the STR are taken away. Not counting all the money that the west side contributed to the State and county for affordable houseing. There has to be other ways to help our community.

I also lost my home in the fire, lived in a hotel for 4 months and had to move to Kula from Lahaina. I first hand have experinaced the pain but I do not support this bill.

Mahalo,

Faith Cummins

SB-2919-SD-1

Submitted on: 2/28/2024 10:59:25 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Tricia Chiariello	Individual	Oppose	Written Testimony Only

Comments:

This is going to hurt not just myself, a small condo vacation owner but also affect many others including property managers and cleaners. Please don't support this. Mahalo

SB-2919-SD-1

Submitted on: 2/28/2024 10:59:52 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Rosanne Mastrangioli	Individual	Oppose	Written Testimony Only

Comments:

I am writing to express my opposition to SB2919, which proposes regulations impacting short term vacation rentals. As a dedicated member of the community I have witnessed firsthand the valuable contributions that vacation rentals make to our local economy and to the livelihoods of many families and individuals in our area

Since September, through the Red Cross assistance program I have been housing a family who lost their home in the Lahaina fire.

This experience has brought to light the critical need for flexible housing options, particularly during challenging times when families are grappling with the loss of their homes. Vacation rentals have played a pivotal role in providing essential temporary housing in such circumstances, underscoring their importance beyond typical tourism functions.

In my condo building approximately 100 condos are doing the same thing. All the families currently housed in these condos would not have had a place to stay if these short term rentals had not existed. This underscores the crucial role these rental properties have assumed in providing safe and stable housing arrangements for families facing adversity.

Furthermore I share the concerns raised by community members such as Marbella Alford, who eloquently articulated the jeopardy that bills such as these pose to their ability to remain in their homes and meet their financial obligations. The potential impact on local economies and jobs, as highlighted by Karen Anderson, is deeply concerning, as it could have far reaching consequences for the economic well-being of our community

It is evident from the heartfelt testimony of Philip Andriano, a long time resident of Vilcano, that the restriction or excessive regulation of vacation rentals can have cascading effects on property owners, local businesses and the unique experiences offered to visitors.

The points raised by these individuals reflect my own concerns about the potential negative impact of SB2919. As a member of the community I urge you to consider the real world implications of this bill and the detrimental effects it could have on our local residents, small business owners, and the overall vibrancy of our community.

I respectfully request your careful consideration of these concerns and ask for your opposition to SB2919. Together we can seek balanced and fair regulations that support the needs of our community while preserving the vital economic benefits provided by the vacation industry.

Thank you for your attention to this important matter

Sincerely

Rosanne Mastrangioli

SB-2919-SD-1

Submitted on: 2/28/2024 11:04:40 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Sam Engel	Individual	Oppose	Written Testimony Only

Comments:

Honorable Senator Dela Cruz, Chair, Senator Moriwaki Vice-Chair Vice Chair, Senator Rhoads, Chair, Senator Gabbard Vice-Chair and Members of the Committee:

Thank you for your consideration of my testimony I oppose SB2919. I own a condominium at Papakea in Honokowai that was built in 1978. My opposition is based on two principles.

Principle #1 -- Certain properties, ours included, are and have been significant economic contributors to the West Maui economy, and has been a consistent stream of revenue to the State and the County through the STR designation and resulting tax rates

Our complex employs 35 Maui residents, many of whom reside in the fire-impacted west side. Many of our employees have been with us for many years. We just celebrated the retirement of a valued member of our team, with 16 years of employment! During the pandemic, our association maintained our commitment to our staff, despite minimal occupancy, by continuing their employment throughout.

Additionally, our association contracts with numerous small business owners for support services, including tree trimmers, elevator technicians, HVAC professionals, pest control, and supply procurement, to name but a few. It is difficult to estimate the total economic on these people should SB2919, but it would be significant. It would seem to be important for committee members look at the long-term, perhaps unintended impacts on the community resulting from implementation of SB2919.

Our owners employ management companies, rental agents, handymen, IT technicians, service industry folks, that in turn support the their families and the West Maui economy. It is difficult to estimate the total economic on these people should HB1838, but it would be significant. It is important to note that this contribution to the West Maui economy is only possible by the amount of maintenance fees necessary to support a vacation rental type of operation. It would seem to be important for committee members look at the long-term, perhaps unintended impacts on the community resulting from implementation of SB2919.

Our Papakea guests support many small businesses on the island included restaurants, food trucks, tour operators, state parks, the national park, and shops.

Principle #2 Our complex in particular is and has consistently been a quiet participant in community life. I want to make sure that this side of our operation is apparent to legislators. Additionally, Papakea honors the the low-impact and culturally respectful tourism that both the state of Hawaii and the County of Maui have been encouraging.

Because of the low-key nature of our operation, Papakea attracts a high number of returning guests that have been visiting Maui for years and have established deep connections with the community, including personal and organizational relationships.

During the initial response to the Lahaina fire, Papakea owners opened their units up for immediate housing of displaced Lahaina residents, well before any organized efforts were undertaken by either the state or County. Additionally, many of our owners have participated in the interim housing placement program. Until three days ago, the Red Cross operated a support desk for displaced Lahaina residents from our lobby and administrative office. Our association has educated owners and insured that guests that are displaced Lahaina families have been welcomed and embraced.

Principle #3 SB2919 paints the issue with a paint roller, when an artist' brush might be more targeted at a practical solution, and have less of an impact on Maui stakeholders.

Our complex was initially approved by the County of Maui, developed as such and then initially marketed as a resort property, consisting primarily of studio and one-bedroom units back in 1978. We have continually operated (legally, it should be added, and with both the state and Maui County collecting substantial amounts of revenue resulting from the STR designation) with this model since that time.

Papakea has always had the STR designation. Our units did not result frm the conversion of multi-family residential units. This is an important distinction.

Since our construction, Maui County has continued to approve and even encourage development of short-term rental housing, as recently as the past year. That model may no longer be practical, and I am not questioning the legislature's intent to change this model going forward. It would seem that, at a minimum, the first step would be to manadate that Maui County cease approving additional short-term rental housing until such time as the Maui hsouing market stabilizes. The follow-up step would be to look at those units now in the approval "pipeline" and insure that they are approved as multi-family residential units rather than additional STR's. The next step would be to review and change the designation on those properties where discretionary approval was granted AFTER initial construction and zoning designation. Those actions would immediately provide the units needed to re-house displaced Lahaina residents.

Your committees have a difficult challenge, and I would encourage you to craft the legislation so that it anticipates potential consequences and addresses the needs of all involved. Please take into account the impact on the local economy and state tax revenues.

SB-2919-SD-1

Submitted on: 2/28/2024 11:04:51 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Rachel Panteleeff	Individual	Oppose	Written Testimony Only

Comments:

Aloha To Whom It May Concern,

Please vote against SB2919,SB1. I am a 57 year old, single woman. I need the income from my vacation rental to pay the increasing costs of living in Hawaii, as well as the ever increasing property taxes. I live on my rental property. Thank you for your consideration.

Mahalo,

Rachel Panteleeff

We purchased a unit in Kamaole Sands in Kehei in 2020 to enjoy for part of the year in our retirement and to share the beauty and gift of Maui with others thru a vacation short term rental program. We are now concerned if SB 2919 passes short term rentals will not be able to be used even though the current zoning allows for that.

The financial impact on Maui will be huge if this measure passes as the property tax revenue from Maui's STRs provide over 40% of the real property tax revenue for the count! Where will this revenue shortfall come from? This bill could result in phasing out over 13,000 **legal** short-term rentals. We are not just concerned for ourselves, but the management company, cleaners, handymen, and others we employ to keep our unit clean, up to date and ready for guests. The hotels do not seem to be impacted by this bill and continue to build and add units while hardworking single unit owners like us (including many Hawaii residents) will be harmed if this bill is passed.

We strongly oppose SB 2919 and encourage a no vote! Do not bankrupt Maui with the passage of this bill!

Sincerely,

Linda & Kirk Knaggs

Kamaole Sands 6-303

Kihei, HI 96753

Dispelling the myths regarding Short-Term Rental Homes

This is specifically focused on Maui but other HI counties have done similar things. I think Oahu is late to the TVR control party and perhaps the state legislature should "clean up their own back yard" before enacting laws that would take effect in other counties.

So the first myth to tackle is huge and rampant illegal Transient Vacation Rental problem aka TVR problem. Despite the rumors and internet hyperbole, there are not that many. The county of Maui hired a big data company in 2021 and they determined that there was only 1217 illegal TVR's on Maui at that time and most (as in 95%) of these have been shut down. This is way below the alleged 6000+. What happens is that people lump in the large number of Minitoya units (see below) which are not required to have permits. In fact there are less than 200 TVR's that have a specific permit number.

Importantly, following the above analysis, Airbnb removed more than 1,300 vacation rental pages without licenses under its agreement with Maui County. The company signed a Memorandum of Understanding with the county Feb 4, 2022. This vastly reduced the number of illegal TVR's. So right now the evidence supports the notion that illegal TVR's are rare.

One could argue that illegal TVR's can happen without a VRBO/Airbnb presence but it is pretty difficult. The author has tried over the decades to do business on other sites and they rarely get inquires, let alone a booking.

The second myth is regarding the over-abundance of specifically permitted TVR's. These are units not on the Minitoya list and have owners that have received a special permit to TVR in an area that is not a classic "resort area". Maui county has severely restricted B&B and single family Short Term Rentals over the last few decades. County wide there are only 164 addresses with 13 being on Lanai and Zero on Molokai. Maui county could refuse to add more. But if you closed all these down it would not create much local housing at all. Please refer to the last paragraph.

The elephant in the room and the 3rd thing to tackle are the more than 13,000 units (per Maui County) on the Minitoya list. These are largely units in resort communities built before 1990 although there are a few "Non-apartment District" properties listed as built in the 2000's. Grandfathering is a complex legal term but the history to date is that the Minitoya units are grandfathered-safe. Very few of these units were ever designed or built to be local residences. Thus it is a myth that these took a big chunk out of local housing during the Airbnb era which came later.

The Minitoya units were designed and built as vacation rental communities from the start. Many, if not most, Maui residents would say that resort communities are where tourists "should be". It eliminates lot of problems if tourists reside in these TVR "enclaves" and only "bother" locals when they venture out for tourist activities. There is a significant percentage of travelers that are NOT interested in staying in a hotel. And the traditional TVR resort is a good way to "contain" these tourists. This is not to say all TVR communities have no local impact. For example, If the TVR community does not have its own adequate parking then this will have a local impact.

When they are mapped, the Minitoya units are overwhelmingly on the ocean or between the closest major street and the water. Regarding SMA areas and SLRE areas (sea-level rise exposure areas), most Minitoya units in in SLRE areas. Properties inside the SLRE areas are risky and not a good choice for permanent housing.

There was in fact a recent Planning Sustainable Land Use Committee *proposal* that those properties in the SLRE areas would be able to continue that TVR use. But those outside and SLRE area would be banned from this use. The *proposal* hoped to get approx 3000 units out of TVR use and into 6+ month leases. The author has studied the SLRE and Minitoya maps and thinks this is overly-optimistic. Kihei would "donate" a few resorts to local housing with this proposal and there are a few on the West side. But the vast majority of TVR resorts are on the water or close by and thus are in SLRE areas.

And finally, we need to tackle the myth that the majority of non-resident TVR owners are in it for money and profit. It would take some database and number crunching to verify this but the author firmly believes that most non-resident owners engage in TVR renting their units to help pay for them during the seasons when they are not residing in Maui. If they did not want to enjoy Hawaii for some weeks or months each year by staying in their own condo, then they would not own.

On the other hand, roughly half of Hawaiian TVR's are locally owned. Furthermore, there are some owning entities/people that do TVR renting of multiple properties: like 20 or more units! The author would hazard a guess that these are solely for-profit ventures and not the mom and pop owned condo.

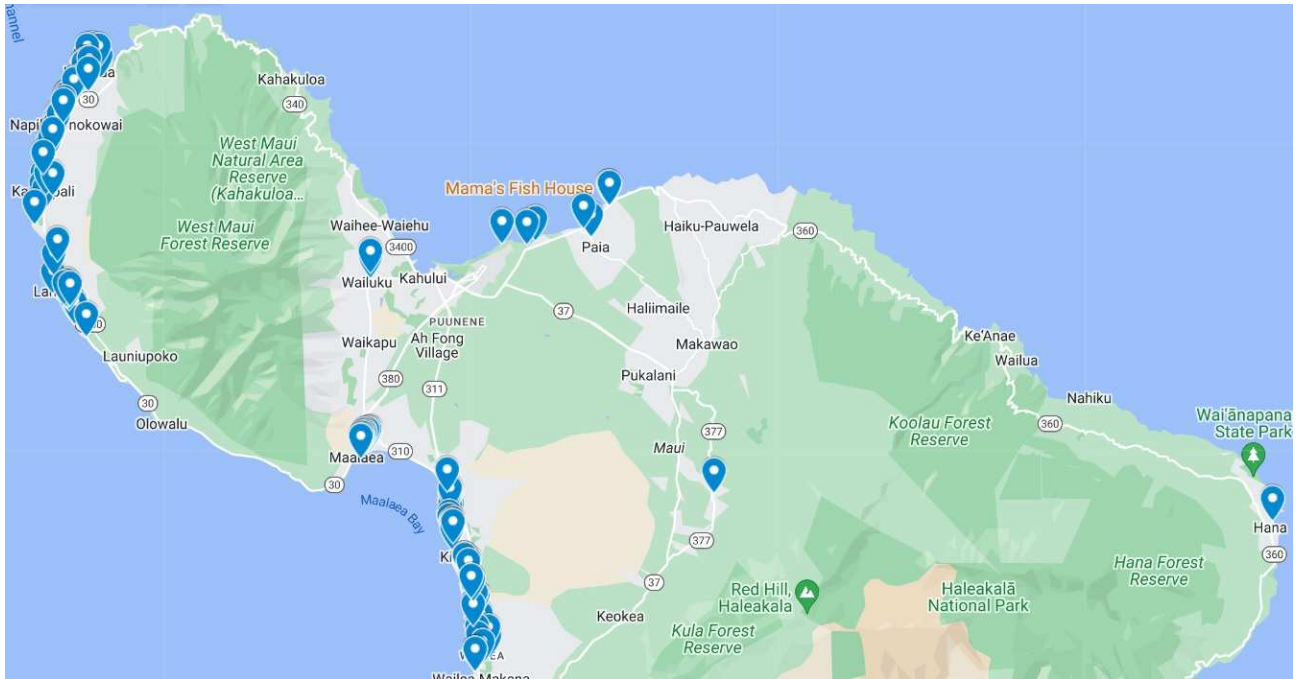
And the tax numbers:

If Maui county banned TVR use from many Minitoya units then it would likely NOT create much local housing. Rather the prices would fall for these ocean front units but not low enough for local housing. Others would buy them and just keep them vacant except when they are in Hawaii. Furthermore the fallout from this would be severe on Maui county finances. Property taxes on vacation renting properties are super high! The Maui vacation home rental industry raises **37% of Maui real property taxes**! That represents a sizeable chunk of the operating budget in Maui County. Therefore, by severely restricting Minitoya TVR's, you would lose a lot of tax base and not get much local housing in return.

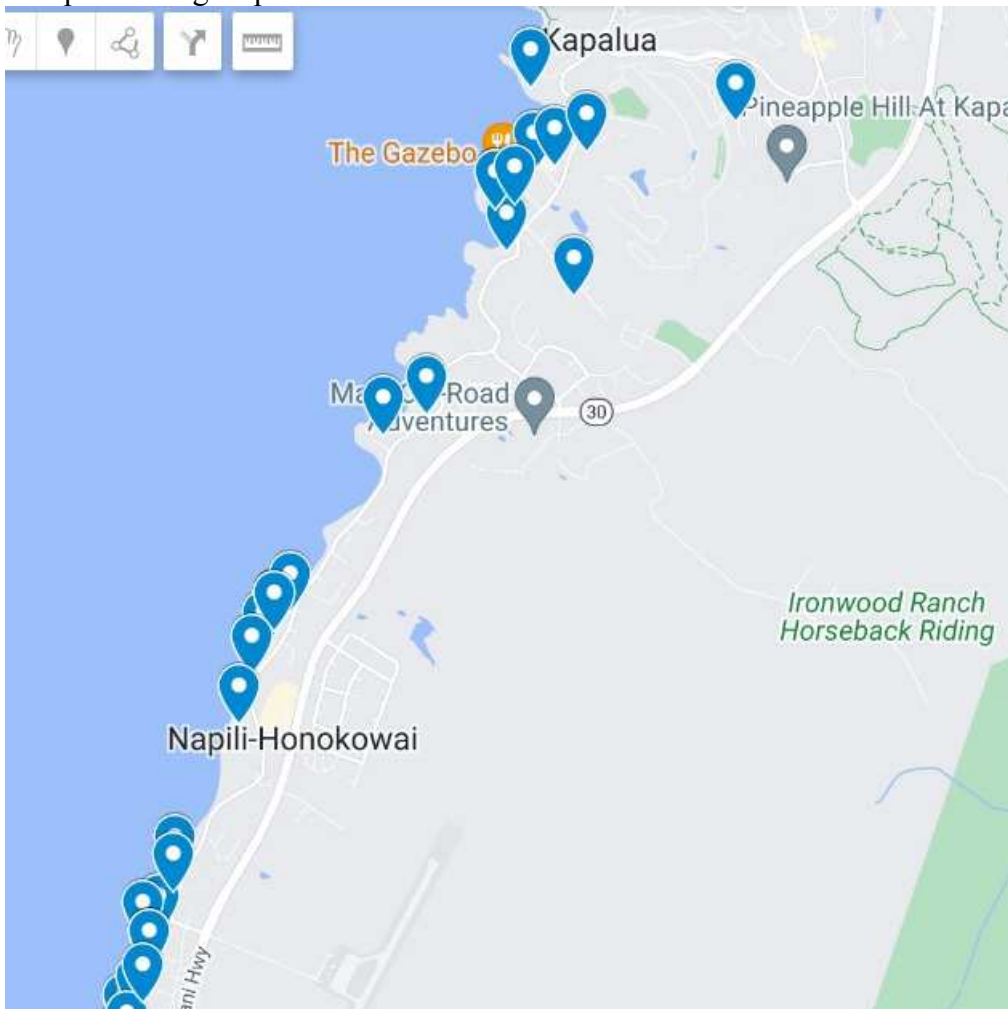
What we need is more local housing. There is plenty of former sugarcane land to use for this. And there are developers wanting to do this. So what are we waiting for?

Thank you
Dana Keen

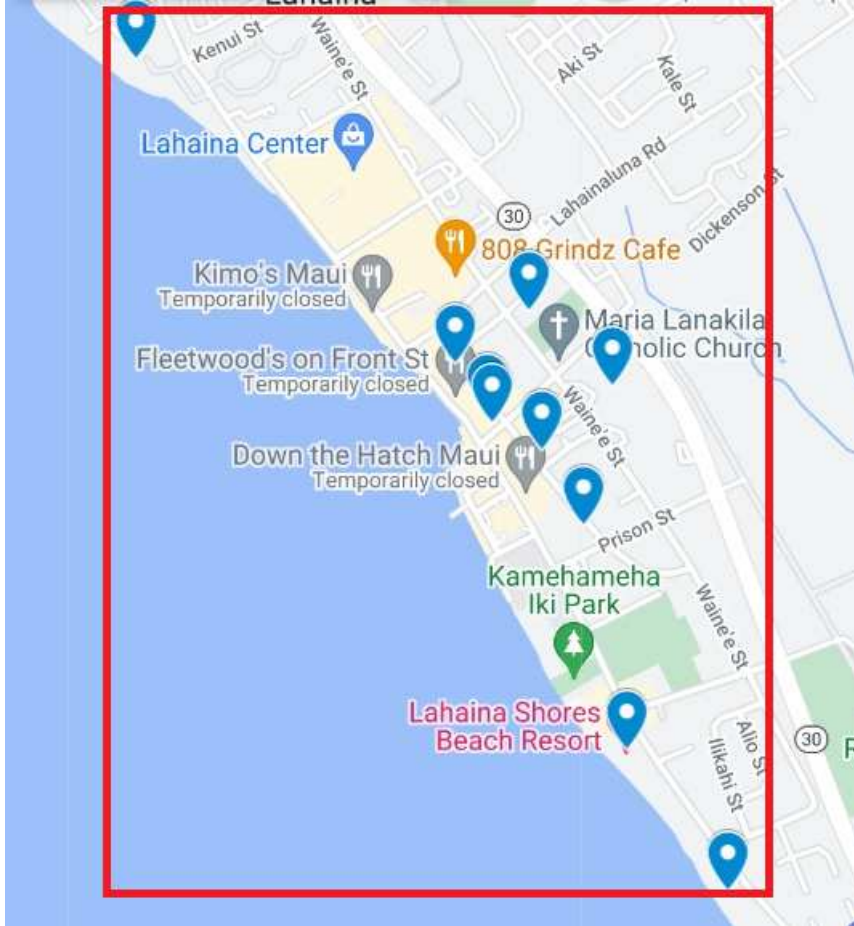
Maui Minitoya Resort communities with TVR's. The vast majority are Resort condo communities built before Airbnb and VRBO. Note that the two in Wailuku are hostels.



There are many west side purpose built resort communities (Minitoya) right on the water the exception being Kapalua.



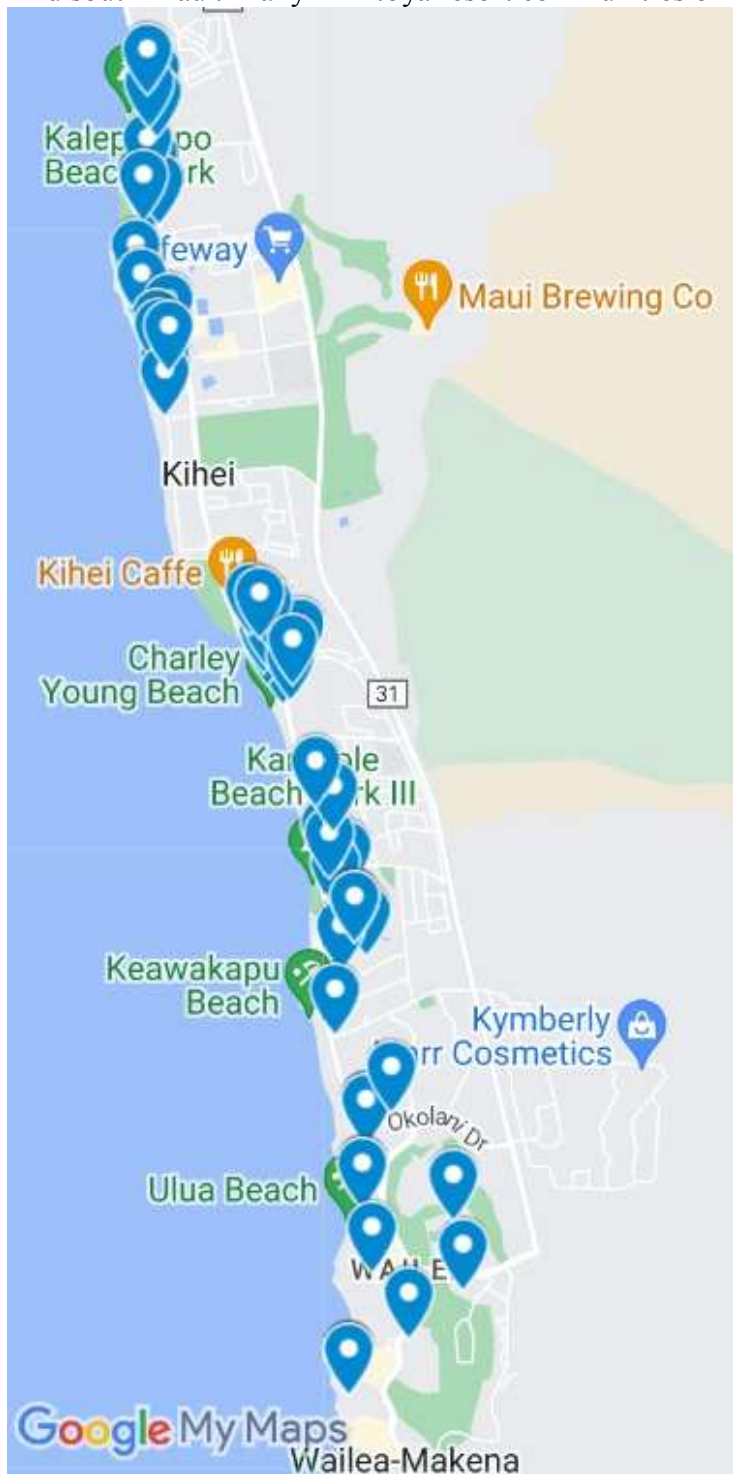
Most of the TVR's in Lahaina burned. The exception being Lahaina Shores.



Maalaea again has coast hugging purpose Minitoya built resort condo communities going back before Airbnb and vrbo.



And south Maui. Many Minitoya resort communities on the water with a few sprinkled inland.



SB-2919-SD-1

Submitted on: 2/28/2024 11:07:11 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Gloria Simmons	Individual	Oppose	Written Testimony Only

Comments:

Aloha. That means we love all people and want peace and harmony. That is what brought me to Maui. That is what brings all visitors to Maui. For the past few years legislators have tried to eliminate short term rentals. My experience as a small owner of just one rental property on the sugar beach is wonderful. Why? Because I rent to those families and people from other countries that cannot pay the high cost of the hotels on every side of Maui. How about reducing those big hotels from charging outlandish rates!!! We still bring 40 percent of your tax revenue! Could local people bring that in? What about employing many wonderful residents at our stars, where would they gain employment? We are a part of the culture now. We have had repeat guests for 30 to 40 years every year they return! Don't take that away from them. This is their home away from home.

Honorable Hawaii Sate Legislature,
Oppose SB2919

My husband and I first came to Maui in 2000, and fell in love with it. In 2004 we purchased our condo at the Maui Vista, which we love.

We are legally licensed and renting out our home to offset the cost of owning. This has led to contributing to the local and state economy through County and state taxes and jobs. We have just one home, but as a collective, the removal of short-term Vacation Rentals from Hawaii's tourism sector will be a detriment to us and the state's economy as a whole.

I recently read the 2020 study by Hawaii Tourism authority and saw that short term rentals bring in \$6 billion and over 46,000 jobs.

It is not just us owners who will be negatively impacted. The removal of short term Vacation Rentals will also have an impact on car rental companies, tour operators, restaurants and local retailers. Let's work together to come up with a solution to Hawaii's housing shortage that doesn't penalize small mom and pop operators who are positively contributing to the economy.

Mahalo,

Troy & Rebecca Monk

SB-2919-SD-1

Submitted on: 2/28/2024 11:08:59 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Karolle wall	Individual	Oppose	Written Testimony Only

Comments:

My family has owned a property in S Kihei Hawaii for the past 28 years. Of those 28 years we have rented to vacation renters for periods adding up to about 6 years. It has helped us pay the enormous AOA fees and maintenance and has provided a place for short term visitors. It has also provided us with a home for half the year. Those visitors are absolutely essential to Maui's economy. And we are a family who has consistently given back to the community. My mother volunteered for Bailey House for years, supported local woman in transition from abuse, and supported local musicians. My stepfather contributed videos of local Hawaiian music and hula to museums and churches and other venues for nearly 20 years. I have volunteered for NOAA and other marine organizations for over 12 years. We are community members with time to give back, to volunteer and make Maui a better place. You will lose people like us as we will no longer be able to afford AOA fees or maintenance without the supplementation of vacation rentals. Like many we will have to sell We have also employed many local people through the the Vacation Rental management company, cleaners local plumbers, electricians, maintenance peopple, carpenters, etc. We have paid an enormous amount in taxes. Owning this property is expensive and it is not a good fit for long term renters. There is no storage. The kitchen fits one. The assessment fees alone would make it completely impossible to afford to pay maintenance and AOA fees without being able to charge vacation rental prices. This building is 45 years old as are many of the S. Kihei condos. How will long term renters help pay a 30,000 assessment fee for a new roof? How can these short term rentals be converted to long term without charging outrageous rents? The point of this bill is to increase affordable housing. I'm not sure how 5000.00 per month could be considered affordable (and that is without a large mortgage). Please consider how this will affect local wage earners who will be without employment. Please consider the fact that visiting families need vacation rentals and many cannot afford hotels. Most hotels require that a family larger than 4 rent two rooms. A 2 bedroom vacation rental in this building averages around 250.00 per night. Hotel? 500. Per night minimum two rooms? 1000.00 per night. Unable to buy groceries and cook for a family in a hotel? Only the rich will be able to afford those kinds of vacations. And so you eliminate somewhat affordable vacation accommodation for the middle class in order to attempt to provide unaffordable housing for the local middle class. Without fema support I cannot see how any middle or lower class family could afford \$ 5000.00 to rent a condo with no space for strollers or tools or even a good cooking area. This bill once again caters to the wealthy. They will be able to buy a condo and not rent it at all. All this bill does is increase the number of locals who will leave for the mainland for work, and pad the coffers of hotel owners. I hope you choose not to pass this bill

SB-2919-SD-1

Submitted on: 2/28/2024 11:10:08 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Matthew Miller	Individual	Oppose	Written Testimony Only

Comments:

I am in opposition to this proposed legislation. If the property has received a permit for short term rentals then it is morally wrong to confiscate their property value by allowing the government to remove their property rights from them. This would amount to an unconstitutional infringement on people's private property rights and financial livelihoods.

SB-2919-SD-1

Submitted on: 2/28/2024 11:13:53 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Patricia McDonald	Individual	Oppose	Written Testimony Only

Comments:

I am strongly opposed to SB2919. It is fundamentally unfair to homeowners and amounts to a taking of valuable property rights, so if it passes it will probably end up in court.

Years ago my husband and I bought a condo in Lahaina so that we can enjoy part of our time on Maui. While we are here we spend money to support local businesses, pay property and other taxes, and provide jobs to local people, all of which support and boost the local economy. When we're not here we short-term rent it out to visitors who also infuse huge amounts of money into Lahaina's economy.

This proposal will not help the fire victims of Maui. If it goes through, I personally know many homeowners who say they will just take their condos out of the rental pool entirely and leave them empty when they're not there. That will result in less housing for fire victims, less housing for other locals and tourists alike, and less income for the local economy.

Tourism is the life-blood of Maui. So I find it ridiculous that, at the same time that the Hawai'i Tourism Authority has been holding community meetings to discuss proposals for tourism in support of Maui's recovery, you are proposing measures that could decimate tourism and local businesses.

Please vote against this measure and exhibit the aloha spirit to those of us who love Hawaii.

Dana and Betsy Christensen
12377 W. Big Horn Ct.
Broomfield, Colorado, 80021
February 16, 2024

To Whom it may concern, **opposition to HB1838 and SB2919.**

Dear Legislators,

We are writing to discuss our history as long-time visitors and property owners to our lovely state of Hawaii. This is in response to the ongoing discussions documented in HB1838 and SB2919 regarding short term rentals on the islands. Through our MANY visits to the islands and our 25+ year ownership of property on Maui, we have contributed significantly to the county tax base, employed many people, employed many contractors, made purchases of furniture, furnishings, boat excursions, snorkel and board rentals, visited restaurants, bought clothing, food, and supplies, attended golf tournaments, and many many more. The following paragraphs will provide a discussion of some of our continuing love affair with Maui and the Islands, which is threatened by HB1838 and SB2919.

We first visited Oahu in the fall of 1978 to participate in a Pacific Rim Chemical Society meeting. Our 8-month-old son accompanied us. We fell in love with Oahu and pledged to return. Since 1978 we have visited the islands almost every year for ~2-week visits (sometimes more.) We have visited and stayed on Hawaii, Maui, Lanai, Molokai, Oahu, and Kauai and have celebrated spring breaks, special birthdays and anniversaries, Holidays, weddings, and many other events. In the early years our family members joined us and now as empty nesters, we regularly invite other friends to join us for our annual sojourn.

In celebration of our parents 50th wedding anniversary in 1997, we scheduled ~3 weeks and visited 3 islands, with 10 family members in attendance. While on Oahu, my father, a WWII submarine veteran hosted us in a visit to Pearl Harbor and the WWII submarine museum. We toured the USS Bowfin SS-287 which is a museum boat at the Submarine Museum. At age 17, my father joined the navy in December 1941 and went to submarine school prior to being shipped to Pearl Harbor to board the USS Raton SS-270 for its maiden war patrol. During WWII, he returned to Pearl a number of times for refits and R&R. Boarded the Bowfin, my father immediately began telling his children and grandchildren about his life on the submarine and pointed out every nook and cranny on the submarine. Within moments, every visitor and the boat tour guide simply stared and listened to his accounts. He received applause at the end of the tour. We went from the Bowfin into the museum space. As we entered the front door, low-and-behold, we discovered the Battle Flag of the USS Raton in the entrance display case along with a detailed discussion of the war patrols, tonnage sunk, etc. It was prophetic that it was his battle flag on display. This evoked tears from all, but more importantly, this sealed the importance of the Hawaiian Islands in our family history. My father is alive today at 99-years and is a proud WWII submarine vet, feeling that he would not have survived the war without Hawaii, meaning that none of us would exist today.

After that revelation, my wife and I committed to find a more permanent place on the Islands for us to call home. Along with my parents, we settled on Maui and together purchased a condo on West Maui along Lower Honoapiilani Road. We obtained a mortgage from Hawaiian Mortgage, hired a property manager, contracted with a cleaning service, obtained a business license from the county, and began to

consider remodeling the condo. Over the next three summers, we first remodeled the front living space including refurbishing through Minds Eye furniture store there on West Maui. We then used the same local contractor to remodel the bathroom and upgrade the counter, sink, toilet, and shower space. Finally, we used a local contractor to remodel the bedroom including upgrade of beds, built-in cabinet, and wall mounted mirrors and local art work. 100% of our rental proceeds went into debt service on the mortgage and in hiring local companies to perform the upgrades. We purchased local art work from Lahaina Galleries, Kingwell Gallery, and Cost Gallery, all on Front Street, Lahaina. We make a point of visiting our friends Jim & Nancy Killett and with Jim & Krista Kingwell every year when we visit Maui, as well as Curtis Wilson Cost, now in Kula. We have become Ohana. We have since sold our first Maui condo and have exchanged it into a second condo where we have taken on the task of upgrading it just as the first experience. All of our condo proceeds have stayed on the island.

We have developed many other friendships with our Maui Ohana. My wife and I met a young ukulele player who was performing at the Hula Grill in Whaler's Village on or about the year 2000. He appeared to be in high school and along with two other friends, established a garage band which was sufficiently good to win a luncheon slot at the Hula Grill. At the end of his set, we stopped and talked with him, introducing ourselves. I left him my business card and asked him to send me his soon-to-be-cut first CD. Later that summer I received in the mail a newly minted CD of his recordings. A new Friendship was immediately formed. Since that chance encounter, we have corresponded with Derrick Sebastian regularly and make arrangements to see him every year when we return to Maui. We have followed his career playing his ukulele around the world and accompanying headline musicians. We have also watched his family grow. During the horrendous Lahaina Fire, we exchanged a number of emails and talked on the phone. We contributed to his Church's fund to providing assistance to those who needed fire relief.

Many other friends have been made from the long-time concierge, Penny, at Kimo's restaurant on Front Street, Lucy one of the long-term hostesses at The Gazebo restaurant at Napilli Point and many others. We are greeted by hosts in the art galleries along Front Street as well as hostesses in many shops and restaurants along all of West Maui. We were heartbroken to watch the destructive Lahaina Fire, knowing that all of the businesses along Front Street are gone and that the friends that we had made are out of work, some without a home, and having to look for new opportunities. We, of course immediately contributed to Maui Relief funds and the Maui Paradise Properties Relief Funds, knowing that our contributions would be used to provide necessary assistance including offering temporary housing for displaced residents. We have inquired about what more we can personally do when we next arrive on-island.

For the first time in many years, we have had to delay our 2024 visit to Maui, a result of family health challenges with our parents. Whenever we make travel plans, we pack our Aloha Shirts and flipflops, swim suits, and our binoculars to watch the whales and turtles. As our plane approaches Kahalui Airport, we always look to each other and say Aloha and Welcome Home, before we give each other a kiss. Maui is our home away from home and it has been for 45 years.

As a recap, we have made a family investment on Maui, one that has contributed significantly to the economy of Maui County. Our investment has also contributed to the economy of the Islands in the

form of transportation (rental cars, airplane tickets, helicopter rides, boat rides, whale watches, etc.) local contractors hired to manage and maintain our property, cleaning services, grounds maintenance not only at our residence but at every residence where we have rented, visiting restaurants, clothing stores, contractors for remodeling, furniture and appliance replacements, art purchases, renting sports equipment, going to Luau's (our guess is that we have attended every Luau venue on West Maui at least once), musical events, golf courses (my guess is that we have played on every golf course on Maui at least once), and more. The only way that we can afford to maintain our investment on Maui is through short term rental of our property when we are not able to travel ourselves. (When we rent our condo, it is our renters who are also making these investments in the local economy.) Therefore, this also means that the only way that we can contribute to the economy of Maui County and to the businesses on Maui is through regular short-term rental of our property when we are not visiting ourselves.

To restate what is stated above, Maui and Hawaii represent a deep Ohana relationship for us. During the past 45 years, we have visited at least once per year, on average for 2 weeks per visit. We have spent 2 years of our lives enjoying the beauty of the Hawaiian Islands, and have reinvested 100% of all of our rental income back into the economy. Today, Maui is our home-away-from-home.

Please consider the damage that the HB and SB could have to property owners such as ourselves and therefore the impact to the Maui County economy as well as the economy of all of the local businesses.

Regards,

Dana, Betsy, and Roy Christensen
Owners of Papakea Resort, West Maui, Condo L303

Aloha Chair, Vice Chair and Committee,

My name is Daniela Stevenson and I live on the island of Maui.

I am writing in opposition of this bill because it will threaten my ability to make a living along with the other cleaners, electricians, maintenance workers, and small businesses like me, who live and work in my community.

I am a small business owner that services short-term vacation rentals on my island. I am a senior citizen, I create my own schedule and work very near where I live, reducing my commute time. This bill will hurt me and put at risk my ability to pay for my own rent and bills.

Let the counties enforce the laws that they already have.

I ask that you please do not move this bill forward.

Thank you for your time.

Daniela Stevenson

2/28/2024

Feb 28, 2024

Justin Pedley

24A – 3300 Wailea Alunai Dr

Kihei, 96753

Dear Sir/Madam,

RE: SB2919

I am writing today to voice my **strong disapproval** of this proposed bill.

Short Term Rentals (STR's) are a vital piece of the local economy in Maui as they contribute up to 18% of the County's tax revenue.

The STR's also provide valuable accommodation for displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.

It would be a poor decision to pass this bill.

Sincerely,



Justin Pedley

604-862-4190

SB-2919-SD-1

Submitted on: 2/28/2024 11:21:20 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
jose miramontes jr	Individual	Support	Written Testimony Only

Comments:

I an in full support if this bill

SB-2919-SD-1

Submitted on: 2/28/2024 11:23:24 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Rick Wilson	Individual	Oppose	Written Testimony Only

Comments:

Opposed to SB 2919 because it would adversely impact our ability to rent our unit. The rental income makes it possible to pay the high property taxes and fees associated with our rental unit. We have saved all our lives to be able to afford our rental unit. The rental income makes it almost breakeven. Taking away the rental income would make it unaffordable.

SB-2919-SD-1

Submitted on: 2/28/2024 11:24:34 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Dave Lastrup	Individual	Oppose	Written Testimony Only

Comments:

Hi, my name is Dave Lastrup.

I strongly oppose HB1838 relating to zoning.

If this bill passes it will have a huge impact on my families future mental and monatary future.

Dave Lastrup

SB-2919-SD-1

Submitted on: 2/28/2024 11:38:02 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Diana Talbott	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

My name is Diana Talbott and I rent out my residence in Maui as a short-term rental.

I am writing in opposition of this bill because short-term rentals are important. I provide jobs for many local cleaning services, electricians, plumbers, maintenance workers, etc. I host wonderful guests, emergency workers and families for example that were displaced due to the fires. Most of the time hotel rooms are not affordable nor livable to many that have families who need to prepare meals or need more space than one room. These families, workers and guests also support the local businesses in the area, which is also extremely important.

This bill will hurt me, other residents and important visitors that rely on short-term rentals as temporary, furnished, affordable housing.

Let the counties enforce the laws that they already have.

I ask that you please do not move this bill forward.

Thank you for your time.

SB-2919-SD-1

Submitted on: 2/28/2024 11:40:06 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Judith E Smith	Individual	Oppose	Written Testimony Only

Comments:

With much respect for the people who lost their homes and are working to rebuild their future, the choice to eliminate short term rentals in Maui is not the solution. It only creates a larger obstacle for working residents to overcome. Local artists who depend on tourists to purchase their products, small business, local rental car companies and the people that they employ, cleaning businesses for short term rental properties, tour companies and their employees will all be effected by the loss of these accommodations for travelers. STRs are also valuable and cost effective solution used by inter-island residents coming for medical treatment, visiting friends and family, residents temporarily displaced, traveling nurses, traveling contractors and emergency workers, volunteers, and temporary military and students.

Vacationing guests will choose to go to other destinations.

The costs of accommodations will escalate and become unaffordable for average families. Only large corporate owned lodging, restaurants, high end shopping, etc will survive. Only the large corporations will benefit. Only the very wealthy will be able to visit and support the economy. The state transient tax, GET tax and property taxes are already creating a decline in travel and spending in Maui.

Unfortunately many properties with short term rental occupancy will have units shift to second homes or go into foreclosure also creating a less than desirable environment for local families or for choosing Maui for hard earned vacation time.

There needs to be a balance and long term plan to allow the residents to return to a normal lifestyle. Most of the short-term rentals are not designed or appropriate for long term family living. The solution is to expedite and provide affordable housing and assistance in rebuilding the properties that families lost.

Ending short term rentals will only creat more challenges for the devastated residents. Recovery efforts as in hurricane Katrina and other natural disasters need to be implemented with volunteers and assistance organizations that are trained in rebuilding homes and businesses need to be allowed to come on island and begin construction as soon as possible. The county could greatly assist in expediting this permitting and processing.

Mahalo for understanding these negative effects that this legislation will impose on the people of Maui.

HB1838

Aloha

As a local Maui resident and owner of a short term rental I stringy oppose bill HB1838. My family, wife, and 3 kids depend on our rental to feed our family. With the extremely high costs of living in Maui our rental allows us to get by. Not only does it support our family but it also provides many jobs fro tradespeople that use. Painters, cleaners, handymen, plumbers, etc all benefit from our vacation rental. As a local resident it is extremely frustrating that the individual local residents are always under attack from the state. We are a licensed and approved rental and have followed all of the laws. Maybe the state should target the unlicensed rentals, or the our of state residents that have short term rentals. Leave us local, law abiding, tax contributing residents alone.

SB-2919-SD-1

Submitted on: 2/28/2024 11:40:11 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Carol Walters	Individual	Oppose	Written Testimony Only

Comments:

I oppose SB2919. It would be financially detrimental to the Maui economy.

SB-2919-SD-1

Submitted on: 2/28/2024 11:42:28 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Albert Morgan	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I am Native Hawaiian.

I am retired.

I've inherited ancestral land from my grandmother. It's been in the family since the early 1930's.

The property is currently operated as a vacation rental, legally permitted, on the island of Kauai.

If this bill becomes law and results in the forced closure of my vacation rental, I won't have the income to continue to pay the huge increase in property taxes the area has experienced. I'd be forced to sell.

This is not right nor is it fair!

This Bill brings to mind the stories my grandmother often told. How early Hawaiians, who couldn't pay their property taxes, had their properties confiscated by government then auctioned off to the highest bidder.

Mahalo

Albert Morgan

SB-2919-SD-1

Submitted on: 2/28/2024 11:44:31 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jason Gerbino	Individual	Oppose	Written Testimony Only

Comments:

I am writing to express my strong opposition to S.B. 2919 SD1 for several compelling reasons:

Papakea Resort, where I own a property and multiple other people maintain rental units, has been an integral part of the community since its establishment in 1978, providing vacation rentals for nearly fifty years. SB 2919 will put Papakea and many other resorts like it at risk, and if the properties aren't viable, then this will **not** solve the immediate need you are trying to meet to provide long-term housing to others. However, this bill if passed will negatively impact and in fact **bankrupt** many local Maui community members and others who have invested in the future of Maui and its residents.

Financial Impact: Papakea's ability to maintain current personnel and operational maintenance levels is **contingent upon the revenue generated from short-term rentals**. High maintenance dues, which are supported by short-term rental income, are **essential for the property's continued viability**.

Local Employment Opportunities: Papakea employs approximately **35 local resident workers**, many of whom have dedicated over 15 years of service to the property. These individuals have started in entry-level positions and worked their way up to supervisory roles, showcasing the property's commitment to supporting its workforce.

Support for Local Trade Professionals: Papakea sustains a wide range of local trade professionals, including pest control specialists, HVAC technicians, plumbers, electricians, and tree trimmers, among others. The reliance on these services underscores the interconnectedness between our property and the broader Maui community.

Economic Impact on Small Businesses: **Short-term rentals at Papakea contribute significantly to the local economy by supporting numerous small businesses**, including housekeepers, handymen, on-island agents, and contractors. **These individuals and businesses rely on the income generated by Papakea's short-term rental operations for their livelihoods.**

Contribution to State and County Revenues: Papakea's short-term rental operations contribute to the State of Hawaii and County of Maui through the payment of property taxes, Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax. These revenues play a vital role in funding essential public services and infrastructure.

Support for Local Businesses and Attractions: Papakea guests patronize numerous small businesses on the island, including restaurants, food trucks, tour operators, state parks, the national park, and local shops. Their spending helps sustain these businesses and contributes to the vibrancy of the local economy.

Community Connections: Papakea has a significant number of returning guests who have been visiting Maui for years and have developed deep connections with the community. These guests contribute to the fabric of the neighborhood and enrich the cultural diversity of the island.

For these reasons, I strongly oppose S.B. 2919, SD1, and urge the committee to defer it to explore other, viable options. The passage of this bill would have detrimental effects on our community, jeopardizing local jobs, economic stability, and harming the very people it is intending to help.

Respectfully submitted,

Jason Gerbino

SB-2919-SD-1

Submitted on: 2/28/2024 11:44:35 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
jeffery Robert Ramos	Individual	Support	Written Testimony Only

Comments:

Strongly support 2919

SB-2919-SD-1

Submitted on: 2/28/2024 11:45:04 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
William Franklin Cofer	Individual	Oppose	Written Testimony Only

Comments:

I am opposed to this bill. My wife and I purchased our vacation condo as a retirement investment for three reasons: as an investment, to use (we were there for 41 days in 2023), and for income. If we are restricted from renting it short-term, we would not be able to use it ourselves and, therefore, we would choose to not rent it at all. I would note that, aside from the covid time and the months after the fire, it has been rented virtually nonstop with the economic advantages that come from that. Please do not restrict us from doing it! Thank you.

SB-2919-SD-1

Submitted on: 2/28/2024 11:45:06 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
M.T. Sherrow	Individual	Oppose	Written Testimony Only

Comments:

February 28, 2024

Hawai'i State Legislature

RE: House Bill SB 2919

I am in opposition to this sweeping bill that would significantly affect short-term rentals properties.

This bill has a wide net that would allow County officials at their discretion, without cause, without specific instructions to phase out PERMITTED, short term rentals in ANY zoning.

This is a broad brush that could destroy the lives of many who depend on this income. It does not take into consideration that many of us live in neighborhoods of second homes.

and live in our homes with our guests as B&B owners without the luxury of having an ohana to rent out.

For instance, without this income in my senior years, I would have to sell as long-term rental prices do not cover the maintenance of my property and I would have to live

long term with strangers, not allowing for any time for my own family to visit. With my short term home, my family, which includes seven grandchildren can be here between guests and I can live here too.

The tax base for each County could clearly be affected by this as well since the short-term rentals bring in a significant amount of money into the coffers to operate the County.

1. does not clearly spell out who/what/how any of this would be done and only states that it would apply to those the County deems that the short-term rental “operations are inappropriate”. Is there a legal standard that can be applied to what is “appropriate”? This needs to be clearly spelled out.

The lives of many in each County who provides services to these short-term rentals can be completely changed by those who are looking through narrow blinders thinking this is a solution to the housing problems we are facing.

Instead, it will place a huge burden on many without recourse. At present I contribute to the income of two housekeepers, 3 gardeners, a pool service company, Handyman repair services, along with providing information to my guests about local ly owned businesses, tours they can use.

I sincerely support OPPOSITON to this Bill

Teri Sherrow

Maui, Hawai‘i 96753

SB-2919-SD-1

Submitted on: 2/28/2024 11:45:46 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kelly Brock Jennings	Individual	Oppose	Written Testimony Only

Comments:

I am a homeowner at the Kaanapali Royal. It has been my second home for a decade. And, yes, when I am not on island we rent it through VRBO. As a family of 5, we found it completely cost-prohibitive to stay in the hotels when we starting coming to Maui 30 years ago. Being stuffed into one room and eating out three times a day quickly makes you look for a different vacation plan. Condos were a welcome option and made our trips less claustrophobic and financially possible. As our financial situation improved, we actually bought a condo with the eye to retiring here and enjoying our island home on a full-time basis. By removing short-term rentals in any and all zones, Maui would be effectively creating an elitist vacation zone. Only people who could afford \$700/night prices or had small families would be welcome. Less affluent or larger families would be priced out of paradise. A gift to the hotels to be sure.

Not only would you be discouraging tourism, you would take away the jobs we provide our house cleaners, property manager, and handymen... all of whom are locals.

Even if you do away with short-term rentals, we would not sell. The condo would simply sit empty for the months we are not there. What good would that do anyone? No additional tourists, fewer jobs for our locals and, quite frankly, a sad feeling island.

FEMA does not want our condo. It is not handicap accessible, and pets are not allowed. We were also told they were looking for 4-bedroom homes. We are none of the above.

Our hearts go out to everyone who lost their homes or loved ones in the fire. My 21 year old son was in our condo when the fires broke out, and we could hear and feel the desperation on the island. When we were on-island in October, we volunteered and eradicated invasive plants (also known as weeding), and spent money freely in restaurants and shops to help the economy. We love Maui as much as anyone sitting in the room today. While we didn't lose our home, the impact to the island was felt by all of us in a myriad of ways. In the quest to do right by those who have lost their homes, please do not penalize others of us. Please don't lose sight of those who bring value, outside dollars, and great energy to the Valley Isle. Our island relies on tourism for its economy. Shutting down short-term rentals everywhere will significantly impact the influx of tourists and, therefore, the tax revenue we generate.

Right now, Hawaii is sending out mixed messages which is helping absolutely no one. Gov. Josh Green is saying "Come to Maui" but we've gotten numerous messages from potential guests

asking if our condo would still be available if this short-term rental ban happens. People do pay attention.

We are in tough times, but Maui Strong is real. Lahaina will rebuild and bring with it new opportunities for everyone. Please make a wise decision that takes into consideration how a short-term rental ban will impact tourism in the long-run, the jobs we provide locals, and those of us who have worked hard our whole lives to live in Paradise... even if it's not full-time.

Thank you for taking the time to read and consider my position which is definitely opposed to SB2919.

Mahalo,

Kelly Brock Jennings

Colleen Pili'alo'ha Medeiros: Testimony

House Representatives
Hawaii State Capitol
415 South Beretania St.
Honolulu, HI 96813

February 27, 2024

Subject: I OPPOSE SB 2919 and HB1838 in their current forms

Aloha House Representatives,

Please accept this letter as my testimony, regarding the subject opposition of phasing out Legal Short Term Rental Homes. I would like this letter to be added to the public record.

I'd like to start with the definition of Short Term Rental Home (STRH) and explain the distinction between the STRH and other Short Term Rental properties sometimes referred to as "STR", Short Term Rental or "TVR" Transient Vacation Rental:

- 1. Short Term Rental Home (STRH):** On Maui these are specifically those homes in residential areas that require a STRH Permit administered by Maui County
- 2. Short Term Rental (STR):** This term is loosely used for all STR, but can include the thousands of legal STR in apartment and Resort zoned areas.
- 3. Transient Vacation Rental (TVR):** Another loosely used term to describe visitor lodging in all categories; hotels, apartments and residential.

All of the above uses **EXCEPT those in the hotel zoning** are taxed at the TVR-STRH Real Property Tax rate for Maui County, which is **HIGHER THAN** the hotel/resort tax rate.

On Maui a Short Term Rental Home (STRH) are those homes located in residential zoning and require a Maui County STRH Permit. On Maui there are **168 (one hundred sixty-eight)** permitted STRH. That is all, **168** STRH in residential zoning. The "thousands" often and loosely referred to must be in the apartment and resort zoning because there are not "thousands" in residential zoning on Maui, there are **168** Additionally, this allowance has been capped, and therefore cannot be exceeded.

I am one of the **168** owners of permitted STRH on Maui and I have spent the past 13 years investing in, and building my vacation rental business, working VERY HARD to stay in compliance, and paying all the required taxes, GET and TAT, very high property tax (currently higher than the Hotel/Resort tax rate) and liability insurance, through the years. Doing everything required to conduct my business legally, adhering to all County laws and have built a reputation as a great host in a Kama'aina Home on Maui. Locals and visitors love staying at my place. And it is very special place for my family.

Colleen Piliialoha Medeiros: Testimony

Approximately 25% of STRH and STR are owned by Maui and Hawaii residents. Maui resident owners who are small business owners are being taxed MORE THAN the offshore, giant corporate hotel entities. This bill could put LOCAL RESIDENTS out of business. And while the presumption is that the STR properties are taking up housing, this is only a scapegoat reasoning. Data shows that the STR properties amount to approx. 5% of the housing in Hawaii [this is not a perfectly accurate figure] and thus is not nearly enough to cure the housing shortage. According to Justin Tyndall of UH Economic Research Organization, "Overall, Tyndall said the greatest need to solve Hawaii's housing crisis is to **build more housing.**" (hawaiinewsnow.com, The Debrief; How short-term vacation rentals impact Hawaii's housing market; Feb 20, 2024; Emily Cristobal). This is only one source, there are many others, including Hawaii Economist Paul Brewbaker who also says this.

While I do believe we have exceeded the capacity for tourists in the islands, rather than end the cottage industry/STRH completely, **I would like to see verbiage in this bill and in HB1838 that allows Full-time Hawaii Residents Exclusively to own and operate STRH, TVR and STR.** If that is deemed unconstitutional, then I would like to see incentives given to full-time Hawaii/Maui resident owners, such as property tax exemptions like the "owner-occupied exemption" we currently have on Maui for our main residences. Then, increased tax rates can be placed on out-of-state and foreign owners, perhaps high enough that they determine that it is not worth keeping and they sell.

I am a Maui resident, born and raised here in Hawaii, and of Hawaiian ancestry. My vacation rental property is a generationally owned property, from my great grandparents to my grandparents, to my dad then to me. It was likely in our family longer and came down through the Hawaiian side of the family. This business opportunity came to me during my divorce in 2010. I had inherited this family property that I lived in while my children were young. As a result of my divorce, I had to find a way to make more money to support myself and my children on one income. I did not want to sell this property, yet it was far from my workplace, and it was expensive to live in as a single mother as I had taken out a mortgage to build a house on it. I moved my family into a less expensive rental, and when the STRH permit process was created (2013), I created a vacation rental business using this asset of my family home. This was the most sound and viable business option I could think of at the time. With Maui's tourism industry being strong, and with tourism being one of the main drivers of our economy, I believed it was a sound business choice.

This business option has allowed me to keep the home, cover the costs of the home and make a profit. In the beginning, it didn't always make a profit, but I have weathered the business growing pains and have created a strong and profitable vacation rental business. This is a lodging option that gives travelers a home setting for their family vacation which many prefer to hotel stays. This business supports me directly 1. By keeping this very special property in my family, 2. keeping it well maintained 3. as well as providing much needed supplemental income to my family. When these properties are owned locally, by Hawaii and Maui residents, the profits stay in our communities and circulate to our schools, kid's activities, restaurants, other small locally owned businesses and all the services that we use living here. We need to

Colleen Pilialoa Medeiros: Testimony

put more support into our cottage industry because it directly benefits our host community, we should be incentivizing STRH ownership for LOCAL FULL-TIME RESIDENTS.

1. STRH fits the models for Sustainable Tourism; that the Host community should benefit DIRECTLY. The most critical way tourism benefits the host community, is that businesses that cater to visitors are localized and the money stays in the community. Locally owned and operated lodging AKA, Short term vacation rental homes, as well as STR apartments and small locally owned hotels (like The Mauian) are the best models we have for sustainable visitor lodging. Supporting our cottage industry, is the best way to begin a “tourism reform”. Short term rental homes (STRH) do not demand thousands of guests per day, we draw on far less resources; electric, water, etc. to run our houses (compared to giant Hotels), we employ the entire range of construction and maintenance businesses, cleaning businesses, and yard service business who are also small, locally owned businesses.
2. Most importantly, resident owners like myself, spend ALL our income in this community, all of it, every dollar. **WE ARE** the sustainable model for tourism lodging. I cannot stress enough how my rental business has improved the overall trajectory and quality of my life. I don't live paycheck to paycheck anymore, I can afford life on Maui with a family, and now college for my kids, I can pay my mortgage and all my bills, I've been able to donate to community non-profits and to folks in need, my rental business has raised the level of my income and given me the ability to raise my family here with less financial stress.
3. Maui/Hawaii Residents should not be cut out from the ability to directly benefit from one of our largest economic industries, tourism lodging. Cutting out local small business owners from one of our largest economic industries goes against the foundational principal of sustainable tourism. By cutting out the local small business STRH owners you inadvertently (or perhaps it's intentional?) hand over all the financial benefit and gains, to the giant, corporate, big box hotels, that are **Not Locally Owned**, where the major chunk of profits do not stay in Hawaii but go offshore to enrich others, in other states or other countries. As a part of “tourism reform” I believe we need to move away from the giant big box hotels.
4. Lastly, I'd like to flip the narrative; Perhaps it's the Large big box hotels that should be phased out? They are not the sustainable model, they have wiped out communities and neighborhoods, they have filled in our wetlands, they have created ecosystem imbalance because they demand too much; too many visitors, limited access to much of our beachfront, negative impacts to our ocean resources, overuse of our fresh water resources, our electricity, their footprints are **TOO BIG**, and they are **not locally owned**.

**Perhaps, we should be converting hotel rooms to affordable housing? We could start with the rooms that are suitable for families; two bedrooms, with full kitchens and laundry, and with parking for at least 2 vehicles, and pet friendly.

Colleen Piliialoha Medeiros: Testimony

I would strongly encourage our State Representatives and legislators to maintain the STRH sector of our economy, support it, enforce the laws surrounding it, and guide it to be the best and most positive cottage industry in can be for our LOCAL full-time RESIDENT communities.

Mahalo for your time,
Colleen P. Medeiros

SB-2919-SD-1

Submitted on: 2/28/2024 11:49:04 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
David Morgan	Individual	Oppose	Written Testimony Only

Comments:

To whom it may concern

Papakea is a dedicated STR facility, with a 50+ year history and beloved by those who visit on a regular basis. It employs over 35 local residents, many with a long work history, (more than 15 years) in supervisory roles as well as those in entry level positions. In addition to this Papakea supports a wide variety of professionals including pest control, pool maintenance, HVAC, plumbing, electrical, tree trimming and yard maintenance.

Additionally Papakea's activity supports Maui agents, housekeepers, handymen, service providers and contractors all of whom are vital to maintaining the property

Papakea can ONLY afford to pay these people as a result of the high HOA fees - these would not be supportable in a long term rental market. Many people would lose jobs, tax contributions to the State would fall and a community economic hardship would ensue if Papakea is no longer able to offer short term rentals.

Papakea STR's support the State of Hawaii and County of Maui via payment of property taxes (primarily at much higher short term rate), Transient Accommodations Tax, General Excise Tax and Maui Transient Accommodation Tax

Beyond this, the many visitors to Papa support many local business in the community, including restaurants, tour operators, shops, restaurants, state parks, Haleakala etc... Visitors are vital to support these people and the State and County need to tax contribution they provide

Papakea has been around for over 50 years, there are many, many returning guests. It would be a huge mistake on many levels to remove Papakea's right to offer STR's - those who are repeat visitors are loyal and likely would not return to the island at all, reducing the economic health of the community significantly.

For the reasons stated herein I OPPOSE H.B. 1838, HD1 and urge the committee to defer it.

I am willing to offer additional testimony if requested to do so.

Respectfully submitted,

David Morgan

Owner of Papakea #D304 and former full time resident of Maui

morgad@me.com

510-334-1950

SB-2919-SD-1

Submitted on: 2/28/2024 11:55:13 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Koichi Yoshimura	Individual	Oppose	Written Testimony Only

Comments:

After all the donations and providing help, is this the thanks we get?

As a visitor to Hawaii and a property owner at Papakea, even considering SB2919 is a betrayal of my trust and in brief. I've never imagined Hawaii, even as a governmental organization to be this cynical. Please remember going through with SB2919 means you are turning us against you.

SB-2919-SD-1

Submitted on: 2/28/2024 11:56:19 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Patricia S Boettcher	Individual	Oppose	Written Testimony Only

Comments:

I am writing to you to oppose the implementation of SB2919.

My husband (Jim) , our children and grandchildren, and I all love Hawaii and are very fond of the various people we have met there over the years. Jim and I and some friends first rented a condo in Lahaina in 1976, the spring semester of our last year in graduate school. We were originally from the midwest and became immediate fans! We have continued to visit, renting condos at different locations, at least once per year since then, bringing our children and often my parents. Now, we bring our grandchildren. In 2000, we took the plunge and bought our condo (G-304) at Makena Surf on Maui. As our oldest grandson says, "My Maui home is my favorite". We need to have it on the short term rental market to assist with the cost of buying it, keeping it in good repair, replacing all sorts of appliances as they have failed, and paying AOAO fees as well as the very large real property taxes. (These taxes jumped from around \$30,000 to around \$50,000 this past year).

We find the thought of phasing out short term rentals in Hawaii very concerning since the guests in these short term rentals bring so much to the economy of Hawaii. Since they are on vacation, these guests eat at restaurants, shop non-stop, go on kayaking, snorkeling, boating, and scuba adventures, ride bikes down Haleakala, eat fish caught by local fishermen, and so on. These tourists are the backbone of most of the small businesses on the islands. Certainly, we all learned during the pandemic what happens when tourism goes away. Literally, thousands of Hawaiian citizens had less or no work.

This SB2919, in our opinion, will not only harm the Hawaiian citizens but also the visitors who rely on short term rentals for a more affordable vacation as well as the owners of these rentals who need the rental income to keep and maintain their property. Please oppose this bill.

Mahalo for considering our views,

Jim and Patty Boettcher

SB-2919-SD-1

Submitted on: 2/28/2024 11:58:05 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Robbie Jose	Individual	Oppose	Written Testimony Only

Comments:

February 28, 2024

Aloha Chair, Vice Chair and Committee,

My name is Robbie Jose and I live on the island of Hawaii.

I am writing in opposition of this bill because it will threaten my ability to make a living along with the other cleaners, electricians, maintenance workers, and small businesses like me, who live and work in my community.

I work for a small business that services short-term vacation rentals on my island. I am paid good wages, create my own schedule and work very near where I live, reducing my commute time.

This bill will hurt me and put at risk my ability to pay for my own housing and bills.

Let the counties enforce the laws that they already have.

I ask that you please do not move this bill forward.

Thank you for your time.

Robbie Jose

SB-2919-SD-1

Submitted on: 2/28/2024 11:59:20 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Carol Vandernaald	Individual	Oppose	Written Testimony Only

Comments:

Aloha! I am writing as a Realtor and Vacation Rental Property Manager on Maui. Maui County already has the most restrictive STR laws in the State. There will be NO more STRs built in Maui county due to past legislation. The current vacation rentals support our tourism and local economy. Our TAT dollars are a large contributor to affordable housing. The property values of these condos will do NOTHING for affordable housing. The most important point is the Apartment zoned complexes on Maui, that have been legally operating since the 70's and 80's via ordinance per the Minatoya List. Should you try to convert these complexes that **AGAIN HAVE BEEN OPERATING AS STRs LEGALLY FOR DECADES**, you will be opening up a huge legal can of worms and lawsuits, by owners, brokers, etc. All on the State and County to deal with. Leave these Apartment zoned complexes alone and focus on building more housing, we have plenty of land on Maui for this. You cannot take owners rights without due process. I see this as robbing Peter to pay Paul. Get ready for the legal storm of lawsuits that will happen if these STRs are phased out. Not the best use of our taxpayer money.

Carol Vandernaald

Property Manager

Whalers Investment Group LLC

SB-2919-SD-1

Submitted on: 2/28/2024 12:01:18 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Craig R Dayman	Individual	Oppose	Written Testimony Only

Comments:

Dear Members of the Committee:

I OPPOSE SB2919 SD1 for the following reasons:

1. Papakea was built in 1978 and has operated as vacation rentals for almost fifty years.
2. Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles.
3. Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming.
4. Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue.
5. Papakea short term rentals support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors; highlighting any specifics about service providers that you rely on.
6. Papakea short term rentals support the State of Hawai'i and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Task, and Maui Transient Accommodations Tax.
7. Papakea guests support many small businesses on the island included restaurants, food trucks, tour operators, state parks, the national park, and shops.
8. Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community.

For the reasons stated herein I OPPOSE SB2919 SD1 and urge the committee to defer it.

Respectfully submitted,

Craig Dayman

SB-2919-SD-1

Submitted on: 2/28/2024 12:04:02 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Shirley O'Connor	Individual	Oppose	Written Testimony Only

Comments:

Hello and thank you for allowing me to submit testimony.

I own a 1BR condo in Lahaina and through the FEMA program I have a displaced resident staying at the condo for 18 months, and perhaps longer if they need it. We feel privileged and grateful to have been able to help in this way.

If this bill passes, where will residents find temporary, furnished housing if the STR industry is decimated like this?

I'm definitely not an expert on the financials, but it seems to me to be very short-sighted to curtail STRs right now - without a plan to make up for the loss of property tax revenues. It came to my attention recently that STRs are the top funding source for affordable housing for Maui. Again, this seems very short-sighted and counter-productive.

Thank you again for allowing me to submit testimony in opposition to this proposed bill.

Sincerely,

Shirley O'Connor

SB-2919-SD-1

Submitted on: 2/28/2024 12:04:30 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Paul Gallo	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

We have been bringing our family to Maui for over 30 years. We have enjoyed the island and respected its culture and residents.

A year ago, we decided to make a bigger contribution by investing in the island and its people. We bought a townhouse, which we occasionally use personally but also rent to other families who wish to experience the culture and beauty of Maui. We invested partly for personal gain but primarily to provide an opportunity for other families to enjoy what we have experienced over the years. We have employed local businesses such as an equipment rental agency, cleaners, a management company, plumbers, electricians, cabinet makers, and other trades to ensure our investment is well maintained. Over the past year, we have contributed \$203,000 personally to the local economy. This does not include the amount that the 45 families we have hosted have contributed to the local economy. Over half of the \$203,000 we spent this past year was paid directly to local small business owners.

Maui's short-term rentals (STRs) provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's 1.7-billion-dollar budget. Where will that revenue come from?

Mid and Short-term Rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.

In other world news today, it was reported that many small communities have sustained negative impact of global warming. With very little snow in the northern hemisphere this winter, over 2/3s of ski resorts have not even opened for business. This has been economically devastating for small businesses in resort towns near those ski resorts. Reflecting on this news, we believe limiting or reducing STRs will have a similar economic impact in Maui.

In considering the decisions that are to be made, it is our hope that the impact on the livelihood of these groups of local businesses, who are Maui residents, will be given serious consideration. We believe the impact locals have endured this past year is more than enough. Please don't make it even worse for them and future generations by restricting their livelihood.

Mahalo

Paul Gallo & Bev Churchill

My Name is Philip Friel, I am a part time Maui resident who will become full time this year. I oppose SB 2919. My wife, who is a HI resident, and I have owned a one bedroom condo at Maui Sunset in Kihe for thirty-three years. It is a small approximately 700 square foot unit with small closets and one parking space, built to house vacationers, not long time residents, it's just not a good fit.

When we purchased the condo, our intent was to use it ourselves for a few months a year, and rent it to vacationers the rest of the time, which we did until a few years ago. Now we want to have it available for our adult children to use with their families. Our daughter just had our first grandchild and stayed in the condo for the first time with her family in January. They reside on the East Coast, this is how we planned to be able to see them once or twice a year as the family grows. Our house is too small for them to stay in, and they can't afford to stay in a hotel for a couple of weeks. We had this scenario in mind when we purchased in 1991, and don't want to lose it. Keep in mind that most of the units that are rented to vacationers are used by the owners from a few weeks to a few months a year, you are removing this possibility for people who have worked their whole lives and invested in Maui.

Please also consider that this will effectively close the agency we use to rent our unit, and the cleaning people, etc. who now work in the vacation rental business.

Thank You

Philip Friel

SB-2919-SD-1

Submitted on: 2/28/2024 12:08:13 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jon Wimber	Individual	Oppose	Written Testimony Only

Comments:

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I OPPOSE SB2919, SD1 for the following reasons

<<Papakea was built in 1978 and has operated as vacation rentals for almost fifty years>>

<<Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles>>

<<Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming>>

<<Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue>>

<<Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors; highlighting any specifics about service providers that you rely on>>

<<Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Task, and Maui Transient Accommodations Tax.>>

<<Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops>>

<<Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community>>

For the reasons stated herein I OPPOSE SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Jonathan M Wimber

To: Listed below

From: Gregg Leitz

Owner, Papakea Unit C105

Lahaina, HI 96761

Re: SB2919

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I **OPPOSE** SB2919, SD1 for the following reasons:

We have stayed at Papakea Resort annually since our first visit in 1983, and have been owners since 2012. I feel that this bill will have an extraordinary negative impact on all owners and to the resort itself, as the rental income helps to feed our extremely high costs of maintenance and special assessments from projects that help to maintain the integrity of the resorts 13 acres, including the seawall and adjoining canal.

Papakea has complied with the Short-Term rental process for nearly 50 years. The resort has brought enormous value to West Maui in terms of tax revenues over the years and as mentioned above, has provided the ability for owners to fund all the amenities that keep Papakea in compliance and to become a top, annual destination for thousands of visitors.

I have personally become acquainted with many returning Hawaiian residents as well, who come to visit family and friends, even since the devastating fires of Lahaina. They overwhelmingly enjoy the Ohana that Papakea provides, its charm and true Hawaiian appeal, as opposed to some of the big-name resorts that cannot compare.

Importantly, since the devastating Lahaina fires, many of our visitors have supported local volunteer organizations, such as the Kahana Gateway food distribution (operated by GEM), and others. Personally, we promote this on our welcome package and some of our guests have utilized the opportunity and are thankful for it.

The resort offers employment to many vendors and employees of the association, many of which have worked here for up to 15 years. We bring visitors who support many of the local 'vacation' businesses (tour operators, restaurants, rental companies, souvenir purchases, etc.) that otherwise might not be utilized by long-term renters, and who pass on their recommendations to others via reviews and word of mouth as they return to their homes.

For the reasons stated herein I **OPPOSE** S.B. 2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Gregg Leitz

SB-2919-SD-1

Submitted on: 2/28/2024 12:11:15 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
David Houston	Individual	Oppose	Written Testimony Only

Comments:

Feb 28, 2024

Aloha Committee members,

We are writing today to emphasize the importance of protecting **against** the passage of SB2919. Please, for the sake of individual homeowners, displaced residents, emergency contractors, temporary workers both health and labor, our family and friends, and last but not least, visitors who contribute greatly to the economy, vote against this bill.

There is a common misconception of owners of second homes on island. Please consider our history as it is shared by many.

My husband and I purchased our small townhome in Lahaina in 2007 with funds that had been saved for my husband's entire work career. He does not have a 401 K or retirement plan from his modest job as a tennis teacher. He invested everything he had into this real estate with hopes of renting it until we could live full time on Maui. It has provided income for many residents these past sixteen years as well as contributed to the thriving businesses in Lahaina and beyond. We occupy it as often as possible for as long as possible.

If SB2919 passes and almost 14, 000 legal short term rentals are eliminated, the county will lose 18% of its 1.7 billion dollar budget through lost property tax. Our little townhome alone provides \$11,000 in property tax annually! Not to mention the State's accommodation, excise taxes and Maui's 3% local tax we have been paying regularly.

On payroll we have a house cleaning staff/manager, gardener and handyman who all depend on the work the business provides.

Mahalo for your hard work and attention to this very critical topic.

Help all of Maui by defeating this Bill. There are other ways to accomplish the tasks at hand without the enormous negative impact.

Respectfully,

David and Cheryl Houston

Lahaina

February 28, 2024

Dear Representative, Tarnas, Chair, Representative Takayama, Vice Chair, and Members of the Committee:

I **OPPOSE** SB 2919, SD1 for the following reasons:

This Bill could result in the phasing out of over 13,000 **LEGAL** short-term rentals on Maui.

Maui's STRs provide a substantial amount of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. If you eliminate the STR property tax revenue, where will the replacement revenue come from?

Mid and Short-term Rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.

Papakea was built in 1978 where my wife and I have been a homeowner since 2018 where we come 3 - 4 times a year to enjoy all the beauty of Maui with our family. This complex has been operated as a short-term rental for almost fifty years.

Papakea employees approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry level positions and now are in supervisory roles and play a key role in the economy of Maui as taxpayers and consumers to support local businesses.

Papakea supports a wide variety of local trade professionals ranging from plumbers, HVAC, pest control, carpenters, electrical, tree trimming and small trades and handymen.

Papakea can only support the current personnel & operational maintenance levels with high HOA dues which rely on short term rental revenue.

Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, contractors that have families and call Maui home and depend on the business they get from STRs. This is important to consider.

Papakea STR supports the State of Hawaii and the county of Maui through payment of property taxes at the short-term rental rate, Transient Tax and General Excise Tax and the Maui Transient Accommodation Tax.

Papakea has a high number of returning guests and families that are now the 2nd and 3rd generation who remember their parents and grandparents coming to Papakea over the years.

This is a family resort and has been for over 50 years so please consider all the factors carefully and all the jobs that will be lost and the impact to the local economy if STRs are shut down.

For the reasons stated herein **I OPPOSE SB2919, SD1** and urge the committee to defer it.

Respectfully submitted,

Randy Hnatko
604-328-3974

Dear Representative Tarnas, Chair, Representative Takayama, Vice Chair, and Members of the Committee:

I **OPPOSE** SB 2919, SD1, for the following reasons:

The Papakea Resort has operated for almost 50 years and we have owned and enjoyed our property for over 22 years. Papakea employs about 35 local residents, some of whom I have watched grow from entry-level positions to supervisory roles.

In its regular operations, the Papakea Resort supports many local trade professionals including plumbing, electrical, propane, HVAC, tree trimming, and pest control. The resort can only support their current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue to support it.

The short-term rentals at Papakea support a large number of small businesses in the Maui community such as housecleaning, handymen for repairs, on-island property managers just to maintain the rentals. As owners, we regularly spend at furniture stores, with contractors for renovations, and at hardware stores. And of course we and our guests support a multitude of restaurants, retail shops, and on-island activities. This kind of spending is critical for the Maui economy.

Additionally short-term rentals support the State of Hawaii and County of Maui through payment of property taxes (at our short-term rental rate), Transient Accommodations Tax, General Excise Tax and Maui Transient Accommodations Tax.

Maui is a special place. Most every guest who have stayed at our place return to Maui again and again. We have all formed deep connections with the local community. I believe if this bill were to pass, an enormous hole would be torn in the Maui economy and would be tragic. We all want to see Maui flourish.

For these reasons stated, I **OPPOSE** SB 2919, SD1 and respectfully urge the committee to defer it.

Thank you for your consideration.

Maureen Donohue

Papakea Resort Owner

Feb 28, 2024

Aloha Committee members,

We are writing today to emphasize the importance of protecting **against** the passage of SB2919. Please, for the sake of individual homeowners, displaced residents, emergency contractors, temporary workers both health and labor, our family and friends, and last but not least, visitors who contribute greatly to the economy, vote against this bill.

There is a common misconception of owners of second homes on island. Please consider our history as it is shared by many.

My husband and I purchased our small townhome in Lahaina in 2007 with funds that had been saved for my husband's entire work career. He does not have a 401 K or retirement plan from his modest job as a tennis teacher. He invested everything he had into this real estate with hopes of renting it until we could live full time on Maui. It has provided income for many residents these past sixteen years as well as contributed to the thriving businesses in Lahaina and beyond. We occupy it as often as possible for as long as possible.

If SB2919 passes and almost 14, 000 legal short term rentals are eliminated, the county will lose 18% of its 1.7 billion dollar budget through lost property tax. Our little townhome alone provides \$11,000 in property tax annually! Not to mention the State's accommodation, excise taxes and Maui's 3% local tax we have been paying regularly.

On payroll we have a house cleaning staff/manager, gardener and handyman who all depend on the work the business provides.

Mahalo for your hard work and attention to this very critical topic.

Help all of Maui by defeating this Bill. There are other ways to accomplish the tasks at hand without the enormous negative impact.

Respectfully,

David and Cheryl Houston

Lahaina

SB-2919-SD-1

Submitted on: 2/28/2024 12:17:43 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
MICHAEL RAMOS	Individual	Oppose	Written Testimony Only

Comments:

February 28, 2024

To Honored Members of the State House

Oppose HB1838 & SB2919

This phase out bill affects legal business that are thriving and supporting the County of Maui with much needed tax revenue and supporting thousands of resident folks employed by tourism.

This is a huge amount of folks that need their businesses to survive in Maui or other Counties located in Hawai'i. These vacation rentals act not only as accommodations for off island tourism, but also for local residents travelling inner island for visiting family, business folks travelling inner island, medical folks, construction, and a whole slew of other inter island reasons.

If this bill is passed, the County of Maui will see to it that this bill, which is Pro-hotel, will facilitate in economic loss for so many. I do believe heavy litigation would arise immediately from it, further hindering the economic health of Maui.

Affordable housing should be first and foremost in areas away from the ocean to help mitigate environmental impacts to the coastline by including water catchment reserves and solar power where new building will exist.

Please oppose any of phase out bills, HB1838 /SB2919 and think of more productive ways to help the affordable housing situation by not hurting our local economy, which is already suffering!

Thank you for reading my testimony.

Mike Ramos

Makawao, Hawaii

Maui resident, taxpayer, voter

Aloha,

I am reaching out to urgently oppose SB2919 which poses a significant threat to the short-term rental industry. As a short-term rental owner in Maui, I am deeply concerned about the potential impact of this bill on our livelihoods and the broader community.

SB2919 aims to authorize counties to phase out short-term rentals in any zoning, potentially leading to drastic changes in the law that would impede our ability to operate legally and responsibly, and phase out 13744 legally permitted short-term rentals on Maui.

If this bill is enacted, it could have severe ramifications.

Economic Contribution: Maui's STRs provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's \$1.7 billion dollar budget. The question arises: If STRs are curtailed, where will the equivalent revenue come from

Employment Impact: Statewide, over 40,000 jobs are supported by the short-term rental industry. Restricting this sector could have far-reaching consequences on employment.

Community Outreach: as part of the community outreach, we had the option and was able to offer our unit to friends and family on the Island during the Maui 2023 fire.

SB-2919-SD-1

Submitted on: 2/28/2024 12:21:02 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
M.Neil Cummings	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill as it would limit our rights to own and enjoy our home in Hawaii. It would also deprive others of work since our condominium Papakea employs many people on the island. Thank you.

SB-2919-SD-1

Submitted on: 2/28/2024 12:22:07 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
johannes a Wunderl	Individual	Oppose	Written Testimony Only

Comments:

The local ABC will close due to ST renters buying everything from Tshirts, memorabilia and food/drinks there, loosing more jobs in addition to the job losses at Papakes

SB-2919-SD-1

Submitted on: 2/28/2024 12:23:50 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Rachel Cavitt	Individual	Oppose	Written Testimony Only

Comments:

We purchased our property in 2021 which has an STVR agreement and operated for years with a property management company. Since we would not be living year round in this home an STVR certificate was an essential element of the purchase. I doubt we would have bought a home in Hawaii otherwise. During the pandemic period our home and many others under our same property management, were utilized to accommodate residents or residents in transition. During that time to present, there was continued employment for our gardener, irrigation person, Orkin pest control, pool service and trash service. Specialized services were also necessary for seagrape and cocoa palm trimming. In addition, all of the office and booking personnel, housekeeping, and general maintenance people with the management company were provided local employment and contributed to the country economy and its stability.

SB-2919-SD-1

Submitted on: 2/28/2024 12:25:43 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Keith and Melanie Hyde	Individual	Oppose	Written Testimony Only

Comments:

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I **OPPOSE** SB2919, SD1 for the following reasons:

Papakea, an AOA of 364 units, was built in 1978 and has offered short term vacation rentals (STRs) by individual owners for almost fifty years. If unable to continue doing STRs Papakea will not be able to support the local economy of Maui in many ways that are valuable to the local and state economy.

Papakea directly employs approximately 35 local residents. Some have worked at the property for over 15 years; some started in entry-level positions and have advanced into supervisory roles. Others have moved to positions at other resorts on Maui but learned valuable skills during their time at Papakea.

In addition to direct employees, Papakea AOA supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming.

Individual owners at Papakea use the services of many, many additional small businesses in the Maui community in the maintenance of their units including housekeepers, handymen, on-island agents, and contractors. Many other people are employed by required support businesses such as our management company My PerfectStays, which employed 50 people before the fire and hopes to return to that number soon.

Without STRs like Papakea most of these people, residents of Maui, would lose their jobs or suffer a reduction in hours.

Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (the vast majority at the short-term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax. Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue. Without the revenue created by STRs, the property will most certainly decline, physically and financially, and tax revenues will also decrease.

Papakea guests generate revenue for the state when they patronize businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops.

A stay on Maui is already a more expensive vacation compared with other destinations. A loss of available STRs would result in an increase in the prices of the remaining properties, making Maui too expensive for a large swath of visitors resulting in an overall decrease in tax revenue.

Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community. Our owners are also deeply connected to the community. After the fires last August, many opened their units to our ohana and they were able to stay on site at a most difficult time.

On a personal level, we have been owners at Papakea for 13 years and have not seen positive cash flow from our unit in that time. We struggled through Covid times with seven months of no revenue during which we had to continue to pay our taxes and other expenses. After the fires we grieved with our ohana and helped out as much as we could. We have stayed the course because we love Maui and feel part of the community here. However, if we are no longer allowed to do STRs, we and many like us, will have to sell our property, likely at reduced rate, and Maui's tax revenue will again go down.

For the reasons stated herein I OPPOSE SB2919, SD1 and urge the committee to do the same.

Respectfully submitted,

Keith and Melanie Hyde

SB-2919-SD-1

Submitted on: 2/28/2024 12:30:26 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
karina Smith	Individual	Oppose	Written Testimony Only

Comments:

Dear Members of the Hawaii State Legislature,

My name is [Karina Smith], and I am a resident of Hawaii. I am writing to express my strong opposition to SB2919, which imposes heavy regulations on vacation rentals. As a local resident who relies on the income from my short-term rental property, I am deeply concerned about the potential impact of this bill on my livelihood.

The operation of my short-term rental property has been a lifeline for my family, allowing us to meet mortgage payments and sustain our lives in this unique economic landscape. If SB2919 proceeds, it would make the operation of my short-term rental impossible and jeopardize our ability to stay in our home. Tourism is a vital industry for many citizens like myself, and this bill, with its restrictive measures, creates insurmountable challenges for ordinary citizens to engage in this industry.

I urge you to reconsider the repercussions of HB1838 on the livelihoods of residents who rely on short-term rentals. Let us work together to find solutions that balance the needs of the community while preserving opportunities for citizens to participate in Hawaii's tourism industry, ensuring economic stability for families like mine.

Thank you for considering my concerns and for your attention to this important matter.

Sincerely, Karina Smith [8086708539]

February 28, 2024

Dear Representative, Tarnas, Chair, Representative Takayama, Vice Chair, and Members of the Committee:

I **OPPOSE** SB 2919, SD1 for the following reasons:

This Bill could result in the phasing out of over 13,000 **LEGAL** short-term rentals on Maui.

Maui's STRs provide a substantial amount of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. If you eliminate the STR property tax revenue, where will the replacement revenue come from?

Mid and Short-term Rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.

Papakea was built in 1978 where my wife and I have been a homeowner since 2018 where we come 3 - 4 times a year to enjoy all the beauty of Maui with our family. This complex has been operated as a short-term rental for almost fifty years.

Papakea employees approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry level positions and now are in supervisory roles and play a key role in the economy of Maui as taxpayers and consumers to support local businesses.

Papakea supports a wide variety of local trade professionals ranging from plumbers, HVAC, pest control, carpenters, electrical, tree trimming and small trades and handymen.

Papakea can only support the current personnel & operational maintenance levels with high HOA dues which rely on short term rental revenue.

Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, contractors that have families and call Maui home and depend on the business they get from STRs. This is important to consider.

Papakea STR supports the State of Hawaii and the county of Maui through payment of property taxes at the short-term rental rate, Transient Tax and General Excise Tax and the Maui Transient Accommodation Tax.

Papakea has a high number of returning guests and families that are now the 2nd and 3rd generation who remember their parents and grandparents coming to Papakea over the years.

This is a family resort and has been for over 50 years so please consider all the factors carefully and all the jobs that will be lost and the impact to the local economy if STRs are shut down.

For the reasons stated herein **I OPPOSE SB2919, SD1** and urge the committee to defer it.

Respectfully submitted,

Dimitra Hnatko
604-831-3214

SB-2919-SD-1

Submitted on: 2/28/2024 12:33:50 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ariana white	Individual	Oppose	Written Testimony Only

Comments:

Hello,

I have had a rental on Maui for the past 10 years.

I employ two local family owned and operated companies to help me run the rental. I also use local companies for maintenance on our rental. What would happen to these small family business if we did away with short term rentals?

I am opposed.

Sincerely,

Ariana White

SB-2919-SD-1

Submitted on: 2/28/2024 12:34:23 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kim Gleason	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

My name is Kim Gleason and I have lived on Maui for 33 years.

I am writing this letter in Opposition to Bill SB2919 because it will threaten my ability, and many others in my situation, to make a living here on Maui.

I am 71 years old and living on Social Security. I am a Small Business company, cleaning short term vacation rentals. This pays me a good salary, I create my own schedule, and am able to stay close to my home which reduces transportation costs. Without this income, I would have to move away!

This Bill will put my ability to remain in my home, here on Maui and pay the bills and taxes for my property in jeopardy!

The County has existing laws that could be enforced. Many of the questionable properties aren't even permitted. Those that are permitted are an asset to the people they employ And, the experience of our Very Important Visitors.

I ask that this Bill (SB2919) NOT be moved forward.

Thank You for your time,

Kim Gleason
152 Halona St.
Kihei, HI 96753
mauikim@hawaii.rr.com

SB-2919-SD-1

Submitted on: 2/28/2024 12:36:54 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
dan malone	Individual	Oppose	Written Testimony Only

Comments:

Aloha Members of the Hawaii State Senate,

I am writing to express my strong opposition to STB2919.SB1, particularly concerning the proposed section about authorizing a county to phase out short-term rentals in zoning residential and ag zones. As a resident and kupuna of Pahoia, Hawaii, I am deeply concerned about the potential negative impact of this bill on me and my community.

I own a short-term vacation rental (STVR) in Kona, which I purchased as an investment opportunity to help support me and my wife in retirement, as well as to provide our children with an asset that we can leave them upon our passing. However, the provisions of SB2919.SB1 would financially harm not only me but also the individuals who rely on the STVR industry for their livelihoods, such as my housekeeper and handyman.

This bill's specific revisions to Hawaii Revised Statutes would allow counties to amortize or phase out transient vacation rental units over a reasonable period of time in any zone.. This would grant counties the authority to make decisions about zoning with respect to vacation rentals, potentially affecting the ability of operators, like myself, to continue our operations. I urge you to consider the significant impact that SB2919.SB1 will have on the residents and workers in our community. The proposed measures could disrupt the livelihoods of not only STVR owners but also those who depend on the industry for employment. It is essential to carefully evaluate the potential consequences of this bill, particularly its effects on local families and the broader community.

I kindly request that you take into account the voices of individuals like myself and reconsider the provisions of SB2919.SB1. Thank you for your attention to this matter, and I appreciate your efforts in making informed decisions that support the well-being of our community. I kindly request that you do NOT pass this bill.

Mahalo for reading my comments, Dan Malone Pahoia, Hawaii

SB-2919-SD-1

Submitted on: 2/28/2024 12:38:05 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Rodrick Frazer	Individual	Oppose	Written Testimony Only

Comments:

Taking legal short-term rentals off Oahu's market would have devastating financial implications for our entire family, who are first-generation US immigrants. Decades of hard work have enabled us to invest in properties like these for our family's future. Our cleaners, handymen, contractors, and property manager would all suffer significant income losses if short-term rentals were banned. Additionally, visitors, many of whom cannot afford the high room rates in the area, would no longer have access to affordable accommodations. This would result in a decline in tourism revenue for the entire island, as these visitors contribute significantly to the local economy through their spending on accommodations, dining, and activities. The impact of such a ban would not only affect our family's financial stability but also have far-reaching consequences for the local community and economy.

SB-2919-SD-1

Submitted on: 2/28/2024 12:40:32 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Justin Ferguson	Individual	Oppose	Written Testimony Only

Comments:

I **OPPOSE** SB2919, SD1:

Three generations of my family have been visiting Papakea since the late 1970's.

Papakea was built in 1978 and has operated as vacation rentals for nearly 50 years.

Papakea is an aging complex that is only well maintained because its short-term rental income, high dues and strong AOA allows for it.

Papakea supports a great number of local trades.

Papakea employs around 35 local employees, many worked for years on the property.

Papakea supports local professionals, maintenance staff, and management groups.

Papakea supports the State of Hawaii and the County of Maui with an array of taxes.

Papakea's transient guests support many local small business on the island.

Papakea has been a vacation destination for so many returning guests and familys. Many of whom return year after year building connections with the community.

For the reasons written above I **OPPOSE** SB2919, SD1 and the ask committee to defer it.

Respectfully,

Justin Ferguson

February 28, 2024

Dear Senator Dela Cruz, Chair; Senator Moriwaki, Vice Chair; Senator Rhoads, Chair; Senator Gabbard, Vice Chair; and Members of the Committee:

We **OPPOSE** SB2919, SD1.

We consider Papakea in Lahaina our home. We have been traveling to Papakea for extended summer stays for more than 40 years, our three children spent their summers on Maui, and now our grandchildren are doing the same. We love Hawaii. We love Maui. We love Papakea. We have done everything we can think of to support the Maui and Papakea community after the tragic wildfire, including having a displaced Maui family stay in the condo that we own through the Red Cross program, and donating to relief agencies.

It has not been easy to figure out how best to help. Do we sign up with FEMA to offer our condo for long-term housing? But then, what happens to our wonderful local Maui property manager and their team that have been managing our short-term rental? They will lose their 40% share of our rental income that pays their salaries. The FEMA money is a guarantee for long-term income and that's nice for us, but it doesn't seem right to accept that at the cost of hurting the income of the people we have come to know and love over the years who live on Maui and currently earn their living managing our Papakea home.

We always think about how to support the local Maui community in anything that we do related to the condo that we own. We have paid more than one hundred thousand dollars in the past five years alone to businesses on Maui including a remodel through Gary Mings, a 20+ year resident (Maven Construction Group), and Freestyle Designs, the Wailuku architecture group. We also support small businesses in the Maui community that provide housekeeping and handy person services, and make a point of eating most of our meals at local restaurants every time we visit.

Papakea is not an upscale resort. It is a low-key property that attracts a certain type of guest, and has a high percentage of repeat guests. Many of the condo owners and guests we have met at the Papakea are like us, and are very concerned about being responsible guests and good stewards who consider the welfare of Maui and Maui residents in the decisions that they make about how they travel and whom they hire.

I understand the resentment towards short-term rental owners as those who live on Maui struggle to find any housing, let alone affordable housing. I hope that the 40% share of our rental income that goes to our Maui property manager, the

money we have invested in local businesses, the good jobs created at Papakea for more than 35 local resident employees who often stay in their jobs for more than a decade, and the jobs that Papakea creates for local trade professionals who provide HVAC services, pest control, and other services have at least some positive impact on the community. These things would be lost if SB2919, SD1 is approved.

In addition, we have paid \$37,605 in the past year to support the State of Hawaii and County of Maui through payment of property taxes, Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax.

For the reasons above, we **OPPOSE** SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Yvonne and Mike Brill

yvonnebrill@gmail.com

mbrill@msce.com

The bill on the table, SB2919, is a provision to allow counties to determine whether short term rentals will be allowed in their county. I would like to offer my perspective for consideration.

We are a 55-year-old working class couple who live and work in Maui. My husband is a handyman for vacation rentals, and I have been working for a property management company until recently and will likely return to the industry soon. Our income is 100% dependent on short-term rentals. Beyond that, we have invested our retirement savings in 2 vacation rental units. If Maui was to phase out vacation rentals, both my husband and I would lose our jobs and as an added “bonus”, the value in our vacation rentals will be irreparably diminished. Not only will we cease to receive income from them but, if we try to sell them, the value of resale will be severely cut as the market is flooded with condos which can no longer be used for their highest and best financial use. We will be hit not only by the loss of our jobs, but also our future retirement income from our condos, and our resale of these condos will be necessary since they would cease to provide sufficient income to pay the mortgages. The dream of living on Maui will be destroyed for us and there will be no one there to help us pick up the pieces because most of our island will also be financially devastated.

If short term rentals were eliminated in Maui, our two condos would likely not become housing for working class people, despite what people might think. Even if the value of our condo was reduced by 30% the cost of the mortgage along with the AOA fees, electricity, and property taxes would still be more than \$5000 per month. A one-bedroom condo, which was not designed with long-term living in mind, even at this price point would not be attractive to a working-class individual or couple. These condos would likely be only attractive to off island buyers who would use them as second homes while leaving them unoccupied for some portion of each year.

Currently, vacationers stay in Maui’s 13,000 rental condos because they are much more affordable than hotels. These rental condos employ housekeepers, maintenance people, reservationists, front desk workers, security personnel, property managers, and more. Supplies for these independently owned condos are purchased locally, not shipped to Maui from a central supplier like would be done with a hotel chain. The hotels on Maui cater to the upper class, not the middle class. If Maui only offered accommodations in hotels, we would price the middle class out of annual trips to Maui and we would lose these tourism dollars to Mexico. Restaurants, boutiques, and many tourist activities would close, many working-class residents would have to move to the mainland, and the purpose for shutting down these rentals would be defeated.

The lucrative tax base provided by vacation rentals (property tax, GE tax, TA tax, county TA tax) would have to be replaced by other income but there are no great ideas for such replacement income.

Vacationers are not the only people who benefit from vacation rentals. Many times, these rentals are used to house families who are visiting locals where hotels would be cost prohibitive. They also have proved to be an amazing resource after the fires for displaced residents. In the property management company where I was working, several mainland owners allowed displaced Lahaina residents (strangers to them) use their condos free of charge. Traveling nurses often rent rental condos as do construction contractors, all of whom are critical resources to our island.

Vacation rentals are not just investments for rich mainland owners. Many working-class Maui residents like us, own vacation condos as part of their income or retirement strategy. Please keep that in mind when considering this bill.

Dear Representative Tarnas, Chair, Representative Takayama, Vice Chair, and Members of the Committee:

I **OPPOSE** SB2919, SD1 for the following reasons:

Papakea was built in 1978 and has operated as vacation rentals for almost fifty years.

Papakea employs approximately thirty-five local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked in supervisory roles.

Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming.

Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue.

Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors; highlighting any specifics about service providers that you rely on.

Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax.

Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops.

Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community.

Phasing out short term vacation rental units will minimize visitor affordability, especially those with families as the cost of hotels can be cost prohibitive.

For the reasons stated herein I **OPPOSE** SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Linda Hoyt

Property owner and full-time resident at The Papakea Resort

February 26, 2024

To: Members of the Hawaii Legislature

From: Linda Twilling, condo owner at 100 Ridge Road, #1614, Lahaina, Maui, Hawaii

Re: SB 2919

I am writing to express my strong opposition to SB2919. Nearly two years ago my husband and I bought a condo in Maui. We were about to retire and bought the condo with the intention to spend more time in Maui & also to rent it out to visitors. We paid top dollar for the condo because we knew that we could rent it out for people vacationing in Maui. We worked extra time before retiring so that we could afford the condo. Having the option of a short-term vacation rental made it possible for us – seniors entering retirement—to afford the condo and also support the Maui economy by inviting visitors to Maui.

You may want to support the bill because you think it will help people in Maui. It may look like that in the very short term. **But, over the next couple of years, as businesses are decimated, as tourists stop visiting, as people cannot find work or places to stay, this short-sighted bill will turn out to be the cause of the demise of the wonderful island of Maui. I do not think you want to be responsible for making the tragedy of the Lahaina fire turn out to be an even bigger tragedy for the people of Maui.**

Due to health and food issues, we always stay at a short-term vacation rental, when we are lucky enough to travel. If we had to stay in a hotel, we could not travel. Thus, we were happy to provide a short-term vacation rental in Maui for ourselves and for visitors to the island. This was good for us, good for the Maui economy & good for the people we knew and worked with in Maui.

Unfortunately, shortly after we bought the condo, interest rates quadrupled, making it very difficult to pay our mortgage. Then the fire engulfed Lahaina, creating a tragedy for so many people there. We were not on the island when the fire hit & our condo was not in the fire zone. However, visitors were discouraged to come to Maui and we did not receive any income for several months even while our insurance rate went up by 500%, our HOA dues were increased secondary to concerns about future fires & we continued to have to pay our mortgage.

We have tried to help. We worked with the Council for Native Hawaiian Advancement & FEMA and we are renting our place for a year + to fire survivors. But, if SB 2919 passes it will be a disaster for us and for all people in Maui. If we do not have the option of short-term vacation renters next year, we will lose the condo. We will have to sell at substantial loss, just as we are living on a fixed, retirement income. And, our property manager – who has been in the business for > 30 years—will lose her business, our housekeepers will not have work, the Lahaina Carpet store will not have our business, local restaurants will not have our visitors and the economy in Maui will not recover. That is not good for anyone.

Our condo has a long history as a beautiful home that is sometimes used as a short-term vacation rental. It was built in 1979 and it has legally been a STVR for 45 years. It has housed visitors, visiting RNs, our family and friends, tourists who supported the economy, and us. Please vote against HB1838 so that Maui can recover from the tragic Lahaina fire and continue to support its people.

Dear Representative Tarnas, Chair, Representative Takayama, Vice Chair, and Members of the Committee:

I **OPPOSE** SB2919, SD1 for the following reasons:

Papakea was built in 1978 and has operated as vacation rentals for almost fifty years.

Papakea employs approximately thirty-five local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked in supervisory roles.

Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming.

Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue.

Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors; highlighting any specifics about service providers that you rely on.

Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax.

Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops.

Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community.

Phasing out short term vacation rental units will minimize visitor affordability, especially those with families as the cost of hotels can be cost prohibitive.

For the reasons stated herein I **OPPOSE** SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Neil Hoyt

Property owner and full-time resident at The Papakea Resort

Dear Senator Dela Cruz, Chair, Senator Moriwaka, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I Oppose SB2919, SD1 for the following reasons:

Papakea has been operated as vacation rentals for almost 50 years, being built in 1978

Papakea has approximately 35 local resident employees, some working here for over 15 years working their way up into supervisor roles.

Papakea also supports many local trade professionals which creates more jobs for locals.

Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short term rental revenue.

Papakea short term rentals support a number of small businesses in the Maui community, including housekeepers, handymen, on island agents, and contractors: highlighting any specifics about service providers that you rely on.

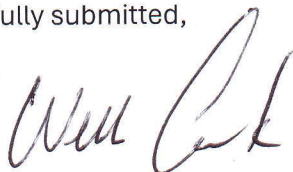
Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax.

Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops.

Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections to the community.

For the reasons stated herein I OPPOSE H.B. 1838, HDI and urge the committee to defer it.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Will Cook". The signature is written in a cursive, flowing style.

SB-2919-SD-1

Submitted on: 2/28/2024 12:50:50 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ken Lutz	Individual	Oppose	Written Testimony Only

Comments:

I would likd to voice my strongest opposition to SB2929 SD1.

As the owner of s short term vacation rental we are proud to employ no less than seven independant business owners directly and over 20 employees indirectly. If short term vacation rentals were to be eliminated many of these individuals would have not choice but to close their small, independant businesses and become employees of the large corporations that own resorts and hotels. This would be to their detriment, eliminating in one stroke the the value they have built in their small business. The impact on their employees would be no less devastating.

In the many years we have visited Hawai‘i, prior to purchasing a home, we never once stayed in a hotel or resort. We much prefer the interaction with the local residents, experiencing the culture and community of Hawai‘i as they live it, not as defined and packaged by a large corporation.

If short term vacation rentals were to be eliminated many visitors to Hawai‘i would have no alternative to the synthetic hotel/resort expearence, to the detriment of Hawai‘i as a cultural destination.

For these reasons we ask that SB2929 SD1 be rejected.

Thank you for your consideration and hard work.

Cheers,

Ken Lutz

SB-2919-SD-1

Submitted on: 2/28/2024 12:54:13 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Anna Fleming	Individual	Comments	Written Testimony Only

Comments:

I am writing to express my strong opposition to HB1838 due to its potential impact on my personal livelihood. I service multiple vacation rentals, and if this bill passes, I could lose my job.

The short-term rental industry is not only a source of income for me, but also for numerous hardworking individuals and families in our local community. The repercussions of bills like HB1838 could be detrimental, especially for those of us who directly depend on the opportunities provided by the vacation rental industry to make ends meet.

It's crucial to consider the real-life implications on local jobs and the financial stability of working-class families. The potential loss of jobs and income resulting from this bill could significantly impact people like me who rely on servicing vacation rentals to support ourselves and our families.

I implore the Legislature to carefully consider the far-reaching effects of this bill on the livelihoods of individuals directly involved in the short-term rental industry, like myself. I urge you to oppose HB1838 and seek solutions that preserve opportunities for citizens to participate in Hawaii's tourism industry, ensuring economic stability for all of us who rely on this sector for our livelihoods.

Mahalo for your attention to this issue, and I respectfully request that you oppose HB1838 to protect the jobs and livelihoods of those who, like me, depend on the short-term rental industry. Mahalo,

Dear Senator Dela Cruz, Chair, Senator Moriwaka, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I Oppose SB2919, SD1 for the following reasons:

Papakea has been operated as vacation rentals for almost 50 years, being built in 1978

Papakea has approximately 35 local resident employees, some working here for over 15 years working their way up into supervisor roles.

Papakea also supports many local trade professionals which creates more jobs for locals.

Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short term rental revenue.

Papakea short term rentals support a number of small businesses in the Maui community, including housekeepers, handymen, on island agents, and contractors: highlighting any specifics about service providers that you rely on.

Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax.

Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops.

Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections to the community.

For the reasons stated herein I OPPOSE H.B. 1838, HDI and urge the committee to defer it.

Respectfully submitted,

Rebecca D. Carmack

SB-2919-SD-1

Submitted on: 2/28/2024 12:57:12 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jordan McEntire	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

My name is Jordan McEntire and I live on the island of Maui.

I am writing in opposition of this bill because it will threaten my ability to make a living along with the cleaners, electricians, maintenance workers, and small businesses like me, who live and work in my community.

I own a small business that services short-term vacation rentals on my island. I am paid good wages, create my own schedule and work very near where I live, reducing my commute time.

This bill will hurt me and put at risk my ability to pay for my family's housing and living expenses.

Let the counties enforce the laws that they already have.

I ask that you please do not move this bill forward.

Thank you for your time.

Samuel Bendenoun
Live Haleiwa LLC
66-485 Pikai St
Haleiwa HI 96712

February 1st, 2024

Dear Representative,

I am writing to express **opposition** of the Hawaii House **Bill SB 2919**.

When Bill 41 passed regarding illegal short-term rentals it allowed the county to levy fines against anyone renting out their home as a short-term rental in the effort to put a stop to a much-needed unregulated market. I understand your intent with this legislation as it helped restore balance to the residential neighborhoods and helped address concerns over a shortage of affordable housing. I believe this significantly helped and impacted the housing market in a positive manner. When the industry was unregulated, a lot of residences were renting out their homes irresponsibly and with out care of the impact to the local community. This has now been put to a stop and I am sure it has already helped restore the balance in the shortage of affordable housing.

Legally licensed vacation rentals with TVU licenses operate responsibly; they are regulated and heavily taxed. They are far and few, 71 on the north shore with 30 being a Turtle Bay alone. Since they are and have been licensed for a good amount of time and have always operated under the local laws, why change this now. These legal short-term rentals allow for unique experiences to locals and visitors alike. They create job security in their communities, they help support local businesses and most importantly its revenue which is most often kept here in Hawaii for it to benefit and stimulate the local economy, unlike many hotels and resorts.

Please vote against this legislation as I strongly believe that the Hawaii residents who have obtained these TVU permits did so in a legal and responsible manner. They should not have their permits taken away as they operate under a strict code of conduct and continue to operate as they were intended to by the courts.

Thank you for your time and consideration.

Sincerely,

Samuel Bendenoun

I oppose this bill and here is why.....

- 1) Banning STR's would lead to both job losses and reduce much needed tax revenue that we need to fund affordable housing initiatives. Vacant properties would be left to the hands of out-of-state investors and that is one of the things that we are trying to avoid.
- 2) Legal STR's are not affordable to residents due to their luxury, prime locations.
- 3) Legal STR's do not have the amenities that long term residents are looking for and they have extravagant fees.
- 4) The permit process is too long and complicated. This process needs to be streamlined.
- 5) In speaking specifically on STR's, our focus should be on banning illegal STR's over anything. This should be addressed immediately.

SB-2919-SD-1

Submitted on: 2/28/2024 1:00:44 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Martha Ingalls	Individual	Oppose	Written Testimony Only

Comments:

Subject: Opposition to SB 2919 - Impact on Short-Term Rental Industry

Honorable Members of the Committee on Judiciary and Ways and Means,

I am writing to express my strong opposition to SB 2919, which proposes to authorize the counties to phase out short-term rentals in any zoning. As a property manager for licensed short-term rentals in Hawaii, I am deeply concerned about the potential adverse effects of this bill on our industry and the individuals and families who rely on it for their livelihood.

If passed, SB 2919 will change the existing law and allow the counties to easily reverse the outcome of the HILSTRA permanent injunction, potentially imposing significant restrictions and minimum stay requirements on non-registered, non-hotel rentals. This bill also grants the counties the authority to phase out non-conforming use certificate properties as well as TVUs, further limiting the options for short-term rental accommodations.

The proposed legislation includes several concerning provisions, such as pre-approval requirements for all listings, substantial fines for non-compliance, and the potential retroactive phase-out of non-conforming use certificates. These measures not only pose a threat to the economic rights of property owners but also create an undue burden on the short-term rental industry in Hawaii.

As a property manager for short-term rentals on Maui, I have witnessed firsthand the essential role that our industry plays in providing temporary housing for displaced residents, traveling professionals, and visitors seeking a more affordable and flexible alternative to traditional hotel accommodations. Events such as the Lahaina Fire and the Kula fires have demonstrated the critical need for furnished temporary housing options, and further restrictions on short-term rentals will only exacerbate the challenges faced by residents and visitors in accessing suitable accommodations.

Maui's STRs provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's 1.7 billion dollar budget. This Bill could result in the phasing out of 13,744 LEGAL short term rentals on Maui. Where will that revenue come from?

I urge you to carefully consider the detrimental impact that SB 2919 would have on the short-term rental industry, local economies, and the individuals and families who depend on this sector for their livelihood. I implore you to oppose this bill and seek alternative solutions that strike a balance between regulatory objectives and the viable operation of short-term rentals in Hawaii.

Thank you for your attention to this matter, and I look forward to the opportunity to further discuss the implications of SB 2919 on our community.

Regards,

Martha B. Ingalls (R)

Beach Breeze Vacation Rentals

808-283-2231

Dear Representative Tarnas, Chair, Representative Takayama, Vice Chair, and Members of the Committee:

I OPPOSE H.B. 1838, HD1 for the following reasons:

We have been coming to Maui and Papakea for over 40 years and have been owners at Papakea for 13 years. We have experience as both renters of units at Papakea and many other resorts and now as owners. We invested in our Maui home with knowing we would be able to rent it out as a short term rental as it has been since its inception.

We completely renovated our unit when we purchased it which provided employment and revenue for many local contractors and their employees. We continue to invest in our Maui home with everything from installing air conditioning to purchasing furniture and appliances as they need replacement. All of this contributes to the Maui economy.

The Papakea resort was built in 1978 and has operated as vacation rentals for almost fifty years.

Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles.

Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming.

Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue.

Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors; highlighting any specifics about service providers that you rely on.

Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax.

Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops.

Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community.

For the reasons stated herein I OPPOSE H.B. 1838, HD1 and urge the committee to defer it.

Respectfully submitted,

Robert & Ramona Wakefield

Owners of Papakea E-207

SB-2919-SD-1

Submitted on: 2/28/2024 1:02:36 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Esther Lehmann	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

Thank you for taking the time to read my concerns regarding SB2919. While I understand the need for regulation of short term rentals, I am concerned with The state and county's ability to take away income generating option of primary residence homes and hosted accommodations.

Our family has 2 adjacent acres on the Big Island. We live on one of the acres, and when family is not in town, we host both a private bedroom on our property and the house on my family's property. We have never had any complaints, pay all of our taxes, and are doing our best to keep our family's land in Hawaii. This bill gives power to the government, deciding what we can do with our land, and taking away our ability to earn money to stay on the land. This seems in direct opposition to the purpose of the bill. The bill would put the power on the side of the government and the county, making it virtually impossible to have an appeal process that is fair and equitable.

As I have read through the proposed bill, I am overwhelmed. There is so much paperwork with the potential to take away the income that allows us to stay in Hawaii, raise our children in Hawaii, and provide a place for parents and family to come visit form the mainland. I cannot turn those accommodations into long term rentals or my family is not able to visit for periods of time through out the year. I would also point out that between TAT, GET HCTAT, and personal income tax, we are generating a massive amount of revenue for the state.

It is concerning to me that we don't have enough long term housing and it is concerning for me that we don't have affordable housing. It is also concerning to me that families living in the islands can't use their own properties to make an income so WE CAN STAY.

As you consider SB2919, please remember that your constituents and local owners are creatively doing our best to keep our land and our family here. Please consider focusing on un-hosted or foreign owned vacation rentals instead of general zoning changes that penalize primary residence and hosted properties. These properties occupied by Hawaiian residents, hosted by Hawaiian residents, and benefit Hawaiian residents!

Mahalo for your time,

Esther Lehmann

SB-2919-SD-1

Submitted on: 2/28/2024 1:02:38 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Andrew W Frichtl	Individual	Oppose	Written Testimony Only

Comments:

Phasing out short term rentals on Maui will reduce tourism which the state relies on to fund the economy thru taxes, jobs and is providing a solution to the displaced residents from the Lahaina fire. A large % of tourists won't come to Maui if hotels are the only option and due to reduced supply, the cost of hotel stays will increase which will further reduce tourism. In discussing this topic with displaced residents on Maui, they don't want to live in hotels and condo's, they want homes and affordable apartments. Clearly there needs to be a balance. The only solution that makes sense is to continue to allow hotels and condos for short term rentals to maintain tourism while setting aside affordable apartments and single-family homes for long term stay.

Testimony on Current Legislation

We have owned our rental properties since 1999 and 2005. During the year ending 12/31/23 we paid State Transient Accommodation Taxes of \$12,437 and State General Excise Taxes of \$5,056. In addition, we paid \$3,640 of Maui County Transient Accommodation Tax. Our Real Estate taxes on the properties increased last year by over 44% to \$31,953. We also paid \$12,374 to cleaners, appliance repair and air conditioning repair local companies. In order to maintain the properties we pay HOA fees of \$42,512 that pays our grounds and maintenance workers and office staff who live on Maui. This amount also pays for tradesmen and contractors employed by the HOA.

I feel that we are good citizens who are helping to preserve our beautiful land of Maui. We hope to be able to continue to pay taxes and other payments to help the economy of Maui.

SB-2919-SD-1

Submitted on: 2/28/2024 1:04:37 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert Hewlen	Individual	Support	Written Testimony Only

Comments:

Strongly Support

SB-2919-SD-1

Submitted on: 2/28/2024 1:05:35 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Vicky Olson	Individual	Oppose	Written Testimony Only

Comments:

Honorable Hawaii State Legislature,

Please OPPOSE SB2919.

My husband and I have been visiting Maui for years. Maui is where we like to enjoy our family vacations. Up until about 2016, we loved being able to rent a condo for our family to enjoy. In 2016 we became property owners ourselves. We are legally licenced and renting out our home to offset the the growing cost of owning. In doing so, we are contrubtors to the local and state economy through County and state taxes and jobs.

We feel that by the removal of short-term Vacation Rental from Hawaii's tourism sector, it would be a detriment to all of us and the state's economy.

Short-term rentals are such an asset to Maui as it brings an emense amount of jobs for the people of Maui.

If this bill passes, everybody loses. It will impact many jobs such as local retailers, vacation tours, car rental companies, cleaning services, the list goes on.

We have taken the time to personally talk to other locals regarding this matter and have found that they are very much opposed to ending short-term vacation rentals. They too, would be negatively and horribly impacted by this bill.

Thank you for your attention to this matter. We all want the very best outcome for beautiful Maui.

Mahalo,

Jim & Vicky Olson

SB-2919-SD-1

Submitted on: 2/28/2024 1:07:10 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Wilfred Russell	Individual	Oppose	Written Testimony Only

Comments:

My name is Wilfred Russell and my wife and I own a condo in Wailea. When we bought this unit it was for our love of Hawaii and a desire to retire to the island in 10 years -- we are approaching that now. Having the ability to terminate our ability to use the current condo as a STR (as it had years prior to our purchase) could kill that dream and directly impact our retirement plans. Additionally, given the current Maui country restrictions on new STR development, it could deplete an already tight market that a) generates significant revenue for HI and Maui, and b) tends to offer better rates for a broader range of island visitors. Restricting this further will hurt tourism on an island already decimated by fire.

Thanks for your consideration.

SB-2919-SD-1

Submitted on: 2/28/2024 1:13:40 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Nick Nutter	Individual	Oppose	Written Testimony Only

Comments:

Short-term rentals have become a valuable and dynamic component of the modern accommodation landscape, providing numerous benefits for both hosts and guests. One notable advantage is the economic boost these rentals offer to local communities. By opening up additional lodging options, short-term rentals attract tourists who may not have visited otherwise, leading to increased spending at local businesses such as restaurants, shops, and attractions. This infusion of tourist dollars can significantly contribute to the economic vitality of a region.

Moreover, short-term rentals often provide a more personalized and unique experience for travelers. Unlike traditional hotels, short-term rentals offer a diverse range of properties, allowing guests to choose accommodations that suit their preferences and needs. This variety enhances the overall travel experience by providing a more authentic and immersive stay, fostering a deeper connection between visitors and the local culture.

From the host's perspective, short-term rentals offer an opportunity to monetize their underutilized properties, whether it be a spare room or an entire home. This additional income stream can be particularly beneficial for homeowners, helping them offset mortgage costs, property taxes, and maintenance expenses. This economic empowerment enables individuals to make the most of their assets and enhances financial stability for property owners.

Furthermore, the flexibility of short-term rentals accommodates the evolving needs of today's travelers. With the rise of remote work and flexible schedules, individuals are increasingly seeking temporary accommodations for various purposes, including business trips, family vacations, or temporary relocations. Short-term rentals provide a convenient and adaptable solution to meet these changing demands.

In conclusion, short-term rentals play a crucial role in fostering economic growth, offering personalized travel experiences, and providing financial opportunities for property owners. Embracing and supporting the short-term rental industry can contribute to a more vibrant and resilient tourism ecosystem while meeting the diverse needs of modern travelers.

Thank you,

Nick

SB-2919-SD-1

Submitted on: 2/28/2024 1:15:05 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Sandra Carter	Individual	Oppose	Written Testimony Only

Comments:

The proposed changes in HB1838 and SB2919 would be absolutely disastrous to the travel and tourism based economy of Maui and specifically to Lahaina. There are other ways to rebuild after the devastating fire in August. There are quick housing solutions like a mobile home park, or building modular homes above the highway to help families until they can rebuild is the type of legislation we need spearheaded!!!

The county could fast track permitting and offsite improvements to get this done quickly.

The economy of Lahaina relies on tourism and the short-term rentals play a major role in this economy. There are thousands of families who like to vacation in Lahaina and can't afford hotel rooms. Therefore, if short-term rentals are eliminated, tourists will not come to Maui and the State will not receive either their GE or TAT taxes which help support the island.

Eliminating short-term housing will also mean thousands of jobs will be gone. How will the locals survive?

Placing burdensome limitations on short-term rentals is going to have a negative impact in so many ways on all of the local businesses that are directly connected to our tourism based economy.

Taking away our property rights isn't the way to solve a housing crisis.

The government is receiving millions of dollars from taxes for daily rentals.

Please **vote NO on HB1838 and SB2919.**

Thank you for your time and consideration.

SB-2919-SD-1

Submitted on: 2/28/2024 1:16:47 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Guadalupe Quintana	Individual	Oppose	Written Testimony Only

Comments:

i strongly oppose SB2919 for a number of reasons. First of all, it will have a huge negative impact on my financial well being, as I rely on this income to be able to pay property taxes and other upkeep. SB2919 could potentially result in the phasing out of almost 14,000 short-term rentals on Maui. These rentals currently provide over 40% of the real property tax revenue for the county as well as being a source of affordable housing for Maui, an 18% of the county's \$1.7 billion dollar budget. Also, the employment impact would affect approximately 40,000 jobs supported by the STR. Additionally, should we face another tragedy like the Lahaina fire, where will displaced residents go? I know, my condo was used by a family of 5 victims, at no cost to them at all. Please, please do not allow this bill to pass.

SB-2919-SD-1

Submitted on: 2/28/2024 1:17:44 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
MARY MORRIS	Individual	Oppose	Written Testimony Only

Comments:

12 years ago my husband and I purchased a home in Puako, South Kohala district, for our future retirement. I am now 73 years old but my husband is 5 years younger. We have to rent out our home part of the time as a short term vacation rental in order to pay the property taxes which are currently about \$64,000 annually. Until we can live here full time, we need to be able to continue as a NUC STVR. We have never had any complaints from neighbors in 12 years and Puako homes are close together. I vet the renters and I have 3 people in Puako who watch over the home and renters for me. Renting it out long term is not an option because I am there parts of the year. If we cannot continue to rent it on occasion as a STVR we will be forced to sell our home. I came to Puako in 1972 and owning a home here has been a lifelong dream. Please don't take our dream away. Let responsible owners who are permitted and who pay high taxes continue to do some vacation rentals. Thank you.

SB-2919-SD-1

Submitted on: 2/28/2024 1:20:28 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Giannini	Individual	Oppose	Written Testimony Only

Comments:

Dear Members of the Committee,

There's no doubt that the State in general and the County in particular have been, and continue to face a monumental housing crisis. You are all well aware of the multiple factors that have contributed to the current scenario. There is no doubt that you have a responsibility to support the residents of Hawaii while taking into consideration all of the downstream effects that will occur as a result of your actions.

You already know that the tax revenue from short term rentals is a very significant part of the County's annual budget. Reducing short term rental housing will obviously have an impact on that bottom line.

You are also well aware of the consequential benefit that short term rentals provide to property, managers, contractors, cleaning services, restaurants, tourist operators, and the like.

That said, you should also be aware of the significant benefit that short term rentals provide on an individualized basis. In our case, my wife and I own a single condominium on Maui. I am retired from the fire service, and my wife recently retired as a registered nurse. We have visited Maui for well over 30 years and obviously find it to be magical. We are currently renting our unit to a contractor who is working on the debris removal project for Lahaina. Prior to this time we also have allowed our unit to be used by a cancer survivor to support her healing process and others that have needed a respite from their personal struggles.

While, there are large corporations that hold title to a number of short term rentals on Island, there are many, individual owners, such as my wife and I that are not making tremendous amounts of money and taking it off Island.

I implore you to take the time to look closely at other communities across the Country that have faced disaster scenarios, and review the best practices that are in place to best support everyone through the consequence of this tragedy.

Our single unit is working to support your cause. Elimination of this unit would do just the opposite. Please amend the legislation in a way that would avoid any negative downstream effects that may result from your actions.

Your consideration is very much appreciated.

Respectfully,

Michael Giannini

SB-2919-SD-1

Submitted on: 2/28/2024 1:21:34 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ericson Porter	Individual	Oppose	Written Testimony Only

Comments:

I am writing to express my strong opposition to Bill SB2919, a legislative proposal that I believe will have profound and detrimental impacts on our community in Maui, as well as on my personal and professional life. As a resident and member of the community whose livelihood is intricately linked to the short-term rental (STR) industry, I implore you to consider the far-reaching consequences of this bill.

Personal Impact

My connection to the STR industry is not merely financial; it is deeply personal. Like many in our community, I rely on the stability and income generated from short-term rentals. This Bill threatens to phase out 13,744 LEGAL short-term rentals on Maui, directly impacting my ability to sustain my livelihood and contribute to the community I call home.

Economic Contributions and Fiscal Concerns

It is crucial to recognize the significant economic contributions of Maui's STRs. These rentals provide 40% of the real property tax revenue for the county, a cornerstone of our local government's budget. This revenue is not only vital for our county's operations but is also the top funding source for affordable housing on Maui. With STR property tax revenue representing 18% of the county's \$1.7 billion budget, the elimination of this income stream poses the question: Where will this lost revenue come from? The financial stability of our county is at stake, and with it, the welfare of our community.

Accommodating Residents in Transition

Moreover, mid and short-term rentals serve a critical role in accommodating displaced residents, newly housed residents, residents in transition, inter-island residents visiting for medical treatment or family matters, traveling nurses, emergency contractors, temporary military personnel, students, and not to forget, our family and friends. The devastating Lahaina Fire, which displaced thousands, underscores the essential need for temporary, furnished housing. Should the STR industry be further decimated, where will our residents turn in times of need?

Conclusion

In conclusion, Bill SB2919 presents a threat not only to the economic fabric of Maui but also to the social and community support systems that rely on the flexibility and availability of short-term rentals. I urge you to reconsider the implications of this bill and to seek solutions that protect both the interests of our residents and the financial stability of our county. Let us find a balanced approach that addresses concerns without undermining an industry that plays a pivotal role in our community's resilience and prosperity.

Thank you for your time and consideration.

Sincerely,

Ericson Porter

SB-2919-SD-1

Submitted on: 2/28/2024 1:27:45 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jean-Philippe Kouakou-Zebouah	Individual	Oppose	Written Testimony Only

Comments:

Dear Hawaii / Maui Legislators --

I am writing to you to register my strong opposition to measure SB2919 SD1. In my opinion, this measure will do an irreparable harm to Maui and its economy, an island I love deeply and where I always feel like my soul resides.

My wife and I visited West Maui almost 2 decades ago and fell in love with the area. Right then, we started dreaming about making West Maui our permanent residence one day, upon our retirement. We laboriously saved money, cut off critical expenses and in 2021, we could afford the downpayment on a condo. We knew we would not be able to swing it without a STR income but were reassured we could rent out the place short term. Today, even with STR, we barely cover the cost (mortgage, insurance, HOA, property tax, maintenance and repair etc.). We visit Maui 3-4 times a year (we were there on August 8, 2023). If SB2919 were to pass we would definitely lose our condo and will be forced to sell, wreaking havoc on our retirement plan of almost 2 decades to live full time on Maui full time.

Unfortunately, we are not able to rent our place long term because current market rates would not cover our costs; moreover, that would prevent us from being in our condo when we want and can. We are very sympathetic to our ohana members who lost their houses and loved ones in the fire; we have donated as much as we can because we truly do consider Maui people as our ohana!

But SB2919 would completely destroy Maui's economy because so many people are involved in this sector. It is necessary to not think exclusively about the folks who lost their houses; the interest of the people whose livelihoods depend on STRs should also be taken into account.

I trust that you will take a balance approach to this issue and reject SB2919.

Thank you!

Jean-Philippe

SB-2919-SD-1

Submitted on: 2/28/2024 1:29:39 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Mike Jackson	Individual	Oppose	Written Testimony Only

Comments:

- Oahu is down to 2,000 legal short-term rentals excluding hotel units. We cannot afford to lose more.
- Mid and Short-term Rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.
- Events like the Red Hill Crisis and Marco Polo fires displaced thousands of residents. Where will residents find temporary, furnished housing if our industry is further decimated?
- Where will you stay when you come to Oahu to work, visit family or seek healthcare? A \$700/night hotel?
- How can you even begin to think about taking NUC's away from owners who have operated legal STRs, and paid the appropriate taxes since 1989?
- Oahu has less than 5% of its accommodations in STRs.

SB-2919-SD-1

Submitted on: 2/28/2024 1:30:26 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Lynette Bennett	Individual	Oppose	Written Testimony Only

Comments:

Aloha Senator Dela Cruz, Chair Senator Moriwaki, Vice Chair Senator Rhodes, Chair Senator Gabbard, Vice Chair and members of the Committee,

I OPPOSE SB 2919, SD1 for the following reasons:

My husband and I have been owners of our Papakea condo for 13 years and have enjoyed sharing our slice of paradise with hundreds of families over the years. Many of those families have become return guests who have a deep connection with the Maui community. These guests, while visiting, support many local small businesses on the island including family run restaurants, small shops, food trucks, tour operators, state parks and visits to our National parks. For many, short term condo rental at Papakea allows their family to enjoy Maui with the space and amenities without the exorbitant Hotel pricing and fees.

Our Papakea resort was built in 1978 and has operated at a short term vacation rental for almost 50 years. With countless return guests to our hidden gem.

Papakea employs 35 full time local resident employees, some who have worked there over 15 plus years. Some started as entry level and worked into supervisory roles.

Our resort supports a wide variety of local trades professionals from pest control, to pond maintenance, tree trimming, HVAC, and electrical and plumbing. This keeps our resort in tip top shape.

As a small business owner renting my STR, I along with the other condo owners employ a number of small businesses in the Maui community, these include, house keepers, laundry services, handyman, painters, rental agents, and contractors.

Papakea can only support the current personnel and operational maintenance levels through high monthly maintenance dues which come from Short term rental revenue. Without that income, loss of jobs would result with a devastating trickle down effect for local families and the Maui community.

Our Papakea STR supports the Hawaii and County of Maui through the payment of property tax (the highest rate is STRs), monthly, TAT, GET and Maui county TAT taxes.

Many Maui STR property mortgages qualified based on rental income return and if this opportunity is taken from owners, it could have horrific consequences for Hawaiian banks if mortgage payments can not be met. The whole Maui county economy could crumble.

For the reasons stated herein, I OPPOSE SB2919, SD1 and urge the committee to defer it.

Respectfully Submitted,

Lynette Bennett

Owner at Papakea

SB-2919-SD-1

Submitted on: 2/28/2024 1:30:32 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Julie Stewart	Individual	Oppose	Written Testimony Only

Comments:

Good Afternoon,

I want to strongly oppose HB1838. I am 54 years old and saved my whole life to purchase a condo on Maui. We not only saved but dipped into our retirement to purchase this condo in hopes it would assist us as a retirement investment. The bottom line is that this would be unfair to those of us who worked 2-3 jobs to buy our first home and subsequently did nothing illegal to purchase an investment property. If this bill passes the property values would plummet causing us to take a loss, **which we cannot afford!!** Not to mention thousands of jobs would be lost in the hospitality, cleaners, property managers etc..

All of this is facts but the main reason we bought there is because we love it and want to be a part of the island as much as possible.

Thank you!

Julie Stewart

SB-2919-SD-1

Submitted on: 2/28/2024 1:31:24 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
James Stewart	Individual	Oppose	Written Testimony Only

Comments:

Good Afternoon,

I want to strongly oppose HB1838. I am 56 years old and saved my whole life to purchase a condo on Maui. We not only saved but dipped into our retirement to purchase this condo in hopes it would assist us as a retirement investment. The bottom line is that this would be unfair to those of us who worked 2-3 jobs to buy our first home and subsequently did nothing illegal to purchase an investment property. If this bill passes the property values would plummet causing us to take a loss, **which we cannot afford!!** Not to mention thousands of jobs would be lost in the hospitality, cleaners, property managers etc..

All of this is facts but the main reason we bought there is because we love it and want to be a part of the island as much as possible.

Thank you!

James Stewart

SB-2919-SD-1

Submitted on: 2/28/2024 1:33:44 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Barbara Rubin	Individual	Oppose	Written Testimony Only

Comments:

I am against SB2919 regarding the change of zoning proposed for Papakea Resort on Maui. We bought our condo at this property to specifically use as a short term vacation rental and family retreat. The property has been zoned for this purpose for more than 50 years. By renting our condo as a STR, we provide the State of Hawaii and Maui County with considerable tax revenues. Our condo is rented "back-to-back" with returning renters from all over the world. This provides the Hawaiian government with a steady tax stream. It also provides local businesses such as our on-Island management company, maid service, maintenance service, and landscape service with JOBS. Our visiting guests provide Maui with thousands of dollars contributing to restaurants, activities, excursions, shops, museums, historical landmarks, car rental agencies, airports and shuttle services. Without our short term vacation rental, Maui would surely suffer with loss of jobs and tax dollars to support the infrastructure. Government cannot expect to change the "rules of the game" mid-stream in an effort to build affordable housing. The Lahaina Fire was a natural disaster, but the way the government has handled the aftermath of the catastrophe is human created and is not in the best interest of the Island of Maui. Barbara Rubin, owner Papakea A109, 3543 Lower Honoapiilani Road, Maui HI 96761 mkvcondo@yahoo.com (916) 715-8504,

Testimony Opposing Bill SB 2919; February 28, 2024

Aloha,

Mahalo for your time and consideration, please read completely, I will be as concise as possible.

Beginning in 2010 Maui County began to revise its Short-Term Rental Home ordinance with many public hearings and testimony. With much information and consideration from both sides eventually an ordinance passed.

Coincidentally the same year, 2010, my husband's health failed and he was no longer able to work. Moving from Florida in 1995 Maui had been good to us but I was faced with multiple mortgages, mounting medical bills and no longer medical insurance, basically alone when the recession was finally affecting Hawaii hard. We sold some and lost one to foreclosure. Property values tanked, I never made a penny on what was sold, banks here had no programs or desire to help rental properties. January 2012 my husband succumbed to alcoholism and left.

Have you ever noticed when life gets tough people return to their roots? They go home where ohana can comfort and support them. How many people have you known returned to the mainland when life in "Paradise" got tough or wasn't what they dreamed it to be? July 17, 2024 is my 27th year anniversary in Hawaii.

I am not a rich mainlander purchasing a second or third home. I am now a widow, here by choice and hard work, Maui is home. Fortunate to have a residence and rental, however with huge mortgages, insurance and expenses exceeding long term rental income I did what I knew, got a permit for short-term rental.

My parents sold everything they had in 1959 to purchase a mom-and-pop motel in Florida at 40 years old, I was 3. It was wonderful growing up there, guests became family and returned year after year, we had 12 kitchens. People loved it, especially families, workers and snow birds. We lived there 20+ years & worked hard cleaning and maintenance ourselves 24/7/365. Self-employed, priceless. My dad's dream.

You get the picture and so did I. Permit process was difficult, fortunately, I was granted a permit for the home we spent two years renovating for our retirement. My husband I had not seen since January 2012 passed in Jan 2017.

Blessed with incredible, local help. I've kept them all through the pandemic and now the fire. Also blessed to pay 1K pmonth in property tax, 50+K in annual GET/TAT tax plus income tax.

Many Maui residents share the same story, our rentals represent a life time of what we worked so hard for. They are our source of income and retirement without which I would be forced to sell and leave Maui, my home. A place for Ohana to come and visit, a legacy for them someday.

At 67 years old starting over is not feasible.

The implications of eliminating short term rentals will affect not only county and state budgets (Maui STR's provide 40% of property tax revenue) but also the budgets of countless Maui families. Passing Bill SB2919 would not make most of these Vacation rentals available to Maui residents. Property values and associated expenses exceed long term rents. Rising insurance rates will add to this burden. Local owners that have worked hard to own these properties would be forced to sell, probably to non-locals. Mainland owners owning properties for income would also need to sell probably to even more affluent mainlanders. Local housing is not a new issue.

Maui families desperately need thousands of HOMES between \$300,000 and \$600,000 not the million dollar and up STR's.

Eliminating the main source of jobs, taxes and customers for businesses will not increase housing. Diversify the economy yes but not at the expense of one segment of the economy virtually instantly. The result will be people like myself having to sell our property to a non-local that can afford it and the loss of income to so many maid services and support workers that rely on short term rentals as their primary source of income. More and more of these vacation home and condos will become second third and fourth vacation homes for even wealthier mainlanders and foreigners.

VACATION HOMES WILL DEFINITELY NOT BECOME AFFORDABLE RENTALS FOR MAUI RESIDENTS.

Mahalo for reading completely and your thoughtful consideration in this matter.

Angelia Crim,
Owner 147 Halelo St.
Lahaina, HI 96761

SB-2919-SD-1

Submitted on: 2/28/2024 1:35:36 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Howard Alpert	Individual	Oppose	Written Testimony Only

Comments:

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I am an owner of 3 condominiums on 2 different properties in Ka'anapali that are used for short term vacation rental. We purchased these properties because we love Hawaii and the Aloha spirit. Short term vacation rental (STR) is our only avenue for becoming "part time" residents.

I **OPPOSE** SB2919, SD1 for the following reasons:

Papakea and Maui Ka'anapali Villas (MKV) were built in 1970's and have operated as vacation rentals for almost fifty years

Papakea and MKV employ approximately 90 local resident employees; some have worked at the properties for over 15 years. Papakea and MKV support a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming. These properties can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue.

Papakea and MKV STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors; highlighting any specifics about service providers that you rely on. They support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Task, and Maui Transient Accommodations Tax.

Our guests support many small businesses on the island included restaurants, beach shacks, food trucks, tour operators, state parks, the national park, and shops. These units have a high number of returning guests that have been visiting Maui for years and have deep connections with the community.

For the reasons stated herein I **OPPOSE** SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Howard Alpert

OPOSE BILLS HB1838 and SB2929

We The People do not consent to striping away of PROPERTY RIGHTS. Your oaths of office you took were to protect the people and our rights. For the following reasons, I urge you to not allow these bills to advance forward:

1. Owners of legal TA rentals serve a purpose as “affordable, temporary housing” for residents in transition or outer island residents relocating or having medical procedures on Oahu, traveling professionals like nurses, emergency contractors, military transitioning to and from Hawaii, students and visitors who can not afford to pay hotel rates.
2. The pool of short-term properties have already been reduced 70-80% collectively since the prior bills 89 & 41 have unfairly limited who “qualifies” outside the resort zoned areas to obtain a permit. If this GOVERNMENT WANTED TO HELP THE PEOPLE, it would REMOVE THE RESTRICTIONS and allow more temporary housing, not remove property owner’s rights and force owners to do what the government wants.
3. Hotels can not support the locals and the locals can not pay the outrageous hotel rates (\$500-\$1000 per night). Time-shares DO NOT SUPPORT residents either. It is not right for large hotel chains (most foreign owed) to monopolize Hawaii’s hospitality sector. We need balance and many options to serve both visitor and residents in need of temporary housing.
4. Economic impact has been steadily declining with businesses failing and closing since the COVID government shutdown in 2020 resulting in a loss of jobs. Recently with the minimum wage increase of January 2024, we’ve seen more layoffs and fewer opportunities. To shutdown the short-term rental industry, would only cause more job loses not to mention causing harm to our local investors who pay the higher taxes in addition to the city and state collecting fewer taxes. Tourism is Hawaii’s only viable industry unless this government succeeds in destroying that too. We do not want a WELFARE state; we do not consent to further harming Hawaii’s economy.
5. Government is over-stepping in the name of “helping” with regards to the Maui Fire victims but is already causing HARM to the other Maui residents now being displaced so that the property owner can make more money by renting to a Maui Fire Victim which is now causing more residents to lose housing. The local government over-stepping is the problem.
6. The Lahaina fire was not a natural disaster. It was a pre-planned attack of the worst kind against the people, the property owners who refused to sell the land, using the storm as the coverup by the very same people within THIS GOVERNMENT. The government is NOT HELPING THE PEOPLE; they are covering up the crime and causing more displacement under the gees of assistance. The government wants the people out of the way to allow them to build the SMART CITY without the government’s own red tape. The Lahaina disaster is a land grab BY THE GOVERNMENT who is compromised following the CCP / NWO agendas. These actions against the people are war crimes. We demand real investigations and those guilty, be held accountable.
7. Hawaii’s local government has failed to stop the corrupt systems which allows them to continue to misappropriate funds and continue with the corruption as usual business. This government can not be trusted to do right by the people because their actions have caused great harm to the people and their livelihood. Time is now and your votes will show which side the COURPT fence you sit on.

SB-2919-SD-1

Submitted on: 2/28/2024 1:44:21 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Eric Ringstad	Individual	Oppose	Written Testimony Only

Comments:

Dear Representative Tarnas, Chair, Representative Takayama, Vice Chair, and Members of the Committee:

I **OPPOSE** H.B. 1838, HD1 for the following reasons:

My family has been going to Papakea for decades now and about 12 years ago we purchased a unit. Our kids have been going there for their whole lives and have learned many cultural traditions of the Hawaiian people, from lei making to now learning the language. While we do rent the unit out when we are not on island, we are not some big real estate investment group, just a small family who loves Papakea and all the memories we have made there.

Here is a little history of our beloved Papakea. The Resort was built in 1978 and has operated as vacation rentals for almost fifty years now. It is a smaller complex with a huge percentage of loyal repeat renters.

Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles. It is truly ohana.

Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming.

Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue.

Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors; highlighting any specifics about service providers that you rely on. Many of these businesses would not survive if short term rentals were phased out.

Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax.

Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, aquarium, and many shops which again would not survive without tourist dollars.

Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community and local people.

For the reasons stated herein I OPPOSE H.B. 1838, HD1 and urge the committee to defer it.

Respectfully submitted,

Eric Ringstad

SB-2919-SD-1

Submitted on: 2/28/2024 1:45:10 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
John LoFranco	Individual	Oppose	Written Testimony Only

Comments:

Please consider the following:

Papakea employs many local residents. Many of these staff members are long time employees and their jobs would be lost if the status of Papakea was changed. Papakea relies upon the high maintenance dues the source of which are short-term rentals.

Guests at Papakea support a number small businesses in the Maui community. One only needs to look at the status of these businesses and workers during the covid shutdowns as well as the devastating fires to see how terribly all of these impacted they were. This change would cause a ripple effect of unemployment that would be devastating.

My short term rental supports the State of Hawaii and County of Maui through the Transient Accommodations Tax, General Excise Tax and Maui Transient Accommodations Tax. The loss of this revenue would surely impact the related budgets.

Many of my guests return annually and have for a number of years. They have developed relations and deep connections with local residents and community. To relegate these guests to hotels would likely mean the end of their annual visits, and their contributions to the local economy.

I sincerely believe that there is little if any benefit to be gained by enacting this bill, instead it would harm many aspects of the Maui community.

SB-2919-SD-1

Submitted on: 2/28/2024 1:45:15 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Michelle Solsvik	Individual	Oppose	Written Testimony Only

Comments:

To whom it may concern

please do not take away short term rentals. I own a property and hope to live in maui. I have always enjoyed renting a condo with my family when I've traveled on vacation to Maui. It's such a positive and more affordable choice for many visitors. Our rentals provide jobs for many people. Cleaners, craftspeople restaurants tourist excursions grocery stores to name a few. We also pay higher property tax to the county of Maui, and I'm happy to pay that for the sustaining of the island. I love Maui so much and taking away this as an option I feel will take away much valued income to live local working population and for taxes going to the state. It seems like the only ones who would benefit would be the big hotels. This makes me very sad.
thank you for reading my point of view

much Mahalo

Michelle Solsvik.

SB-2919-SD-1

Submitted on: 2/28/2024 1:47:24 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Douglas Kueker	Individual	Oppose	Written Testimony Only

Comments:

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I **OPPOSE** SB2919, SD1 for the following reasons:

As a property owner at the Papakea in Maui County, I am proud to be part of a business that has operated as vacation rentals for almost fifty years. Continuing to allow short-term rentals is beneficial to the local economy. The Papakea employs approximately 35 local resident employees. The Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming. The Papakea short term rentals also support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors. For example, we work with an on-island agent who manages and maintains our rental property - providing jobs to multiple people in Maui county. Furthermore, short-term rentals like those at the Papakea support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax. Our short term rental guests also support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops. In short, short-term rentals are essential to the local economy. Any legislation that limits or discourages this aspect of Hawaii's significant tourism economy would have a negative impact on numerous citizens and businesses in Maui county.

For the reasons stated herein I **OPPOSE** SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Douglas Kueker

SB-2919-SD-1

Submitted on: 2/28/2024 1:48:01 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Farah Rajap	Individual	Oppose	Written Testimony Only

Comments:

February 28, 2024

To Honored Members of the State House

Oppose HB1838 and SB2919

I strongly oppose these bills. These would be taking away places for locals to stay. My family can't afford to stay in a hotel. They always stay in condo vacation rentals. This allows us to gather as a group, BBQ and enjoy the near ocean location.

I have a dear friend that worked hard to obtain her legal permit to short term rental her home. She has operated without any neighbor complaints and personally greets all her guests and checks them in. Doesn't the County and state want her tax money?

Maui folks work hard to earn a living. I know so many businesses that rely on tourism from vacation rentals to survive. Any bill that punishes legal existing businesses should be killed. This is not the time to allow the County of Maui to phase out vacation rentals when we need as much economic help as possible!

Please say no to Bills HB1838 and SB2919

With Appreciation,

Farahanaze Rajap

Wailuku, Maui

Aloha Chair, Vice Chair and Committee,

My name is Gavin Anderson. I stayed in a short term rental because of the exorbitant cost of hotel rooms and I could get to experience Maui and it's wonderful hospitality, at my friend's condo, which was the experience of a lifetime.

I am writing in opposition of this bill because short-term rentals are important. A hotel room is not affordable nor livable to many that have families, need to prepare meals or need more space than one room.

This bill will hurt me, other residents and important visitors that rely on short-term rentals as temporary, furnished, affordable housing.

Let the counties enforce the laws that they already have.

I ask that you please do not move this bill forward.

Thank you for your time.

Gavin J. Anderson

16915 Shady Square Ct.

Houston, TX 77095

SB-2919-SD-1

Submitted on: 2/28/2024 1:49:03 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
peter larsen	Individual	Oppose	Written Testimony Only

Comments:

Please oppose this bill.

This bill will destroy the Hawaiian economy and cost thousands of jobs.

Tax revenue will plummet. There is a more effective way to solve the housing crisis.

Thanks very much,

Peter Larsen

SB-2919-SD-1

Submitted on: 2/28/2024 1:49:29 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ronald Baker	Individual	Oppose	Written Testimony Only

Comments:

I own a condo on Maui, and rely on the income to rent an apartment in a retirement complex in Oregon. I am 90 years old and am a veteran of the Korean War. I will have to move in with one of my children if I am deprived of the income from my rental.

Ron Baker

SB-2919-SD-1

Submitted on: 2/28/2024 1:50:11 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Brandon Ringstad	Individual	Oppose	Written Testimony Only

Comments:

Here is the testimony I submitted on the hawaiian website. You can copy and paste it to submit your own if you would like.

Dear Representative Tarnas, Chair, Representative Takayama, Vice Chair, and Members of the Committee:

I **OPPOSE** H.B. 1838, HD1 for the following reasons:

My family has been going to Papakea for decades now and about 12 years ago we purchased a unit. I have been going there for my whole life and have learned many cultural traditions of the Hawaiian people, from lei making to now learning the language. While my family does rent the condo out when we are not on island, we are not some big real estate investment group, just a small family who loves Papakea and all the memories we have made there.

Here is a little history of our beloved Papakea. The Resort was built in 1978 and has operated as vacation rentals for almost fifty years now. It is a smaller complex with a huge percentage of loyal repeat renters.

Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles. It is truly ohana.

Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming.

Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue.

Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors; highlighting any specifics about service providers that you rely on. Many of these businesses would not survive if short term rentals were phased out.

Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax.

Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, aquarium, and many shops which again would not survive without tourist dollars.

Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community and local people.

For the reasons stated herein I OPPOSE H.B. 1838, HD1 and urge the committee to defer it.

Respectfully submitted,

Brandon

SB-2919-SD-1

Submitted on: 2/28/2024 1:50:27 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Dennis Eugene Manzer	Individual	Oppose	Written Testimony Only

Comments:

I **OPPOSE** SB2919, SD1 for the following reasons:<<Papakea was built in 1978 and has operated as vacation rentals for almost fifty years.

Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles>>

Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming.

Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue.

Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors; highlighting any specifics about service providers that you rely on.

Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Task, and Maui Transient Accommodations Tax..

Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops.

Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community.

For the reasons stated herein I **OPPOSE** SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Dennis Manzer

Papakea Resort Unit G103

SB-2919-SD-1

Submitted on: 2/28/2024 1:57:38 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Nancy Omiliak	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I am a snowbird who owns a single unit at Papakea resort in West Maui. From the governors comments, I feel that all STR Unit owners are being painted as greedy profiteerists. This is not the case. I have been legally disabled and on SS since 2010. I have a fixed income, but chose to purchase property in Maui which I have been visiting almost annually since the mid 80's. I cannot tolerate the cold dark winters of Washington, so this makes Maui my winter residence. I cannot afford this if I can't rent it when I am not here.

I pay 4 times the property tax, I pay GET and TAT and MTat, all these taxes are needed especially after the fire.

after the fire, ARC would only work with large property managers, and the governor prevented visitors until November which wiped out \$50k in revenue that I count on to pay the hefty taxes and mortgage, association dues etc.

I have been on island since the Fall and have volunteered at the HUB in Honokōwai, I gave monetary gifts to 11 people that I worked with in past years, and also helped support a family through the process of getting placed in housing

Papakea , while on the Minatoya list, it is one of only a few who have a Hotel designation. The grounds are large, (13 acres) and monthly dues for upkeep are between \$1500-2000 There is also a urgent water pipe replacement project which is to start this June, and each building will be sequentially shut down for 2 months during the next 2 years Because of that alone, FEMA rejected applications from Papakea because it would require moving people 2 times

Papakea, employees 35 local residents (10 who lost homes) This does not include all of the property managers and contractors used in a regular basis (maids, Handymen, etc) nor does it

include the many people working for them

if West Maui loses short term rentals, many jobs go with that. So while people think they work in West Maui, if you take all the STR off the market, they will no longer have work here. STR also house tourists who keep tourist industry jobs here. (restaurants, spas, activities, shopping, etc.

In summary, Papakea is designated Hotel, and should not have STR status revoked. Maui and the state of Hawaii have benefitted from lucrative taxes from STR. Maui made the STR zones decades ago. STR owners are not the cause of the housing crisis. Poor planning by the government and the inability to move any projects through permitting are to blame.

Papakea specifically has fees outside of rent that would not make it affordable housing. Once the pipes are replaced there will be an additional \$1000 per month add to the dues. So with dues and utilities, insurance, property tax etc you would be well beyond affordable

SB-2919-SD-1

Submitted on: 2/28/2024 2:00:45 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Gabrielle Vasseur	Individual	Oppose	Written Testimony Only

Comments:

To Whom It May Concern,

I am writing in opposition to SB2919. I have been visiting Maui since 1996, as I have family and friends who reside there. My husband and I bought a small condo in Kihei in 2008 with a dream of someday retiring there. We come and stay in our condo approx. 2-3 months out of the year. We all love and respect the island and the Hawaiian culture. We are not wealthy investors, we are an average couple who have been working hard towards our retirement dream. In order. When we are not there, we need to use it as a STR in order to help us make our mortgage payment, pay our HOA fees, and such. As we all know, living in Hawaii is expensive. We are not in it for profit or to make a living. Simply to help keep our dream alive. I understand the need for housing on Maui. I have family and friends who were directly affected by the Lahaina Fire. Even prior to that horrific event, it was hard to find housing. My worry is that decisions will be made in haste that could end up being a detriment to all. I'm asking you to vote NO at this time.

SB-2919-SD-1

Submitted on: 2/28/2024 2:02:18 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Janis and John Haine	Individual	Oppose	Written Testimony Only

Comments:

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair, and Members of the Committee.

My husband and I oppose S.B. 2919, SDI for the following reasons:

We have been owners of a condominium at Papakea in Lahaina since 2005. Papakea was built in 1978 and has operated as vacation rentals for almost fifty years. Papakea employs approximately 35 resident employees; some have worked at the property for over 15 years, and some started in entry-level positions and worked into supervisory roles.

Papakea supports a wide variety of local trade professionals, including pest control, HVAC, plumbing, electrical and tree trimming. Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue.

Papakea STRs support several small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors. Papakea STRs support the State of Hawai‘i and the County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Tax and Maui Transient Accommodations Tax.

Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park and shops. Papakea has a high number of returning guests who have been visiting Maui for years and have deep connections with the community.

For the reasons stated herein, we OPPOSE S.B.2919, SDI, and urge the committee to defer it.

Respectfully submitted,

Janis and John Haine

SB-2919-SD-1

Submitted on: 2/28/2024 2:02:24 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Bruce Webb	Individual	Oppose	Written Testimony Only

Comments:

Representative Tarnas, Chair, Representative Takayama, Vice Chair, and Members of the Committee:

I OPPOSE H.B. 1838, HD1 for the following reasons:

Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming.

Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue

Papakea supports a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors.

Papakea Short term Rentals support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Task, and Maui Transient Accommodations Tax.

Papakea guests support many small businesses on the island included restaurants, food trucks, tour operators, state parks, the national park, and shops.

For the reasons stated above, I OPPOSE H.B. 1838, HD1 and urge the committee to defer it.

Respectfully,

Bruce Webb Owner Papakea L308

SB-2919-SD-1

Submitted on: 2/28/2024 2:02:27 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Carl Brandes	Individual	Oppose	Written Testimony Only

Comments:

After owning my condominiums on Hawaii for over 50 years I am unable to determine the varied amount of taxes I have paid to the State and County.... but it is prodigious.

Property Taxes, Sales taxes, GET, TAT, State Income taxes. et al.

Has anyone determined at the State how much is at stake and how that revenue would be replaced if STR's were phased out? And what would the impact be on the major reduction of these taxes on the residential and business taxpayers left to fill the gap? For every action taken there is an unhappy reaction, in this case if STR's are phased out.

Having been on the Island of Maui for these past 50 years I am amazed that anyone would proceed without understanding the impact on the lifeblood of Government and the increased hurt on the remaining residents....Tourists and Taxes provide huge economic impact.

I am against SB2919....and so should the State.

Regards

Carl Brandes

SB-2919-SD-1

Submitted on: 2/28/2024 2:02:57 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
John McManus	Individual	Oppose	Written Testimony Only

Comments:

Honorable Hawaii State Legislature,

We are asking you to oppose SB2919.

My wife and I have been coming to the islands for years and fell in love with Hawaii after my wife was stationed on Oahu.

We have since become property owners ourselves over 5 years ago on Maui. We are legally licensed and renting out our home to offset the cost of owning. This has led to contributing to the local and state economy through County and state taxes and jobs.

We have just one home, but as a collective, the removal of short-term Vacation Rentals from Hawaii's tourism sector will be a detriment to us and the state's economy as a whole.

I recently read the 2020 study by Hawaii Tourism authority and saw that short term rentals bring in \$6 billion and over 46,000 jobs.

It is not just us owners who will be negatively impacted. The removal of short term Vacation Rentals will also have an impact on car rental companies, tour operators, restaurants and local retailers.

Let's work together to come up with a solution to Hawaii's housing shortage that doesn't penalize small mom and pop operators who are positively contributing to the economy.

Mahalo,
John McManus and Melissa Bryant

SB-2919-SD-1

Submitted on: 2/28/2024 2:05:08 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Michelle McGarry	Individual	Oppose	Written Testimony Only

Comments:

Dear Representative Tarnas, Chair, Representative Takayama, Vice Chair, and Members of the Committee:

We OPPOSE SB2919, for the following reasons:

This bill could give local authorities the ability to phase out STR's that have been operating on Maui for many years. These STR's are integrated into the local economy providing employment people and a strong source of property tax revenue. As STR operators we spend thousands of dollars each year on maintenance of the replacement of furniture and appliances. We hire local plumbers and tradespeople. Our guests spend huge sums and we contribute thousands to state coffers through transient accommodation taxes.

Papakea is a resort property. It was built as a resort property in 1977. The property could not be used for long term housing because of the cost to maintain it. The property employs 35 full time staff. The average maintenance fee per unit is over \$1000 per month. How could Papakea ever be used for anything but short term vacation rental?

Respectfully submitted,

Michelle McGarry

SB-2919-SD-1

Submitted on: 2/28/2024 2:06:17 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Dale Parsons	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I am writing to express my strong opposition to SB2919.

This bill could result in the elimination of LEGAL short term rentals on Maui, threatening the livelihood of many local families and jeopardizing their financial stability and well-being.

This bill does not take into account the vital role that short-term rentals play in providing economic opportunities for residents who have invested the time and resources to ensure their properties are operating according to established rules and regulations.

Supporters of the bill ask us to believe that by eliminating hosted short-term rentals, affordable housing will suddenly become available for long-term rentals. Despite the "studies", this outcome is purely conjecture.

What SB2919 does have the potential of doing, however, is suddenly eliminating economic opportunities for self-employed individuals who service the vacation rental sector, including housecleaners, gardeners, site managers, handymen, and more.

The uncertainties and restrictive measures of SB2919 would create insurmountable challenges, ultimately undermining the economic stability of families.

I urge the legislature to look into the future and consider the potential devastating consequences of SB2919 and work to find solutions that preserve, rather than severely limit, opportunities for ordinary citizens to participate in Hawaii's tourism industry.

Mahalo.

SB-2919-SD-1

Submitted on: 2/28/2024 2:10:57 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Gretchen Losano	Individual	Support	Written Testimony Only

Comments:

Aloha Honorable Ways and Means and Judiciary Committee Members,

Please support SB2919, it is arguably the MOST important bill this legislative session. The health of our kiāulu in Maui komohana relies on being able to actually LIVE HERE. After the Lahaina fires, we as a community learned that although there is plenty of housing north of Lahaina, a staggering 87% of that housing is being used for short term rentals, mostly illegal, instead of being used to house our own people. This is absolutely sickening. Since October 8th we are, once again, being innondated with tourism on the west side, while at the same time what few long term rentals are being offered are going for 10x the pre-fire rates. We must put an end to this insanity and greed. We cannot afford to loose any more of our local community because they have to move off island. Tourists should absolutely not be given the priority over locals, but currently are, because the homeowners (who mostly live on the continent) do not care about Lahaina and its people. They have made their clear choice by not signing up for the long term rental program already, and therefore must be forced to be decent human beings. Please exercise your duty as our elected officials and enact the laws that will protect our kiāulu. We have suffered enough. We need our whole community to be present as we continue to heal and begin to rebuild, and we cannot do that without our community actually being able to live here. Please, for our beautiful Lahaina community, vote in favor of this bill.

Mahalo piha,

Gretchen Losano

Lahaina, Maui

SB-2919-SD-1

Submitted on: 2/28/2024 2:12:25 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Karen Krauchek	Individual	Oppose	Written Testimony Only

Comments:

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I **OPPOSE** SB2919, SD1 for the following reasons:

Our condo resort, Papakea was built in 1978 and has operated as vacation rentals for almost fifty years. We rent our unit out to many repeat visitors that continue to come to Maui to support local businesses like retail shops, restaurants and local tourism. Our STR also supports many companies within Maui like furniture stores, HVAC companies, pest control, housekeeping businesses, contractors, rental management companies and other local trade professionals. Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years, and we can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue. Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the higher short-term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax. This would be a huge loss to of revenue to the state if STR is phased out.

For the reasons stated herein I **OPPOSE** SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Karen Krauchek

SB-2919-SD-1

Submitted on: 2/28/2024 2:13:54 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Patricia Dewit	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose SB2919. Please use all this energy to shut down all illegal short term rentals.

We purchased our one unit as part of our retirement and comply with all the rules and pay all our taxes.

So many lives will be disrupted if STR's are not allowed. So much revenue will be lost. Also maybe do not allow any new STR's to be built.

Mahalo

Patricia Dewit

6-210 Kamaole Sands

SB-2919-SD-1

Submitted on: 2/28/2024 2:18:44 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kathleen Auth and Ronald Auth	Individual	Oppose	Written Testimony Only

Comments:

Dear Senator DelaCruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair, and Members of the Committee:

We oppose SB2919 for several reasons. We've owned our one-bedroom unit at Papakea since 1977. And from the beginning, this condominium has operated as a vacation rental with taxes and revenue ever since. Papakea has employed numerous residents of Maui for all these years and can only afford to continue to do so based on short-term rentals. Papakea hires a wide variety of local trade professionals such as electricians, plumbers, roofers, tree trimmers, and painters. All of this bolsters Maui's economy in a personal way for the people as well as generated taxes for the state. What will all these people do when they don't have jobs? Guests of the resort support the local businesses from shops, to parks, to restaurants. What will happen to those businesses if our Papakea short-term guests are no longer there? In addition, those guests pay transient accommodation taxes to the state and general excise tax to the state and county of Maui.

We depend on our income generated from short-term rentals.

We love Maui! Our son lives and works on Maui. We have children and grandchildren on Kauai.

As soon as we could, we offered our unit via Red Cross to people who needed housing as a result of the devastating fire.

Thank you for listening to our testimony and reasons for not supporting SB2919..

SB-2919-SD-1

Submitted on: 2/28/2024 2:19:13 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jill Oudil	Individual	Oppose	Written Testimony Only

Comments:

This proposed legislation has the potential to lead to the gradual elimination of 13,744 LEGAL short-term rentals on Maui. Maui needs the income and revenue provided for the economy.

These rentals are a vital component of Maui's economy, contributing 40% of the county's real property tax revenue and serving as the primary funding source for affordable housing initiatives, and all things such as hospital care, roads and so much more. The revenue generated from these short-term rentals constitutes 18% of the county's \$1.7 billion budget. Maui needs this revenue! If the values and short term rentals were to discontinue there would no where to get the income from. If the short term rental owners can not pay their bills this would be a disaster and there is no more money to pay taxes etc.

Mid and short-term rentals play a crucial role in related jobs for the residents of Maui.

They as we have seen can also serve as a vital resource during emergencies, such as the Lahaina Fire, providing temporary furnished housing for affected residents. If the short-term rental industry suffers further setbacks, where will these individuals find the necessary temporary housing with our changing weather landscape?

At complexes such as Honua Kai and Papakea, are designed for short term rentals. The cost of HOA fees alone would be more than a resident could ever afford even if the properties dropped to an extremely low value. Honua Kai has maybe 100 full time employes not to mention trades, cleaners, and all sorts of staff who are residents on Maui. Tourism is so important to the well being of Maui

Short term rentals contribute and extend beyond the local community, as it generates revenue for the State of Hawaii and Maui County through property taxes, transient taxes, and general excise taxes. Instead of outright banning short-term rentals, a more constructive approach would be to allocate a portion of all revenue generated from these rentals towards the construction of new affordable housing exclusively for Maui residents. Without this revenue stream, the state may struggle to fund essential services, risking financial instability.

Honua Kai and Papakea hold a such a special place in the hearts of many families, with multiple generations returning to create lasting memories. The potential loss of jobs and adverse impact on the local economy must be carefully considered before making any decisions regarding the future of short-term rentals. There will also be many unintended consequences but such a drastic move.

In light of these considerations, I strongly OPPOSE H.B. 1838, HD1, and respectfully urge the committee to defer/ reject its implementation. I believe an independent third-party analysis of the cost and benefits of short-term rentals to the state, coupled with a proposed plan to allocate rental revenue towards affordable housing, would provide valuable insights into the issue at hand.

We own at both Honua Kai and Papakea. The long term family that owns our lease hold will loose everything if short term rentals were to change.

The Spirit of Aloha in itself is much of what needs to be both cherished and shared with the world. Sharing culture with others is an amazing gift and can be done through tourism.

The risk is so high to consider any kind of change to the potential of rules around sort term rentals would disadvantage the residents of Maui and not being able to sustain a healthy economy.

Sincerely,

Jill Oudil

604-808-1084

SB-2919-SD-1

Submitted on: 2/28/2024 2:26:03 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Leslie Lederman	Individual	Oppose	Written Testimony Only

Comments:

Subject: Opposition to SB2919 - Protecting the Legacy and Community of Papakea

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I am writing to express my strong opposition to Senate Bill 2919, which grants counties the authority to enact zoning ordinances that would phase out non-confirming transient vacation rental units. Specifically, I am concerned about the potential impact this bill could have on Papakea, a community that has been an integral part of Maui for almost fifty years.

Papakea, built in 1978, has proudly operated as vacation rentals for nearly half a century. As an original owner and a committed member of this community, I am deeply invested in preserving the unique character and contributions of Papakea. Here are several reasons why SB2919 should be reconsidered, taking into account the adverse effects it may have on our beloved community:

1. ****Local Employment and Support During Times of Crisis:****

Papakea is a significant employer, providing jobs to approximately 35 local residents. Some employees have dedicated over 15 years to the property, showcasing the deep community roots that have been established. During the devastating fires in Lahaina, Papakea demonstrated its commitment to the local community by forgoing rent from tourists to offer housing to affected residents.

2. ****Support for Local Trade Professionals:****

The property plays a vital role in supporting various local trade professionals, including pest control, HVAC, plumbing, electrical, and tree trimming services. These professionals contribute to the well-being and maintenance of Papakea, and the property's operation relies on the revenue generated from short-term rentals.

3. ****Economic Contributions to Maui:****

Papakea's short-term rentals support a multitude of small businesses in the Maui community, such as housekeepers, handymen, on-island agents, and contractors. These service providers are

an essential part of the local economy and depend on the continued viability of Papakea's short-term rental model.

4. ****Tax Contributions to the State and County:****

The property significantly contributes to the State of Hawaii and County of Maui through the payment of property taxes, Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax. The short-term rental rate, often paid by many at Papakea, is an important source of revenue for public services and infrastructure.

5. ****Support for Local Businesses:****

Papakea guests contribute to the success of numerous small businesses on the island, including restaurants, food trucks, tour operators, state parks, the national park, and local shops. This symbiotic relationship between Papakea and local businesses enhances the overall economic vibrancy of Maui.

6. ****Community Connections:****

Papakea boasts a high number of returning guests who have been visiting Maui for years. These guests have developed deep connections with the local community, fostering a sense of familiarity and community spirit that is integral to the unique character of Papakea.

In conclusion, I urge you to consider the longstanding contributions of Papakea to the Maui community and to reconsider the potential ramifications of SB2919. Preserving the ability of Papakea to continue its short-term rental operations is essential for maintaining local employment, supporting small businesses, and sustaining the vibrant community connections that have been cultivated over the past five decades.

Thank you for your time and consideration.

Sincerely,

Leslie Lederman

SB-2919-SD-1

Submitted on: 2/28/2024 2:28:25 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kelly Beggrow	Individual	Oppose	Written Testimony Only

Comments:

David and Kelly Beggrow opppse this bill.

Besides the obvious fact that Maui's STRs provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui, this STR property tax revenue represents 18% of the county's 1.7 billion dollar budget.

This bill if passed will be followed with our lawyers.

We will also include other owners of the past 30 years to join us in a class action lawsuit. Guaranteed.

See you in court.

SB-2919-SD-1

Submitted on: 2/28/2024 2:32:30 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Susan Sipe	Individual	Oppose	Written Testimony Only

Comments:

This is so frustrating. On May 3, 2019, I received a summons that after owning my property since August 2011 that we were being included in a lawsuit with Bank of America. Hawaii Courts allowed this to be filed after the Statute of Limitations has run out. Now we have been sitting for nearly five years unable to sell our property. We have had offers - do I know if it is from locals - no because we cannot even entertain selling because with this pending lawsuit we cannot get title insurance and therefore cannot sell our property.

I am writing this because we have a son who is an elementary school teacher on Oahu. He would like to stay in Hawaii and raise a family. We would like to move to Hawaii as our residence and be near him and hopefully, eventual grandchildren. We have a younger son, who is a welder, who would also come with us to be close to his brother and parents.

Why can't you clear up these backlogged cases brought about by ambulance-chasers before you look at new ways to hurt your potential residents? You continue to raise taxes on rental properties and you threaten all these actions against mainlanders who are "taking advantage" however you make it impossible for us to sell to a local on Maui or become locals on Oahu.

The messaging coming from the Governor's office is terrible. I have three groups of long-term (30 day) renters who have stayed with me for years decide not to come next year. They are going to give a new location a try - Mexico or Caribbean. This hurts me but not as much as it hurts the local support people. That is less work for my cleaner, my handiman, it is less people who will go to the local Kihei restaurants and less people taking whale watching, scuba diving or dinner excursions.

Your thinking is very short-term. What happened in Lahaina is terrible and those survivors need to be taken care of and given assistance but what about the other 85% of the island? What about the people who are getting kicked out of their rentals because the landlords can make more with FEMA? What about the people who work in the hospitality industry and need tourists to come to feed their own families.

I urge you to stop looking at these bills one at a time and take a holistic view of the issues facing Maui and Hawaii in general. Don't help one area of the population and the expense of others. Clear backlogs, offer incentives but until you have another industry to support your population, don't shut out tourists.

SB-2919-SD-1

Submitted on: 2/28/2024 2:33:43 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Motter Anne Snell	Individual	Oppose	Written Testimony Only

Comments:

This is a money grab by hotel and tourist industry. I oppose the bill. Thank you for allowing my testimony. Thank you allowing me to testify.

SB-2919-SD-1

Submitted on: 2/28/2024 2:35:09 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
GLEN PHILLIPS	Individual	Oppose	Written Testimony Only

Comments:

February 28, 2024

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I **OPPOSE** SB2919, SD1 for the following reasons:

This is complete nonsense. I have been coming to Maui for 46 years now. Why am I at the age of 75 being penalized for owning a place in Maui where I spend 5 months a year. I am retired with no pension and escape our Canadian frigid winters to my favourite place. I saved for many years to purchased this condo and pay exorbitant property taxes . I rent short term when not using my place personally to make this dream possible.The governor completely misses the full picture with one shoe fits all. Limiting rentals to 180 day minimum will cause havoc in West Maui - everything will be for sale and everytHingbwill shut down. What purpose does this serve?? Some like myself need the rentals to offset high overhead that we face here. Those people that you want in our units do not have the purchasing power to buy anything - most were renters that were displaced in the fires. There is absolutely no economic sense in this and has been poorly thought out. Or is it another threat by our governor who has no economic sense.

I reside in the Papakea Ocean Front Resort that was built in 1978 and has operated as vacation rentals for almost fifty years. The Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles. Let's have more people lose their jobs.Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming - what are you thinking.Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue. Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors; highlighting any specifics about

service providers that you rely on. Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax. Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops. Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community.

Let's get real here - common sense must prevail and our governor seems to be lacking just that.

For the reasons stated herein I OPPOSE SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Glen A Phillips

Property owner

SB-2919-SD-1

Submitted on: 2/28/2024 2:52:13 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Herman	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee.

My name is Michael Herman and I live in the state of Minnesota.

I am writing to express my opposition to HB1838.

I have rented a short term unit on Maui for 10 years and plan to return for at least another 10 years. While on Maui I have volunteered to help prune vegetation that protects the shoreline through South Maui, volunteered to distribute food through Hands on Maui and Keolahou Hawaiian congregational church. I have added thousands of dollars to the Maui economy. I have come to know Maui as my second home. If short term rentals are eliminated I can no longer visit Maui. Thousands of other visitors will be in the same situation.

Hotel room rates are high now and will increase if competing short-term units are eliminated. Maui will lose a major source of income .The Maui economy will be destroyed. Income and market value of present short term units will be reduced by nearly one-half. This will put a financial burden on many owners and destroy their dreams. Eliminating short term rentals will significantly reduce the number of visitors to Maui, destroying the tourist industry that supports hundreds of businesses, especially small businesses. This will increase the homeless population just as the fire in Lahaina has. Eliminating short term rental units will have similar consequences as the loss of units in the fire in Lahaina. And imagine yourself telling a short term rental unit owner that you are reducing their rental income and market value in half. How in good conscious can you do this? You don't have to do this.

I am opposed to HB1838 and ask that you please do not move this bill forward.

SB-2919-SD-1

Submitted on: 2/28/2024 2:55:09 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Randy Steele	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

We have owned a second home (condo) on Maui for over 10 years. We currently use this home about 4 times a year for a total of approximately 12 weeks. Our long term goal is to move to Maui full time once our aging mothers (92 for me, 90 for my wife) are no longer with us – both require our presence frequently on the mainland.

We have been legally operating as a Short Term Rental since we first purchased the property and work through our on-island rental manager and their cleaning staff and maintenance/repair staff. This is the only way we can afford to maintain this second home until we eventually move here. We have become quite attached to our team, contractors that we have worked with to improve the property, and several neighbors on the west side of Maui.

Restricting our ability to have a short term rental option would change our life plans and seriously impact our team here on Maui. We saw how they suffered with the shut down of tourism during COVID and then again after the fire.

We see and understand the need for housing solutions. We also know how short term rentals in primarily residential areas can be very disruptive to family-oriented neighborhoods. Limiting single family homes in residential neighbors would have a much bigger impact than a small condo like ours in the tourist area.

Mahalo for listening to our concerns.

Randy

My name is Susan Crowson, and with my husband, am an owner of a beautiful condo in Kapalua on Maui, Kapalua Ridge Villa 2614. We bought our condo in January 2021 and have done a complete remodel of this property to make it a desirable unit for us and our family to enjoy multiple times a year and for short term rentals when we can't be on island. We have had wonderful luck in attracting a lot of high yielding short term rentals, personally very happy as well as happy for how these rentals help support Maui's economic situation through the tourism industry, Maui's main industry.

We were devastated by the Lahaina fire of August 8, 2023, as was the rest of the world. We feel very sad that so many people we know and don't know were so terribly hurt by this unfortunate catastrophe. We saw how economically challenged Maui became because of the interruption to its greatest industry. We saw how people have suffered through lack of income and housing. While we can't personally help with providing housing for unhoused people, although we did house a displaced family shortly after the fire without charging them a rental fee, we feel we can assist in increasing revenue on the island by providing a welcoming accommodation to travelers wanting to experience the magic of Maui.

If SB2919 were to pass and our short term rental would no longer be available to us, we would be forced to sell our condo as it would no longer provide us the opportunity to travel to Maui regularly. We would not be a part of the healing of Maui after this terrible occurrence, and we would deprive the State of Hawaii the tax revenue we now pay. The taxes Hawaii now receives from the short term rentals we now pay would likely go to another beautiful state where we and other travelers would love to visit. I feel that SB2919 attempts to correct a serious problem in a dangerous way for the state of Hawaii, as it would greatly reduce economic growth in the state. I have heard that short term rentals provide 40% of real property tax revenue for Maui County, and this revenue source would quickly dry up if this bill were to pass. There are quite a number of people we employ to manage our condo in our absence; were we to sell and short term rentals were discontinued in Hawaii, I feel these people now gainfully employed would also have to leave the islands in search of more beneficial employment. While I understand that there is currently a housing shortage on Maui in particular, I feel that as well meaning as SB2919 is in ameliorating this problem, it takes a short-sighted approach which will harm both Maui and the State of Hawaii in the long term.

Please take a long term approach in providing for Maui's and the State of Hawaii's future by not passing SB2919. There are other ways to fix the existing housing problems that wouldn't be so damaging to Maui's economic future.

SB-2919-SD-1

Submitted on: 2/28/2024 3:02:28 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Cynthia Gorman	Individual	Oppose	Written Testimony Only

Comments:

My name is Cynthia Gorman and I stayed in a short term rental in Kihei and also own one. I oppose this bill because short term rentals are important and provide accommodation to those who cannot afford the hotel prices, who need a place to cook due to special dietary restrictions or those with a family who need more than just a room, as well as those full and part time residents who earn an income from short term rentals.

This bill will hurt me, full and part time residents who rely on short term rental income, as well as important visitors who rely on short term rentals for affordable, temporary furnished housing.

Please focus on enforcing existing laws regarding LEGAL rentals that we already have.

Please do not move this bill forward.

SB-2919-SD-1

Submitted on: 2/28/2024 3:10:44 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Tim Moore	Individual	Support	Written Testimony Only

Comments:

Aloha Senators. Even before the fires in Lahaina we needed this bill. Short term rentals have eroded workforce housing and damaged neighborhoods. Now with the housing shortage, impacted greatly by the fire, we need these homes more than ever. Please help us by supporting this measure.

mahalo

SB-2919-SD-1

Submitted on: 2/28/2024 3:15:46 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Richard E McMahon	Individual	Comments	Written Testimony Only

Comments:

Wednesday, February 28, 2024

Aloha Honorable Senators and Representatives:

Our names are Richard and Eleanor McMahon and we own a condominium at Kamaole Sands Resort on Maui. We understand there are serious housing issues in Hawaii, and your action is required.

SB 2919 / HB 1838 has a focus on non-conforming residential use and we applaud this effort. The loss of established residential housing to STR is wrong and is a necessary focus of the legislation.

We would like to see protections for existing, conforming, long standing units that provide quality vacations at family affordable rates. Kamaole Sands Resort has been offering short term vacations since inception, about 40 years. A great diversity of people come every year to enjoy the beauty, warmth, and welcoming spirit of Maui. In turn, we pay substantial taxes in support of state and county needs; we provide jobs to local professionals and technicians; we help to keep Maui thriving.

We are zoned A2-Apartment, authorized for both long term and short term rentals. If the legislation could make clear that resort complexes like ours are not the focus of the legislation, that would help to clarify the intent “to amortize or phase-out non-conforming single family transient vacation rentals over time”. The current bill says “any zone”. Please clarify your focus on the homes and lots with residential classification, especially those that have migrated in recent years to short-term-rentals. Please protect our current zoning and status.

Thank you for your public service.

SB-2919-SD-1

Submitted on: 2/28/2024 3:23:15 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Connie DeBord	Individual	Oppose	Written Testimony Only

Comments:

I **OPPOSE** SB2919, SD1 for the following reasons:

We own a unit in Papakea and this SB2919 will severely impact the people in Maui for the following reasons.

Papakea was built in 1978 and has operated as vacation rentals for almost fifty years.

Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles.

Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming.

Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue.

Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors; highlighting any specifics about service providers that you rely on.

Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax..

Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops.

Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community.

For the reasons stated herein I **OPPOSE** SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Connie DeBord

SB-2919-SD-1

Submitted on: 2/28/2024 3:27:30 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
theresa davis	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill because it will harm many local people, while not doing anything to make housing more available for local people.

You are delusional if you think you can say "no more STRs" and the owners will magically cut their rent by 60% and rent to a local family. Possibly a few, for a little while when FEMA is paying the bill. But once that ends local people will not have that kind of money. Or cut the selling price in half, and sell to a local family. No, they will think it's would be better to use their money elsewhere, list it at full market value and sell to another rich person from the mainland or another country.

The local people that rent their home at times, or part of their home, are doing it to be able to afford to live here. If they get foreclosed, that's another opportunity for a rich mainlander to snap up a property at a good price. How many current local residents have the finances or the ability to invest in foreclosures? I'm willing to bet there are plenty in California, for instance. So you are hurting the locals you purport to be helping, as well as killing jobs and making it harder for people here.

Mahalo for your time and attention to this matter.

Theresa Davis

SB-2919-SD-1

Submitted on: 2/28/2024 3:32:17 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Barbara Meglen	Individual	Oppose	Written Testimony Only

Comments:

I, Barbara Meglen, respectfully submit my opposition to the above proposed legislation. I purchased a home at 69-1814 Puako Beach Rd., Kamuela, HI in April of 2017 which was at the time a legal STVR and had been for many previous years. The purchase of this home was only possible based on that fact. Our long time desire was to rent this property until my husband and I could eventually make it our principal residence. Since the purchase the current STVR rules had changed and we consistently followed the new rules setting up a NonConforming STVR which has been approved every year since our purchase date. The TAT and GE taxes have generated income every year including last year which totalled the sum of \$26,172. The real property taxes which are based on Rental property valuation (Including a premium for 2mil+ valuation) are over \$42,000. These amounts would no longer be collected if I am forced to sell this home to a new owner who would be occupying as a principal residence. My husband unexpectedly passed away in December 2021 which has also contributed to my current financial situation. This community currently has a large number of legal STVRs, the neighborhood has sustained this arrangement for many years with little to no complaints. This neighborhood should be zoned as a resort due to the location between 4 large resorts on the Kohala coast. (Waikoloa, Mauna Lani, Mauna Kea and The Westin Hapuna Beach). I believe that this legislation would impact the local economy significantly in a negative manner as there are a number of local workers (cleaning, maintenance, landscaping) who would no longer have employment. I am in favor of STVRs being licensed and regulated but this legislation could shut down the industry all together and a very important revenue source for the county and State. Please stop this legislation! Thank you for your consideration. Sincerely, Barbara Meglen

I, Darrell Ball, owner of a one bedroom condo at Papakea in north Kaanapali, oppose SB 2919 for the following reasons:

- 1) My family wants to help local Maui residents affected by the 2023 fires and have agreed to give up our furnished property for 12 months to a displaced family as of February 1, 2024, even though this will have a negative impact on our finances. And we will be more than willing to do so for another year to help affected residents.
- 2) Based on the fact that short-term rentals were permitted by law and the market for such was very strong and forecasted to continue to be so, we decided to purchase a home with the expectation the returns on our investment for several years would provide retirement funds that would assist us in achieving our desire to reside in Maui upon retirement.
- 3) If the ability to rent short-term is rescinded our financial losses will be significant and will necessitate having to dispose of the property at what is very likely to be a significant loss given this property was purchased as recently as 2018. The legislated change of use would make the property far less desirable to investors or those looking for supplemental income so that they can afford to purchase.
- 4) Maui's short-term rentals provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This short-term property tax revenue represents 18% of the county's \$1.7 billion dollar budget. If STRs are curtailed, where will the equivalent revenue come from?
- 5) If all of these properties are lost to the tourist market, many Mauians will lose the many jobs provided by this sector. Many will have to leave Maui to find work elsewhere. This will lead to many of these properties being left empty as there will be fewer employed Mauians to rent them.

Sincerely,
Mr. Darrell Ball
Mobile: 647-208-2107

SB-2919-SD-1

Submitted on: 2/28/2024 3:38:19 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jen Wells	Individual	Oppose	Written Testimony Only

Comments:

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I **OPPOSE** SB2919, SD1 for the following reasons:

<Here are a few reasons why:

<<Papakea was built in 1978 and has operated as vacation rentals for almost fifty years>>

<<Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles>>

<<Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming>>

<<Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue>>

<<Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors; highlighting any specifics about service providers that you rely on>>

<<Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax.>>

<<Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops>>

<<Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community>>

For the reasons stated herein I OPPOSE SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Jennifer Wells

SB-2919-SD-1

Submitted on: 2/28/2024 3:38:19 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
brian pilcher	Individual	Oppose	Written Testimony Only

Comments:

Aloha, I am a resident of California but I own 3 condos on Maui. I come to Maui at least 3 months a year, which will probably increase over the coming years. I rent all these condos and thereby allow another 100-120 visitors to come to Maui and interact with the local economy and provide needed jobs for the Maui residents. In addition, I employ a lot of local residents to do all the jobs necessary to maintaining the rentals. If these condos were instead owned by a person who was not allowed to rent them out, you would lose all the revenue from the additional visitors and the this ancillary employment. Short term vacation rentals are a method of sharing housing which allows more housing not less. Getting rid of short term vacation rentals will only reduce housing increase hotel rates and rental rates of available housing.

SB-2919-SD-1

Submitted on: 2/28/2024 3:46:13 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
David Scheuch	Individual	Oppose	Written Testimony Only

Comments:

February 27, 2024

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I respectfully provide this testimony, as I **OPPOSE** SB2919, SD1 for the following reasons:

I have lived at Papakea for approximately 13 years and being a volunteer and community focused individual have built strong relationships with many individuals that have lived here on island their whole life. My family has been visiting Maui for two generations and we are extremely saddened by the Lahaina fire.

As a condo owner in a very old building (built in the 1970s) we invest in Maui and the west side by our payment of property and GET/TAT taxes as well as various fees and charges that help pay for community services that benefit all residents of Maui. When we purchase products and services to maintain our old condo, we are helping many small businesses that needed our business during the COVID pandemic.

It is important to stress that those who have bought older buildings do not rack in the money monthly by expensive nightly rates. As you are most certainly aware, an older building because of its' age, requires very expensive maintenance and infrastructure improvements on a set replacement and/or maintenance schedule. Both schedules are very expensive. Added to this random maintenance issues arise whose cost have sky rocketed due to labor shortage and inflation. I do not believe that Papakea provides the low to medium cost of operation and alternative that supports the objective of medium to long term renting.

For the reasons stated herein I **OPPOSE** SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

David M. Scheuch (shoik)

SB-2919-SD-1

Submitted on: 2/28/2024 3:47:51 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
TimiSue Abbott	Individual	Oppose	Written Testimony Only

Comments:

I am writing to express my **STRONG** opposition which aims to eliminate short term rentals at the Papakea Resort. As a property owner that relies on short term rentals for income and personal use, I am deeply concerned about the potential consequences of this proposed legislation.

Short term rentals not only provide a valuable source of income for owners like myself, but they also offer flexibility and convenience for travelers seeking unique accommodation options. Personally, I enjoy staying at my property and have worked hard to purchase and maintain it so I am able to "work from home" on Maui, and bring my business to the local economy. When I am not there, this rental allows me to utilize my space while generating supplemental income.

Furthermore, short term rentals contribute to the local economy by supporting small businesses such as cleaning services, maintenance providers, and local shops and restaurants. This bill would not only harm property owners but also have a negative ripple effect throughout our community.

I understand the concerns and housing issues especially in West Maui. However, I believe that these concerns can be addressed through reasonable regulations rather than an outright ban in certain locations.

I urge you to reconsider your support and instead work toward crafting something that does not penalize those of us that have spent a lifetime working to achieve the dream of ownership to have it taken away by this. Shifting the pain to others is not the answer.

Thank you,

TS Abbott

Papakea K302

Testimony in Support of Bill SB2919 SD1

To Chair Rhoads, Vice Chair Gabbard, Chair DelaCruz, Vice Chair Moriwaki, and the members of the Senate Committee of Judiciary and the Senate Committee on Ways and Means

I am writing as a concerned member of the Maui community to express my **support for SB2919 SD1**, which grants counties the authority to phase out nonconforming single-family transient vacation rental units over a reasonable period.

As we have seen within our community in Lahaina the urgent need for housing is our top priority. TVR have taken over our neighborhoods, these were units that were originally intended for our working-class community. With the numbers shared below there was nowhere to live even before the fire.

In Lahaina, where 25% of housing units are listed as short-term rentals, and percentages soar to 41.8% to the south and 87% to the north, we are facing a housing emergency on Maui. Providing clear authority to counties for phasing out vacation rental uses is crucial for helping residents find dignified housing, especially in the aftermath of recent wildfires.

After the wildfires most places left to rent are north of Lahaina, and with 87% being short-term rentals that is unacceptable. I have spoken with many tourists throughout the time of our occupation of Ka'anapali beach with Lahaina Strong. TVR's have been phased out of cities and tourist towns throughout the world. The communities that benefit the most are vacation destinations where locals have been priced out of living. Not only will this help with our immediate housing crisis, but years after being phased out rent goes down, and families can return to where they are from.

I support the need to give counties the authority to phase out these TVR's. We are in a crisis on Maui currently for housing, sadly we were pre fire. However now the need for these units is urgent.

This proposed legislation is a critical step in providing stability and security to those who have already endured significant challenges. I urge the legislature to **support SB2919 SD1** to offer much-needed relief and support to the Lahaina community and beyond. Mahalo for your attention and commitment to the well-being of our community.

Sincerely,

Katie Austin

Feb. 28, 2024

To: Committee on Judicial and Hawaiian Affairs

RE: House Bill with Senate SB2919

I firmly oppose this bill phasing out short term rentals. Hawaii has been a personal favorite vacation destination of mine for decades. I recently have been coming to Hawaii twice a year staying a minimum of seven days up to 10 days each visit. I stay at a family vacation rental during my stay. I eat out regularly during my stay. I grocery shop almost daily. I shop daily for small items, for clothes, for gifts, etc. I contribute to the Hawaii economy every trip.

Having the amenities of a place to stay that is safe, has all the facilities I enjoy in my own home, such as kitchen with all the appliances to enjoy some meals at home, enhances the pleasure of the trip. It allows me to also manage my expenses between dining in and dining out while contributing to your economy.

I do not want to stay in a hotel with the increased expenses, lack of control over when I eat, freedom of access and crowds in that environment. I will change my vacation destination should this bill pass and limit my options for accommodations.

Consider how many of your residents will be impacted by not allowing rentals. All the staff that manage these properties, the cleaning people, the repair people, that keep these units clean and functioning for guests. These rentals allow families to enjoy Hawaii at reasonable expense versus a major costly hotel.

I will no longer extol the advantages and pleasures of a trip to your islands should you force my hand with this legislation.

Sincerely,

Susan Viator

sviator@verizon.net

SB-2919-SD-1

Submitted on: 2/28/2024 4:02:03 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ashlie McGuire	Individual	Support	Written Testimony Only

Comments:

This is the only concrete solution to the housing "shortage" in Hawaii, but especially on the West side of Maui. I am in strong SUPPORT of this bill, for the people of Lahaina!! 25% of folks affected by the fires have MOVED off island and that is unacceptable. We are losing community members because of the prioritization of visitors. It's unfair and cruel to families who have been calling Lahaina home. Please hear the people, and pass this bill!

Sincerely,

Ashlie McGuire

SB-2919-SD-1

Submitted on: 2/28/2024 4:03:06 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Linda Simpson	Individual	Oppose	Written Testimony Only

Comments:

To approve this bill will do more harm to this beautiful island than you have even considered! We went thru COVID and its restrictions .. this will last forever! I understand the grieving process ... and one of the emotions is anger! And yet the tourists did not cause this... the many issues all coming together caused this fire! Some were by nature and many were by mankind that failed to use common sense in providing safety to an entire island! All of the committees that refuse to listen to common sense... weren't trained enough to handle their jobs! In my opinion Many of your rules and regulations are preventing affordable housing to be built in a timely manner ... look within for your answers don't ruin hundreds of thousands of lives in the process! We have done nothing to deserve this!

Dear Representative Tarnas, Chair, Representative Takayama, Vice Chair, and Members of the Committee:

I am an owner of Condo Unit No. J-301 at the Papakea Resort in Maui and I OPPOSE SB2919, HD1 for the following reasons:

Papakea was built in 1978 and has operated as vacation rentals for almost fifty years

Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles

Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming

Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue

Papakea STRs (Short Term Rentals) support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors; highlighting any specifics about service providers that you rely on

Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax.

Papakea guests support many small businesses on the island included restaurants, food trucks, tour operators, state parks, the national park, and shops

Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community

For the reasons stated herein I OPPOSE SB2919, HD1 and urge the committee to defer it.

Respectfully submitted,

Roger Risdall, Owner Papakea Unit No. J-301

Phone: (805) 682-3407

e-mail address: rgrrisdall@aol.com

SB-2919-SD-1

Submitted on: 2/28/2024 4:13:12 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Clarence k chun	Individual	Support	Written Testimony Only

Comments:

I support this bill

SB-2919-SD-1

Submitted on: 2/28/2024 4:18:31 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Sarah Newman	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose SB219. My husband and I are retirees, and he is disabled. We greatly depend upon the income we receive from our short term rental. Not only that, our lives have been deeply enriched through the many wonderful people from around the world who we have met and connected with because of our business. We consistently recieve glowing feedback from guests who gain a true sense of the surrounding community by renting a home instead of staying in a hotel. They frequent local businesses and contribute to the well-being of the economy. This bill would cause unnecessary hardship not only for our family but to our community as well.

SB-2919-SD-1

Submitted on: 2/28/2024 4:19:06 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
David Jager	Individual	Oppose	Written Testimony Only

Comments:

These vacation rental bills should focus on non-Hawaiian residents, especially the ones who own many properties. We own our primary residence in Honolulu, and own one vacation rental in Maui which we enjoy visiting 3 times per year. The remainder of the year our guests pay significant taxes to the State of Hawaii.

Thanks to the short-term vacation rental opportunity, it was 30 years into our marriage when we were finally able to explore Maui for the first time. It was the most memorable vacation. There was a guest book in the condo which we ended up reading the entire book filled with joy and happiness from past travelers from all over the world. This is the reason why we started our own vacation rental in Maui with a hope and passion to share the beauty and our love of Maui with many others.

Instead of the fruit platter at the hotel, our guests explore local farmers markets to enjoy locally grown produce. Instead of lunch or cocktails served by the pool, our guests explore local restaurants, food trucks, and happy hours. Instead of dining out at on-site resort hotel restaurants, our guests explore local stores to cook with local fresh ingredients. We actively take a great part of promoting local businesses. We now have many repeated guests, and some of them even get involved in the local volunteer activities because they grow to care about communities.

Short-term vacation rentals can offer unique experiences nothing like the commercial resort hotels can offer. It's important that people understand that there is more to it than just letting people stay in our home to make money. It involves kindness, politeness, caring of resident neighbors, respect for rules as well as local people and cultures, and gratitude which is all the best form of humanity. As owners, it is our opportunity and responsibility to promote it in order to contribute towards community health and growth.

Bylaws and regulations could weed out owners who are not prepared to adhere to bylaws or rules. We already heard from our guests worrying about not being able to stay in our condo anymore. Instead of banning all together, could you please look for the ways to save the quality of short-term rentals in Maui?

SB-2919-SD-1

Submitted on: 2/28/2024 4:27:34 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Gerald Schmid	Individual	Oppose	Written Testimony Only

Comments:

As an owner of units in Kihei Kai Nani, I have experienced first hand the advantages of short term rentals. My wife and I are 74 years old and have hosted many people over the years, who enjoy a clean, furnished place to stay without having to endure the high costs of hotels. We currently are hosting victims of the Lahaina fires. We have paid substantial taxes to both the State and the County of Maui over the years.

Additionally, short term rentals are the mainstay of all the hotels in Hawaii. If you discriminate against the "little guy" and allow hotels to continue with short term rentals, you are showing a huge bias which no doubt will be detrimental to everyone because the low-cost stay for tourists will no longer be an option and they will take their dollars elsewhere in this big world. If that happens, cleaners, store owners, drivers, tour hosts and many other residents will be devastated financially.

Please oppose SB2919.

SB-2919-SD-1

Submitted on: 2/28/2024 4:28:49 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
David Bannow	Individual	Oppose	Written Testimony Only

Comments:

I oppose to this proposal.

SB-2919-SD-1

Submitted on: 2/28/2024 4:29:06 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Keoni Shizuma	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and members of the committee,

I stand in support of SB2919.

In residential areas, Transient Accommodations (TAs), a.k.a. Short-term Rentals (STRs), are detrimental to a community. While some may argue that the use is “residential in nature,” nothing about TAs & STRs support the community. The basic nature of visitors occupying a house, exploring our islands during the day and sometimes partying at night, without regard for the care of the community, is very anti-community and detrimental to community building. At no point in the use of a STR or TA is there any relationship building occurring with the neighboring residents. By its very nature, relationships are not able to be formed, camaraderie is not able to be developed, and trust is never really built.

To keep allowing STRs and TAs in our residential areas is to deprive our communities of trust, camaraderie, and tight relationships. This is even when the “best case scenario” is considered, with the visitor being a pleasant family who is quiet and respectful of their neighbors while occupying a TA or STR. With the more “typical” cases of visitors staying in STRs or TAs, visitors to Hawaii are often partying, making loud noises late at night while listening to music and having friends over, possibly consuming alcohol, all of which would occur throughout their stay, regardless of the day, even on the typical workdays of Monday - Friday.

While others may be concerned of this bill’s affect on our economy, having tourists occupy a hotel room or a STR or TA in a non-residential area where STRs and TAs are allowed, would mitigate that concern. Nothing is needed for that to happen, as there are already ample spaces available for tourists to stay, thus this is an invalid concern. There they would be TAT as they would have in another location, and thus, our economy is not affected.

The one thing that is effected by this bill is our communities. It will allow our counties to rebuild our communities by removing STRs and TAs from residential areas, where they truly do not belong.

Mahalo nui loa for your time and consideration.

Keoni Shizuma

Aloha Chair, Vice Chair and Committee,

My name is Michele Lussier and I live part-time on the Island of Maui

I am writing in opposition of this bill because it will threaten my ability to make a living along with the other cleaners, electricians, maintenance workers, and small businesses like me, who live and work in the community.

I have taken great care to be fair and inclusive with my rental amount charged and I have successfully run a short-term rental , which has been an essential part of my income for over 25 years.

Also, my tenants spend money on restaurants and events and pay taxes on all. I believe that Short-term rentals must cover a large percentage of Maui's taxes collected from vacationers.

I also understand that the Governor is stuck between a rock and a hard place. If you remove short-term rentals, you remove the ability for many to visit Maui and short-term rentals are more affordable than hotels. Yes, the Lahaina devastation is causing a huge housing shortage.

I do not know the answer (though I am willing to put it in a longer-term pool of up to 18 months as FEMA has asked.

I offered my condo based on availability when the Lahaina fire happened and I also have donated and asked how to help, but to remove my ability to have income from a property purchased for this purpose seems unfair. I have paid taxes and additional TA taxes for many years and removing that after years of paying into it is unfair. What if the condos were available during summer months and allowed short-term rental in the Spring, Fall and Winter?

If this bill passes , it will hurt me and put at risk my ability to pay for my own housing and bills. Let the counties enforce the laws that they already have.

I ask that you please do not move this bill forward.

Thank you for your time.

Mahalo,

Michele Lussier

SB-2919-SD-1

Submitted on: 2/28/2024 4:43:06 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Bryant	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

My name is Lisa Bryant and I live on the island of Maui. I am writing in opposition to this bill because it will threaten my ability to make a living along with many cleaners, electricians, maintenance workers, and owners of small businesses who live and work in my community.

I work for a small business that services short-term vacation rentals on my island. I am paid a decent working wage. This bill will hurt me and put at risk my ability to pay for my own housing and bills.

I was born and raised in Hawaii and I understand the predicament we are in with the limited housing available for our children and grandchildren. We have three generations living in our home in Wailuku. Something needs to be done for sure. More affordable homes need to be built for both buyers and renters. I would like to see affordable land available to the many local people who could build their own homes. But shutting down the entire short-term rental industry is going to make it even more difficult for those of us who earn a living from it. Let the counties enforce the laws that they already have and go after illegal short-term rentals. I ask that you please do not move this bill forward.

Thank you for your time.

SB-2919-SD-1

Submitted on: 2/28/2024 4:45:58 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
CLOVIS DOS SANTOS	Individual	Oppose	Written Testimony Only

Comments:

Aloha! This is Clovis Dos Santos, I'm the owener of an apartment at Kihei Kai Nani Condominium. That is a vacation rental complex. My position input is OPPOSE to this bill. This bill proposal will hurt an entire community, unit owners, menagers, cleaners, maintenance pessoal, the county will lose millions of dollars in taxes. Maui is doing really bad financially , specially after the Lahaina Fires. That will be a tremendous colapse into Maui's economy. This bill can not passes, it will destroy economically and socially an entirely comunity. I am oppesing against bill SB2919! Thank you, Clovis Dos Santos.

SB-2919-SD-1

Submitted on: 2/28/2024 4:47:34 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Philip Robertson	Individual	Oppose	Written Testimony Only

Comments:

Hello

My wife and I have been coming specific to Maui for 40 years. We have had the opportunity to own a condo. We have paid taxes and have supported our community.

We Feel that if this billed is passed it would be unfair to all that have a home here.

Hope that you would consider not acknowledging this bill any further but would and will have an economic impact.

Mahalo

Phil and Colleen

SB-2919-SD-1

Submitted on: 2/28/2024 4:49:17 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kenneth and Carol Pawlak	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

We are Ken and Carol Pawlak. We are members of the Maui community. We are Americans. We are retired and have worked our entire lives and saved and saved to reach our dream, owning a condo on Maui. We don't own multiple Maui properties, we are not foreign conglomerates. We are a family that worked hard and reached our dream. Purchasing our condo home took much of our retirement savings and we took out a mortgage on our home to purchase it. To be able to afford the extremely expensive tax and HOA bills, we must rent our condo out part time. Senate Bill 2919 would force us to lose our home, and I believe this would be the case for many people. The high fixed expenses of the condo would not make it viable for workforce housing. The inability to rent short term would also weaken the housing marketing, causing us to sell at a loss. All those years of hard work and sacrifice, gone with the stroke of your pen. We are crushed and bewildered and don't know what to do next, other than to write and ask you to consider what this bill will mean to thousands of Maui families.

We feel deeply for the people of Maui who lost loved ones and/or their homes. Immediately after the fire we donated to charities and donated our condo for several months to a family that lost their home. We did this in the spirit of Aloha and a sense of Pono, we were not paid by FEMA or any other agency, we did it for our community. Maui is our home too. Passing Senate Bill 2919 will have unintended negative consequences for thousands of Maui residents. Losing your home to a bureaucratic bill is not like losing it to fire, there is no comparison. But the outcome is the same, our homes will be gone, taken from us by no fault of our own.

Workforce housing shortages have never been eliminated by removing short term resort vacation condo rentals. Our HOA fee is more than \$14,000 a year. Our real estate tax bill, not counting the STR taxes, is more than \$13,000 a year. All of the condos on Maui have expensive HOAs and tax bills. You can see why our family needs to have some short term rental income to afford our condo. These complexes were not originally built for workforce housing. The HOA operating costs alone make it nearly impossible for a typical family to afford these expenses. Even if prices come down, the HOAs will not, it takes that much to run and manage the properties. And you will need to replace the tax revenue the condos contribute. This extra tax should not be put on the backs of the local workforce.

Maui's STRs provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents

18% of the county's 1.7 billion dollar budget. Where will that revenue come from? Will you then tax locals who are already stressed. Renting our condo part time employs cleaners, restaurant workers, vehicle storage owners (a Hawaiian ohana small business), our rental agency. Hundreds of people that rely on our condo, and the condo complexes, will lose their livelihoods. After the lull in rentals following the fire, we know of cleaners who were asking for any work they could find.

Approximately 2,000 homes and businesses were tragically lost in the fire. However, this bill could result in the phasing out of 13,744 legal short term rentals on Maui. This potential legislation could unintentionally increase the tragedy from 2,000 to more than 13,000 families, and add to that the workforce service industry employees that will be impacted.

Please consider the broad unintended consequences of this potential legislation and work to find a solution that doesn't hurt so many families.

SB-2919-SD-1

Submitted on: 2/28/2024 4:50:40 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Toni Spence	Individual	Oppose	Written Testimony Only

Comments:

Please vote no on this bill.

I have lived in Maui for over 40 years. My kids were born and raised here. We worked hard to plan for our retirement to be able to stay in Maui. Now I am 70 years old, widowed and grateful for the short term vacation rentals invested in to help supplement my income to be able to stay in Maui and watch my grandkids grow up. This bills has too much power given to the counties to change the whole structure of the STR industry. It is a bad idea. Please do not vote in favor of this. Mahalo.

SB-2919-SD-1

Submitted on: 2/28/2024 4:51:03 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kawena	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

My name is Kawena Cabrera and I live on the island of Maui.

I am writing in opposition of this bill because it will threaten my ability to make a living along with the other cleaners, electricians, maintenance workers, and small businesses like me, who live and work in my community.

I own/work for a small business that services short-term vacation rentals on my island. I am paid good wages, create my own schedule and work very near where I live, reducing my commute time.

This bill will hurt me and put at risk my ability to pay for my own housing and bills.

Let the counties enforce the laws that they already have.

I ask that you please do not move this bill forward.

Thank you for your time.

SB-2919-SD-1

Submitted on: 2/28/2024 4:54:37 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Charivy C Imperial	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

My Name is Charivy Imperial and I live on the island of Maui.

I am writing in opposition of this bill because it will threaten my ability to make a living along with the other cleaners, electricians, maintenance workers, and small businesses like me, who live and work in my community.

I own/work for a small business that services short-term vacation rentals on my island. I am paid good wages, create my own schedule and work very near where I live, reducing my commute time.

This bill will hurt me and put at risk my ability to pay for my own housing and bills. Let the counties enforce the laws that they already have.

I ask that you please do not move this bill forward.

Thank you for your time.

SB-2919-SD-1

Submitted on: 2/28/2024 4:57:08 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael gensler	Individual	Oppose	Written Testimony Only

Comments:

This bill will hurt those of us that make our living servicing short-term rentals. The time to deal with this was years ago, but the counties failed to address anything but more units that could be made into condos, that could be made into more short-term housing. What is needed is more \$1000 a month rentals. They don't have to be fancy or have amenities, but they should be affordable without roommates.

The current measure is a stop-gap measure that will provide housing for the local workforce at the cost of removing the market they are working for. Without income they are still unaffordable. What is needed is "workforce" rental housing. If the county would drop all the red tape and just allow housing to be built that can never be converted to short-term rentals the problem would be resolved.

Opposed to SB2919

We saved all our lives to be able to afford to buy our dream home in Hawaii. After 30 years of savings, we were finally able to buy a condo, helped by the ability to be able to receive rent income when we can't be there.

We are now told that after saving all our lives to be able to buy this home, that someone in the legislature has proposed taking away our ability to keep our home because of the tragedy in Lahaina.

To blame us for Hawaii's housing shortage is unfair and targets innocent homeowners.

There are so many other ways to help the fire victims and to alleviate the housing shortage without taking away our ability to own our home in Maui.

Please do not take away our ability to own our home in the name of helping others.

From: Carol and Dennis Shearer

RE: OPPOSITION TO SB2919, SD1

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

We OPPOSE S.B. 2919, SD1 because we believe it will lead to additional economic hardship for the people of Hawaii without solving any of the problems it says it intends to address. We would like to share the following concerns -

We own a condo at Papakea Resort, which was built in 1978 and has operated as a vacation rental property for almost fifty years. The very first time we traveled to Maui, in 1984, we booked a vacation through Pleasant Hawaiian Holidays and stayed at Papakea. Like the island and people of Maui itself, Papakea has a special place in our hearts.

Papakea offers a range of resort amenities, and is situated on 13 ocean front acres with a 1200 foot seawall, all of which is incredibly expensive to maintain. The units themselves are frankly less than desirable for long term occupancy. Units have limited living space and storage, and parking at the resort was designed for 1 car per unit. **THEY MAKE NO SENSE AS LONG-TERM HOUSING, AND MAKE LOTS OF SENSE AS SHORT TERM VACATION RENTALS (STRS)**

Papakea can only support the current personnel and operational maintenance levels that benefit the economy in Maui (described in more detail below) with high maintenance dues which rely on short-term rental revenue. For our small 1-bedroom unit at Papakea, our monthly payment to the AOA right now (before a massive increase heading to us in 2026 due to a \$32 million plumbing project that will be starting in June) is more than 75% of the HUD published fair market rent. Owners of units like ours would not be able to afford to keep their units if they could only rent them long-term, and honestly if local residents were to buy them - even at steeply lower prices - they would not be able to afford even a modest mortgage

given the high AOA dues required maintaining the property...(and just to be clear - not maintaining the property would leave West Maui with a 50 year old, decrepit, unsafe, eyesore of an oceanfront former resort. Which we do not believe anyone wants.)

ECONOMIC BENEFITS OF STR AT PAPAKEA -

Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles.

Papakea Resort itself supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming.

Short terms rentals like ours support a wide range of small businesses in the Maui community including housekeepers, handymen, tradespeople like carpet cleaners and air conditioning maintenance experts, on-island agents, and contractors.

We'd like you to consider the example of our housekeeper, Arcelia Gama. We have spoken to her about this bill, and she has expressed her worry that eliminating short term rentals will put her out of work. She has already lost quite a few units due to the fire and conversion of STRS to long term rentals, and is right now having to explore getting a night job at a restaurant. (A job which would also disappear if STRs are banned, and which is already incredibly hard to find with the loss of Lahaina town). Arcelia has a mortgage and all her other regular living expenses to pay, and supports both her aging parents and her two children, all of whom live with her. She specifically asked that I share her name with you and her story, and express her fear about this bill.

Short term rentals like ours support the State of Hawaii and County of Maui through payment of property taxes at the short-term rental rate, Transient Accommodations Tax, State and Maui General Excise Task, and Maui Transient Accommodations Tax.

Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, shops, state parks, and the national park. We would like to note that, when we first returned to West Maui in November, when visitors were first being told they could return, we

had SO MANY small business owners and employees thank us for coming. And they told us how incredibly hard it had been hanging on as the number of visitors dwindled and income dried up, and they saw their livelihood slipping away.

In closing, we'd ask you to recall the "Maui is closed" messaging immediately following the Lahaina fire, and the devastating economic consequences this messaging had. This bill would provide the vehicle for permanently installing that messaging. And the people of Maui will suffer. They've already been through so much - let's work on finding other solutions for diversifying the economy, and providing quality long-term housing for all our Maui residents.

Respectfully submitted -
Carol and Dennis Shearer

SB-2919-SD-1

Submitted on: 2/28/2024 5:05:36 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kent Bohling	Individual	Oppose	Written Testimony Only

Comments:

Kent Bohling and Janet Black, Feb 28, 2024

We are writing to express our deep concerns regarding Bill 121 and Bill 1838, which have the potential to significantly impact not only our livelihood but also the broader community in Hawaii.

Operating a short-term rental has been important for our family, enabling us to meet mortgage payments as we spend about 50-70 days per year in Maui and contributing generously to the local economy. Given the importance of tourism to Hawaii's economy, the restrictions proposed in Bill 121 create insurmountable challenges for citizens like us to engage in this vital industry. If these bills proceed, it would make the operation of our short-term rental impossible and jeopardize our ability to own our property, thus having a negative impact on the local economy.

Moreover, the economic contribution of short-term rentals to the county's real property tax revenue is substantial, representing 18% of the county's \$1.7 billion budget. Restricting this sector could have far-reaching consequences on employment, as over 40,000 jobs are supported by the short-term rental industry statewide. It is essential to consider the employment impact and the role of short-term rentals in accommodating various community members, including displaced residents, newly housed residents, visitors in transition, and other essential personnel.

In times of crisis, such as the Lahaina Fire, short-term rentals serve as essential temporary, furnished housing for displaced residents. The potential loss of these valuable housing options would have negative effects on the community.

We strongly urge the reconsideration of the broad ramifications of these bills on the livelihoods of residents, whether full-time or part-time, who rely on short-term rentals. We implore you to work together to find solutions that protect the interests of the community while enabling individuals to sustain their livelihoods through legal and permitted short-term rentals.

Your attention to this matter is greatly appreciated, and we hope for a favorable outcome that supports the well-being of the community and its residents.

Sincerely,

Kent Bohling and Janet Black

Kapalua Golf Villas

SB-2919-SD-1

Submitted on: 2/28/2024 5:13:05 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Scott Douglas	Individual	Oppose	Written Testimony Only

Comments:

You must listen to the stakeholders and DEFEAT this intrusive and dangerous legislation!

Ryan Rawlyk
I-110 - 2777 S Kihei Rd I110
[Kihei](#), Hawaii 96753
403-585-1002
February 26, 2024
Aloha Chair, Vice Chair and Committee,

My name is Ryan Rawlyk and I am a short-term vacation rental owner on Maui. I am writing to you today to express my strong opposition to House Bill 1838 and to provide you with some crucial insights into how this bill will directly impact our business, as well as many others in our community.

Firstly, I want to highlight the significant repercussions this bill could have on the legal short-term rental (STR) market on Maui. According to recent estimates, HB1838 could potentially lead to the phasing out of 13,744 legal short-term rentals on our island which will have a devastating impact on tourism, local service providers as well as negatively impact our small business.

It's essential to recognize the vital role that Maui's STRs play in our local economy. Not only do they contribute 40% of the real property tax revenue for the county, but they also serve as the top funding source for affordable housing initiatives on Maui. The STR property tax revenue represents a significant portion of the county's budget, comprising 18% of the total 1.7 billion dollars. If this revenue stream is cut off, it begs the question: where will the necessary funding for vital community programs and services come from?

Additionally, I want to emphasize the crucial role that mid and short-term rentals play in accommodating various individuals and families in need. From displaced residents seeking temporary housing after events like the Lahaina Fire to traveling professionals such as nurses, contractors, and students, our vacation rentals serve as a lifeline for many in the community. Short term rentals provide a comfortable and convenient option for those in transition or visiting the island for family visits, or other personal reasons.

In addition to these concerns, I want to emphasize the impact that HB1838 will have on our local service providers. Many of these individuals own or work for small businesses that service short-term vacation rentals, such as cleaners, handymen, electricians, maintenance workers, and other related businesses. These service providers rely on the steady income generated by the vacation rental industry to make a living. They are paid good wages, create their own schedules, and work very near to where they live.

If HB1838 were to pass, it would decimate the industry, leaving many residents without access to temporary, furnished housing and threaten the livelihoods of service providers who rely on the short term rental industry for their livelihoods. As someone deeply invested in the well-being of our community, I urge you to consider the far-reaching consequences of this bill and to oppose it in the strongest possible terms. Thank you for taking the time to listen to my concerns.

Sincerely,

Ryan E. Rawlyk, P.Eng.

SB-2919-SD-1

Submitted on: 2/28/2024 5:15:24 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Drew Kutcher	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair, Vice Chair and Committee,

My name is Drew Kutcher, I am writing to express my strong opposition to SB2919, which threatens to eliminate legally zoned short-term rental properties on Maui. As a person who deeply invested in the well-being of the island and its people, I am gravely concerned about the far-reaching negative impacts this bill will have on Maui's economy, housing availability, and the livelihoods of countless individuals.

My family and I have been proud supporters of Maui's community for years, contributing both financially and through direct assistance to local organizations such as the Maui Food Shelf and Feed My Sheep. In times of crisis, such as the recent Lahaina Fire, we have coordinated efforts to provide aid to displaced residents, including securing housing for them in our short-term rental properties, free of charge, when government assistance was still being organized.

Our commitment to the island and its people goes beyond mere profit. We have witnessed firsthand the importance of short-term rentals in providing essential support to our community members during times of need. These rentals not only serve as a source of income for property owners but also play a vital role in creating jobs for local community members. We continued to pay them, even when tourism dropped off during the pandemic, we support and love those who care for our property.

Maui's short-term rental properties are not just a source of income for property owners; they also play a vital role in funding essential services and initiatives. Currently, they provide 40% of the real property tax revenue for the county and represent the top funding source for affordable housing initiatives. The loss of this revenue, which amounts to 18% of the county's budget, raises serious concerns about how essential services will be funded in the absence of this revenue stream.

The loss of legally zoned short-term rentals would not only devastate our local economy but also undermine the spirit of aloha that defines Maui. I urge you to consider the significant contributions that short-term rentals make to our community and oppose SB2919 in the best interest of Maui's residents and economy.

Thank you for your attention to this matter.

Sincerely,

Drew

Aloha,

We fell in love with Hawaii 40 years ago then Maui 30 years ago, so much so we purchased property on Maui about 20 years ago. We did this to enjoy our twice per year stays as well as a long term investment. We are so fortunate to spend more than a month in Maui every year, and we don't take it for granted.

When we are not on-island we share our piece of paradise with friends and guests. This helps offset the costs of the purchase and maintenance of our long term commitment to the island. But the other portion of our commitment is to the state of Hawaii and the County of Maui where we significantly contribute to the local economy through so many avenues. Lest we forget, a few are listed here:

- 1) Property taxes paid;total for 2023: \$16,184
- 2) TAT/GE paid; total for 2023: \$16,471
- 3) Local maintenance/contractor 2023:\$24,387
- 4) Local management booking fees 2023: \$12,220
- 5) Local mortgage Interest to FHB: \$21,375
- 6) Local cleaning fees 2023: \$ 8,769

So as you can see, the impact of our condo ownership contributes about \$100,000 to the local economy. And we are only one owner in our large complex of over 300 condos in South Maui. Can you imagine if we were shut down from operating the way we have for nearly 20 years? The State of Hawaii and the County of Maui, not to mention the far reaching implication of our local vendors we employ would be devastating.

But that isn't where the story ends. I can't imagine or have any way to gauge the impact a shut down would do to our investment. We can only say if our complex were shut down, the value of our investment would likely plummet. Not being able to absorb the loss of selling, our condo would be empty a majority of the year until our retirement, which a shut down would accelerate. I will let the Hawaii State Legislature speculate on the change in the way we (and our cohorts) feel about Hawaii if this were to occur.

Mahalo for your consideration

Mark and Susan Simpson
Condo owners

Kihei, Maui, HI

February 27, 2024

To whom it may concern:

We are writing this letter to express our OPPOSITION to HB1838. Our family has been long time visitors to the Hawaiian islands for over 20 years. We love the Hawaiian islands and people.

We own a condominium unit in South Kihei that we use for our family vacations. In addition, we rent the condominium for short term guests. Over the 15 years that we have owned the property, we developed many working and meaningful relationships with the locals. I think that the loss of our property would negatively impact the lives of our unit cleaners, property managers, handymen, and many more. In addition, we believe that the loss of short term rentals such as ours, will terribly impact the livelihood of MANY local businesses including but not limited to restaurants, tour operators, souvenir shops, and so forth. The loss of these jobs will have a negative impact on the Hawaiian economy and further aggravate the ability of Maui to rebuild from the recent devastating fire.

On a personal level, the loss of our rental unit would have a horrible affect on our ability to afford our second home. It has been our dream to move to Maui and live in our condominium permanently in the near future. Please help us keep our unit in the family.

Thank you for your consideration. Please vote NO on HB1838.

Sincerely,

Noel and Charito Santo-Domingo

We are opposed to SB 2919.

As a registered LLC in the State of Hawai'i, we rent to short term guests of Hawai'i on Maui. Our unit is a registered condo-hotel at Papakea on Maui; the majority of our guests stay between 1 and 3 weeks. Papakea has been a haven for residents in transition (including fire victims- with homes burned and with homes needing restoration), for Maui visitors from all over the world, and for our families and friends.

Short term rentals like ours provide needed revenue for the State of Hawai'i and the County of Maui. Our unit provides property tax revenue as well as GET and Transient tax income to Maui and Hawai'i. Our unit is providing income to our property manager and the 100 or so employees of Maui Paradise Properties- all local people (unlike the property managers hired by FEMA.) This includes contactors, cleaners, laundry workers, HVAC and plumbing workers, painters, etc. who all earn their livelihood from short term rental units like ours. (Many of our property managers' employees lost homes in the Lahaina fire and their business building and storage areas burned as well. We, and others, have been helping those affected.)

Visitors and guests who stay in our short term rental **shop locally**- for food in restaurants and in grocery stores. All of the employees in these businesses **Need** the money that is incoming from visitors; without these people coming and going (short term rentals) there would be no other income to sustain the local workers and their families. In addition, local shops and stores benefit from money spent on clothing, experiences, boating tours, fishing trips, whale watching, snorkeling, etc. by the guests who stay in our condo.

Short term rentals like ours have been used in various times of crisis to accommodate unhoused persons temporarily. We find this service to be invaluable. Why would you want to take away the opportunity for people to be housed near their old home in a fully furnished short term rental? Why would you desire to remove potentially 40% of the property tax income currently derived from short term rentals?

We hope that Hawai'i has plans to encourage, rather than deny, visitors and Hawaiian citizens the opportunity to stay, Not in hotels, but in economical condos and houses for 1-3 weeks at a time. Let these visitors spend money to benefit the local economy!

Again, we are opposed to SB 2919.

Mahalo,

Betsy, Dana and Roy Christensen/Kaleialoha LLC

2/28/24

SB-2919-SD-1

Submitted on: 2/28/2024 5:27:28 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Lynnette Mote	Individual	Oppose	Written Testimony Only

Comments:

Single family transient accommodations have provided a considerable basis of the economy in Hawaii for decades. The tax base collected from TAT and GE taxes on the units contributes greatly, in addition to the individual earnings taxes generated from all of the workers supporting tourism. Undermining or eliminating this revenue to the state, while simultaneously decreasing the biggest industry in the island, tourism, would be catastrophic for the people on multiple fronts-not the least of which is jobs lost, and consequently an even lower tax base.

SB-2919-SD-1

Submitted on: 2/28/2024 5:33:46 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
christopher wolf	Individual	Oppose	Written Testimony Only

Comments:

dont do it!!!!!!

SB-2919-SD-1

Submitted on: 2/28/2024 5:33:58 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Walter Scott Peterson	Individual	Oppose	Written Testimony Only

Comments:

I will be brief. Our condo at Mauna Lani Point (F204) in Kamuela on the Big Island serves as our family's vacation home. The rest of the year it is rented to other visitors to Hawaii. Considerable money is spent by us and our renters, and numerous jobs are created by these activities. SB2919 would make all that virtually impossible and the overall effect on Hawaii and its residents would be negative. Please do not apply this draconian law to vacation condos that have been supporting the Hawaii economy for decades. Many terrible consequences could result, not the least of which could be a collapse in the Hawaii economy.

Thank you for considering this testimony.

Walter Scott Petersron

SB-2919-SD-1

Submitted on: 2/28/2024 5:34:14 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Patricia Hoskin	Individual	Oppose	Written Testimony Only

Comments:

Hello: I own a legal short term rental. I live in it. I like the option. If I had to move to the mainland for medical reasons, I could rent my unit for income. I do not like the fact that you would be taking this option away from me. I am going to be 78 in three weeks. I do not know how long I will be able to live independently. There is no reason to punish all owners due to the wildfire in Lahina. I feel most of the decisions being made are knee-jerk reactions after the fact.

thank you, Patricia L. Hoskin

SB-2919-SD-1

Submitted on: 2/28/2024 5:35:24 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Anne Mischke	Individual	Oppose	Written Testimony Only

Comments:

Dear Sir or Madam,

I worked for Pan Am Airlines and we have been traveling to Hawaii since 1975. Working for Pan Am we traveled throughout the world but Hawaii was our favorite destination. In 1989 we had the opportunity to purchase a condo on Maui which we did.

With two small children I no longer was able to work, and there was no way we could have afforded the condo on a firefighter's salary without renting it out. After my husband retired from the FDNY in 2004 our dreams came true and we were able to make Maui our part-time home.

I am opposed to Bill SB2919 and hope you will oppose it as well, as I feel it is terribly unfair to residents of other islands as well as tourists who visit these beautiful islands.

In closing, I would like to point out that we are paying more than our fair share of taxes to both the State of Hawaii and Maui. For our small 1 bedroom condo we are paying almost \$8000 in property, \$5700 in GE & TA taxes, and \$1200 in Maui County tax so last year we paid about \$14,900 in taxes, along with employing both cleaners and maintenance personal.

SB-2919-SD-1

Submitted on: 2/28/2024 5:39:59 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Gezim Pema	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

We are Gezim Pema and Shpresa King. We are members of the Maui community. We are Americans. We have worked hard and saved and saved to reach our dream, owning a condo on Maui For our retirement residence . We don't own multiple Maui properties, We are a family who worked hard and trying reached our dream to move in Maui after we retired . Purchasing our condo home took much of our savings and we took out a mortgage on our home to purchase it. To be able to afford the extremely expensive tax and HOA bills, we must rent our condo out part time till we retire . HB1838 would force us to lose our home, and I believe this would be the case for many people. The high fixed expenses of the condo would not make it viable for workforce housing. The inability to rent short term would also weaken the housing marketing, causing us to sell at a loss. All those years of hard work and sacrifice, gone with the stroke of your pen. We are crushed and bewildered and don't know what to do next, other than to write and ask you to consider what this bill will mean to thousands of Maui families.

We feel deeply for the people of Maui who lost loved ones and/or their homes. I was there when fire happen was a nightmare I can't put the words together. We help many times for about two months we were there after the fire We did this in the spirit of Aloha and a sense of Pono, we were not paid by FEMA or any other agency, we did it for our community. Maui is our home too. Passing HB1838 will have unintended negative consequences for thousands of Maui residents. Losing your home to a bureaucratic bill is not like losing it to fire, there is no comparison. But the outcome is the same, our homes will be gone, taken from us by no fault of our own.

Workforce housing shortages have never been eliminated by removing short term resort vacation condo rentals. Our HOA fee is more than \$10,000 a year. Our real estate tax bill, not counting the STR taxes, is more than \$14,000 a year. All of the condos on Maui have expensive HOAs and tax bills. You can see why our family needs to have some short term rental income to afford our condo. These complexes were not originally built for workforce housing. The HOA operating costs alone make it nearly impossible for a typical family to afford these expenses. Even if prices come down, the HOAs will not, it takes that much to run and manage the

properties. And you will need to replace the tax revenue the condos contribute. This extra tax should not be put on the backs of the local workforce.

Please consider the broad unintended consequences of this potential legislation and work to find a solution that doesn't hurt so many families.

SB-2919-SD-1

Submitted on: 2/28/2024 5:41:48 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
matt rickson	Individual	Oppose	Written Testimony Only

Comments:

Our Testimony

I am writing as an owner and rental property in Kihei. Maui county has the most restrictive STR laws in the State. There will be no more STRS built in Maui County due to past legislation. The current vacation rentals support our tourism and local economy. With the short-term business, their will be many more unemployed locals, no where to work moving off Maui to different islands. The rental industrial brings 1000 and 1000 of jobs for the local.

TAT dollars are large contributor to affordable housing.

The property values of theses condos will do nothing for affordable housing. Locals will leave Maui; the tourist will stop coming because ridiculous hotel cost. That will bring Maui to a lonely Alta, then what.

The important point is the Apartment zoned complexes on Maui, which have been legally operating since the 70th via ordinance per the Minatoyal List. Trying to convert theses complexes that again have been operating as STRS.

They have been legal for decades. You will be opening the door to many lawsuits, by owners, brokers etc. All state and counties to deal with and fight in court.

Leave theses apartment zoned complexes alone and focus on building new housing, more housing in the areas where the Laiana locals want to live and force them to move to where they do not want to be. We have plenty of land on Maui. You cannot take owners rights away.

This is out right disgusting to do this to the locals and to the people who have support Maui for decades.

Get ready for a legal storm of lawsuit, we will fight and sue the county for our rights.

Matt

SB-2919-SD-1

Submitted on: 2/28/2024 5:47:24 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Wilson Almonte	Individual	Oppose	Written Testimony Only

Comments:

To whom this may concern,

my name is Wilson Almonte, and I am a short rental condominium owner in Maui. I oppose SB2919 for many reasons.

Operating a short-term rental has been crucial for sustaining my livelihood and enabling me to meet financial obligations, such as mortgage payments, HOA fees, property taxes, and repairs in the unique economic landscape of Hawaii.

The bill will jeopardize the economic stability of families who rely on short-term rentals, as well as the economic opportunities for self-employed individuals, such as housecleaners, gardeners, site managers, and handymen, who service the vacation rental sector.

For the above mentioned reasons oppose SB2919.

Sincerely,

Wilson Almonte

SB-2919-SD-1

Submitted on: 2/28/2024 5:47:38 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Abhi Indap	Individual	Oppose	Written Testimony Only

Comments:

Aloha!

This Bill could result in the phasing out of 13,744 **LEGAL** short term rentals on Maui.

Maui's STRs provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's 1.7 billion dollar budget. Where will that revenue come from?

Many of us, rely on the income generated to pay for the mortgage, pay the HOA (which in turn is generating employment), property taxes etc. plus contributes to the local economy and vibrancy as tourist spend their \$ around the island. Any change to the existing, will result in tremendous hardship to us in even keeping this porperty but more importantly, it will have direct repurcussions on other aspects of govt sources of funds and govt and pvt employment.

Mid and Short-term Rentals also accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.

Events like the Lahaina Fire displaced thousands of residents. Where will residents find temporary, furnished housing if our industry is further decimated?

Please don't break something that is working for everyone. It will get messy really quickly for everyone involved and impacted - directly and indirectly and will open up legal processes that will again cost further time and money even for the govt. Will this be worth?

SB-2919-SD-1

Submitted on: 2/28/2024 5:49:30 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Georgia Mamula	Individual	Oppose	Written Testimony Only

Comments:

Our Testimony

I am writing as an owner and rental property in Kihei. Maui county has the most restrictive STR laws in the State. There will be no more STRS built in Maui County due to past legislation. The current vacation rentals support our tourism and local economy. With the short-term business, their will be many more unemployed locals, no where to work moving off Maui to different islands. The rental industrial brings 1000 and 1000 of jobs for the local.

TAT dollars are large contributor to affordable housing.

The property values of theses condos will do nothing for affordable housing. Locals will leave Maui; the tourist will stop coming because ridiculous hotel cost. That will bring Maui to a lonely Alta, then what.

The important point is the Apartment zoned complexes on Maui, which have been legally operating since the 70th via or ordinance per the Minatoyal List. Trying to convert theses complexes that again have been operating as STRS.

They have been legal for decades. You will be opening the door to many lawsuits, by owners, brokers etc. All state and counties to deal with and fight in court.

Leave theses apartment zoned complexes alone and focus on building new housing, more housing in the areas where the Laiana locals want to live and force them to move to where they do not want to be. We have plenty of land on Maui. You cannot take owners rights away.

This is out right disgusting to do this to the locals and to the people who have support Maui for decades.

Get ready for a legal storm of lawsuit, we will fight and sue the county for our rights.

SB-2919-SD-1

Submitted on: 2/28/2024 5:50:03 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert Wu	Individual	Oppose	Written Testimony Only

Comments:

As a STVR owner in Hawaii, I oppose this proposed legislation because it will have several negative effects: 1) it will decrease my income which I need to survive: 2) It will prevent me from providing employment to local workers who do the housekeeping, handywork, yard work, etc.; 3) It will negatively impact the local economy and tourism.

February 28, 2024

RE: SB2919 SD1

OPPOSED

Aloha Chair and Committee Members,

I am writing in opposition to SB2919 SD1. This bill, in response to the *Hawaii Legal Short-Term Rental Alliance v. City & County of Honolulu* injunction issued by Judge Watson in in October 2022, is misdirected, unnecessary, and counter-productive.

The bill states the loss of homes to vacation rentals "contributes to a statewide shortage of homes and to the high cost of housing in Hawaii." According to the bill, the solution is to give the counties authority to amortize or phase out non-conforming single family transient vacation rentals (TVRs).

Yes, TVRs contribute to a shortage of homes and high housing costs, but are they the main culprit? No, they are not.

According to an article on the Grassroot Institute of Hawaii's website, *Why Housing In Hawaii Is Expensive*, by Joe Kent (9/15/2022), the main reason housing is so expensive is because we have the most burdensome housing regulations in the nation. The article states, "On average, it takes over 10 years for home builders to turn a raw piece of land into a house, and sometimes it takes even longer." Based on my personal experience building my own home, I agree with that statement.

Shouldn't we be addressing the real elephant in the room, over-regulation? Until we stream-line the permitting process for home construction and affordable housing, we will continue to have a shortage of homes and high housing costs.

As a homeowner on Kauai for over 40 years, I am surrounded by vacation rentals in Ha'ena where I reside. But, those vacation rentals provide jobs for my family and friends who also live here. They provide revenues for the State and County through transient vacation rental taxes. And short-term guests pour millions of dollars into our local economy. And you want to phase that out all because the City and County of Honolulu passed a defective ordinance that was enjoined by a federal judge?

There are other ways to address this issue on the municipal level, as Kauai and Hawaii Island have done. The City & County of Honolulu can pass an ordinance that grandfather in property owners who have been renting for less than 90 days. We did it. City & County of Honolulu can do it, too.

Why burden the entire State with a new law that has layers of new requirements? Counties already have enough zoning laws, general plan rules, penalties, fines, etc. Honolulu can fix their problem at the municipal level. You don't need to pass a State-wide law.

Please consider the other contributing factors to the housing issues, such as the high cost of building materials that have to be shipped into the State and, especially, the proliferation of hotels where hotels are not needed or wanted by local residents (for example, the proposed 360 room Coco Palms Resort at Wailua, Kauai).

Do not blame TVRs as the culprit. As I said, this bill is mis-directed, unnecessary, and counter-productive. Vote No.

Sincerely,

Teresa Tico

Teresa Tico
P.O. Box 220
Hanalei, HI 96714
(808) 639-9080

SB-2919-SD-1

Submitted on: 2/28/2024 5:52:50 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Helene Kayem	Individual	Oppose	Written Testimony Only

Comments:

Aloha!

My husband and I are relatively new condo owners at a resort in Maui, fulfilling a lifelong dream that we have worked very hard to achieve. We can't help feeling anxious and worried: do we sell now or do we wait and risk losing our life savings?

We empathize with the locals and understand the complexity of this situation.

It's a cycle. We provide a condo for tourists to stay at while vacationing in Maui, and when tourists visit, they spend money which supports the livelihood of the locals. We employ a housekeeper who relies on this income. Additionally, we have a handyman who cleans our windows and performs various repairs. There's also a realtor involved, so three locals are directly positively impacted by our condo alone. Furthermore, our resort has staff working at the guest registration desk in the lobby who would no longer be needed.

With an average of 5 bookings a month, that amounts to 60 rental cars a year. We experience close to 100% occupancy, assuming each booking includes a dining-out experience once a day, resulting in over 300 restaurant visits a year. Moreover, my 60 bookings a year are likely to participate in various adventures such as a tour or a boating trip, leading to 60 fewer bookings in the adventure and sightseeing business. While locals may have condos to live in with new strict STR laws, there will be a lack of work to cover living expenses and rent.

On another note, our monthly costs for our one-bedroom condo are as follows: HOA fees alone are \$1668 a month, plus mortgage payments of \$3411, utilities \$125, and insurance \$75, for a monthly total of \$5,279. Who can afford these payments beside a tourist on a short visit? And with restrictions, let's say 180 days per year, who can afford the \$5,279 a month for the remaining 6 months? People like us would have to sell, and many more would have to do the same. All of a sudden, our impact on the local economy - employing three locals, generating 60 car rentals, and facilitating 300 restaurant visits per year - is multiplied by the hundreds.

Thank you for taking your time to read. Feel free to reach out with any questions at helenekayem@hotmail.com.

Mahalo, Helene

SB-2919-SD-1

Submitted on: 2/28/2024 5:59:33 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Sarah Baskurt	Individual	Oppose	Written Testimony Only

Comments:

dont do it

SB-2919-SD-1

Submitted on: 2/28/2024 6:01:20 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Fenny Patterson	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill

Dear senator Dela Cruz, Chair
Senator Moriwaki, Vice Chair
Senator Rhoads, Chair
Senator Gabbard, Vice Chair and Members of the Committee:

I **OPPOSE** SB2919, SDI for the following reasons:

- Papakea was built in 1978 and has operated as vacation rentals for almost 50 years.
- Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry level positions and worked into supervisory roles.
- Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, tree trimming and janitorial.
- Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue.
- Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors.
- Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), TA Tax, GE Tax and Maui TA tax.
- Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park and shops.
- Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community.
- For the reasons stated herein, **I OPPOSE SB2919, SD1 AND URGE THE COMMITTEE TO DEFER IT.**

Respectfully submitted,

Joseph Consul
Papakea STR owner since 2009

SB-2919-SD-1

Submitted on: 2/28/2024 6:11:20 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ken Sim	Individual	Oppose	Written Testimony Only

Comments:

This Bill seeks to shut down short term vacation rentals who are operating legally. This punishes citizens who have obeyed the laws by taking away their livelihoods. Do you know that there are B&Bs who have operated for decades that will be shut down. The number of citizens operating rentals is stable - it is not increasing in spite of what some folks who do not like rentals say, testify too, and get the news agencies to say.

Please do not move this Bill forward.

SB-2919-SD-1

Submitted on: 2/28/2024 6:13:59 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Lau	Individual	Oppose	Written Testimony Only

Comments:

Hello,

I am writing to express my deep concerns regarding SB2919 and its potential impact on my livelihood as a property owner who relies on rental income to support my family.

As a responsible property owner, I have diligently managed my rental property to provide safe and comfortable housing for tenants while also ensuring a steady source of income for my family's financial well-being. However, SB2919 threatens to undermine this delicate balance by diminishing my rental income and placing undue financial strain on my family.

The provisions outlined in SB2919 could impose significant restrictions and burdensome requirements on property owners like myself, including limitations on rental rates, eviction processes, and property management practices. These restrictions not only undermine property rights but also disregard the unique circumstances and responsibilities of individual property owners.

Moreover, the proposed measures fail to consider the diverse needs and circumstances within the rental market, leading to unintended consequences such as reduced investment in rental properties, decreased housing availability, and ultimately, higher rental costs for tenants.

As a property owner dependent on rental income, the passage of SB2919 would directly impact my ability to provide for my family's basic needs, including housing, education, and healthcare. The resulting loss of income could jeopardize our financial stability and undermine our quality of life.

I urge you to reconsider the implications of SB2919 and work towards more balanced and equitable solutions that address the needs of both tenants and property owners. Collaborative efforts that promote responsible property management, tenant rights, and affordable housing are essential to fostering a thriving and sustainable rental market for all stakeholders involved.

Thank you for considering my concerns, and I hope for your thoughtful deliberation on this critical issue.

Sincerely,

Michael Lau

SB-2919-SD-1

Submitted on: 2/28/2024 6:14:07 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Arthur Schneider	Individual	Oppose	Written Testimony Only

Comments:

If this bill is passed, I will have to sell my condo and stop vacationing there. I will not be able to afford to keep the condo without short term rental income.

1. term rentals provide 40% of real property tax revenue for Maui. It is the top funding source for affordable housing for Maui. Where will the revenue come from to replace this lost revenue? Getting rid of STR is economic suicide for the county. Not only will property taxes be lost, jobs such as housekeepers, maintenance, people who work at property management will also be lost. Also less people will be coming to Maui because STR are the affordable alternative as to where most people stay when on vacation. Less visitors impact local retailers, restaurants, food trucks, snorkel rentals, kayak rentals, dive boats, everything related to visitor activities. Many people currently working in this industry will lose their jobs.

Short term rentals accommodate displaced residents, newly housed resident, residents in transition, inter island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military and students, our family and friends.

The Lahaina fire displaced thousands of residents. Where will residents find temporary, furnished housing if the short term rental industry is further decimated?

SB-2919-SD-1

Submitted on: 2/28/2024 6:15:29 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Layton and Julianna Monroe	Individual	Oppose	Written Testimony Only

Comments:

Dear Senator Dela Cruz , Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard , Vice Chair and Members of the Committee:

We OPPOSE SB2919,SD1 for the following reasons :

- * Papakea was built in 1978 and has operated as vacation rentals for almost 15 years .
- * Papakea employs approximately 35 local residents, some which have worked at the property for over 15 years.
- * Papakea supports a wide variety of local trade professionals including pest control , HVAC , plumbing , electrical and tree trimming.

- * Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on STR revenue.
- * Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on island agents and contractors.
- * Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short term rental rate) , Transient Accommodation Tax , General Excise Tax and Maui Accommodation Tax.
- * Papakea guests support many small businesses on the island, including restaurants, food trucks, tour operators, state parks , national parks and shops.
- * Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community.

For the reasons stated herein I OPPOSE SB2919, SD1 and urge the committee to defer it.

Respectfully submitted :

Layton Monroe and Julianna Monroe

02/28/2024

SB-2919-SD-1

Submitted on: 2/28/2024 6:16:28 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jenny Parker	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

My husband and I first visited Maui in 1994 shortly after graduating from college. We scraped together our money and used a 50%-Off coupon from the old Entertainment book, and stayed at the Sands of Kahana in West Maui. This is how we humbly fall in love with Maui.

We purchased our first condo in Kamaole Sands in Kihei in 2008, then a second unit in 2010. Our two condos are managed professionally by a local property management company. We have also used the same cleaning crew for the past 5 years, a local small family-owned business based in Wailuku. We have hired 3 local contractors and did 4 major renovations since 2008.

We take great pride in the ownership of our two Maui condos. We have welcomed countless vacationing families into our Maui home.

Short-term rental of condos presents a budget-friendly way for families to travel, as Maui hotels are becoming increasingly expensive, and cost prohibitive for average American families.

While we are not lucky enough to live on Maui yet, we have invested our hard-earned money on our beloved Maui, and we have been contributing solidly to the Maui economy since 2008 through our purchases, dining, and entertainment when traveling there or when improving our properties, and especially through taxes.

We urge you to please vote no on SB2919, as this bill threatens the Maui short-term vacation rental market.

This bill creates uncertainty for the short-term vacation economy, and will certainly bring Maui property values (and therefore property taxes) down with it. This will negatively impact not just us as individuals, but will negatively impact Maui's tax revenues, and all of the many residents that work and serve in the short-term vacation rental industry, as well as all of Hawaii's tourist industry and related industries like restaurants, tours, water-sports, etc.

Please vote no on SB 2919.

Mahalo,

Jenny and Trent Parker

SB-2919-SD-1

Submitted on: 2/28/2024 6:17:21 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Sylvia Wilks	Individual	Oppose	Written Testimony Only

Comments:

Aloha, I am opposed to this bill on the following basis:

- I have happily rented my friend's condo at an affordable rate, enjoyed Hawaiian hospitality and contributed to the economy visiting restaurants and supporting vacation activities. If I had. It had this option over several years I would not be able to afford to visit Maui.
- This Bill could result in the phasing out of 13,744 LEGAL short term rentals on Maui.
- Maui's STRs provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's 1.7 billion dollar budget. Where will that revenue come from?
- Mid and Short-term Rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.
- Events like the Lahaina Fire displaced thousands of residents. Where will residents find temporary, furnished housing if our industry is further decimated?

Mahalo, Sylvia Wilks

SB-2919-SD-1

Submitted on: 2/28/2024 6:22:25 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Tien Doan	Individual	Oppose	Written Testimony Only

Comments:

Subject: Strong Opposition to SB2919 - Protecting Maui's Short-Term Rentals

I am writing to express my deep concerns and opposition to SB2919, which poses a significant threat to Maui's short-term rental (STR) industry. This bill could have devastating consequences, including the potential phasing out of 13,744 legal short-term rentals on Maui.

Maui's STRs play a crucial role in our community, providing essential real property tax revenue that accounts for 40% of the county's total revenue. Additionally, this revenue is a key funding source for affordable housing initiatives on the island. The potential loss of this revenue, which represents 18% of the county's budget, raises serious questions about how essential services and programs will be funded in the absence of this vital income stream.

Moreover, Maui's short-term rentals serve as a lifeline for many residents and visitors alike. They accommodate displaced residents, newly housed individuals, residents in transition, inter-island visitors seeking medical treatment or family visits, traveling nurses, emergency contractors, temporary military personnel, students, as well as our own family and friends. In times of crisis, such as the Lahaina Fire that displaced thousands of residents, these rentals provide crucial temporary, furnished housing options.

If SB2919 is passed and further decimates the STR industry, residents will be left without viable options for temporary housing in times of need. The impact on our community's resilience and ability to support those in transition or crisis situations cannot be understated.

I urge you to reconsider your support for SB2919 and instead focus on solutions that preserve the important contributions of Maui's short-term rental industry to our economy, housing availability, and community well-being.

Thank you for considering the implications of this bill on Maui's residents and economy.

Sincerely,

Tien Doan

808-385-2260

SB-2919-SD-1

Submitted on: 2/28/2024 6:27:59 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ann Ruff	Individual	Oppose	Written Testimony Only

Comments:

I am writing to oppose SB2919 because it will have a devastating effect on the people of Hawaii. Not only will it effect them economically but the economic fallout from the lack of jobs, decreased state revenue, etc. will lead to health and other issues. The county of Maui is already devastated by the Lahina fire and the additional and extra ordinary efforts it will take from everyone to rebuild. Taking away jobs and creating change at a time of crisis will only compound a very serious situation. Please take into consideration all the testimony you have received from individuals such as myself that believe in the democratic process and hope our legislatures will hear the outcry against this bill. Thank you for your time and consideration.



The Senate Committees on Judiciary and Ways and Means

Hearing Scheduled: March 1, 2024 10:31am
State Capital, Conference Room 211

Re: SB 2919, Relating to Zoning

Testimony in Strong Opposition

Aloha Chair Rhoads, Chair Dela Cruz, Vice-Chairs, and Members of the Committee,

The O`ahu Short Term Rental Alliance (“OSTRA”) represents many thousands of residents who own, manage and work within the legal mid and short-term rental industry – and we oppose SB2919.

Our rentals provide over 13,000 living wage jobs that support property managers, cleaners, contractors and their families. Our short and mid-term rentals provide critical housing to meet the needs of residents and vacationers. Short-term rentals on O`ahu provided \$46 million in taxes and fees toward the state’s budget in 2022 and contributed \$165 million toward the County budget.

We believe you also will oppose SB2919 when you understand the immediate implications for housing, local jobs, the economy, and tax revenue for Hawai`i. Simply holding hearings on these types of bills creates unnecessary uncertainty particularly for housing, tourism, and real-estate related businesses at a vulnerable time.

SB2919 would give the counties authority to enact ordinances to eliminate, or phase out short-term rentals in any zoning classification.

What Hawai`i needs most is clear, consistent, fair rules for business to thrive. Instead, this bill would have each County able to eliminate existing property rights without compensation (so making it legal for Counties to do what would now be considered an illegal taking of private property). The most likely result will be confusion, litigation, and illegal attempts by county officials to eliminate productive, legal, tax and local-job generating businesses.

This bill creates fear for some of our most vulnerable residents and would hit them hardest: on O`ahu, 80% of the short-term rental owners are residents and also *kupuna* (*seniors*). 70% of them own 1 unit that provides income to subsidize the ever increasing cost of living in Hawaii.

Our short-term rentals provide furnished, temporary housing to residents as well as visitors. 25% of Oahu’s visitors are non-vacationers (per the HTA). 13% of those visitors are friends and family that need affordable accommodations. It is very likely that if you live on another island, you have stayed in a short-term rental on O`ahu.

The following groups stay in our affordable, temporary or transitional housing¹:

Residents

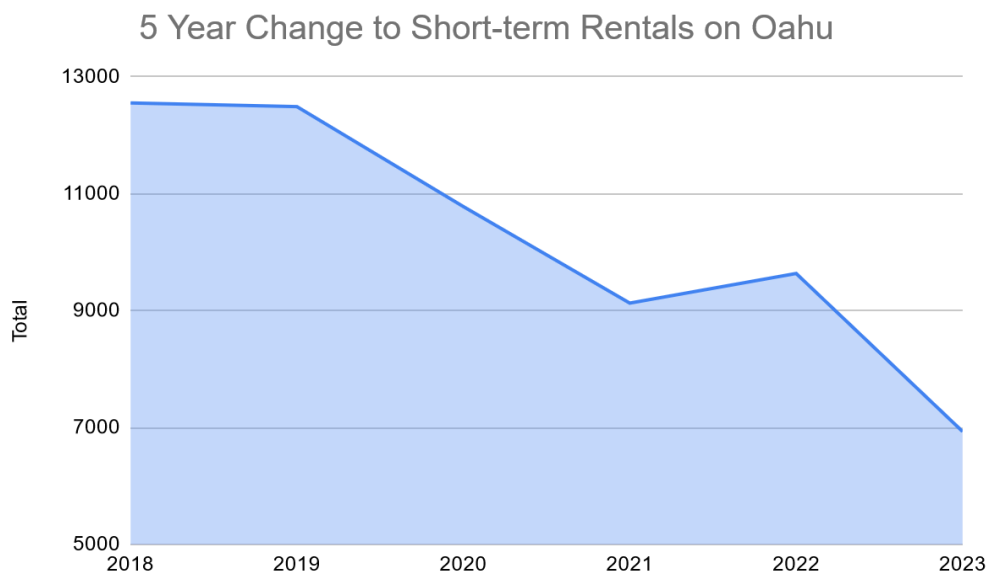
- Inter-island neighbors visiting for work, health procedures or family events
- Residents displaced from emergency events such as the Red Hill Crisis and the Marco Polo fires
- Residents needing temporary housing due to life's transitions
- Newly housed residents that cannot qualify for an annual lease
- Residents needing a vacation or place to gather for events

Non-Residents

- Thousands of Traveling Nurses and other medical personnel
- Temporary military and emergency contractors
- Film and sporting event participants
- Family & friends visiting for various life events

These residents and important visitors cannot afford the average hotel rate of \$700/night. They choose short-term rentals for affordability and also the livability versus a hotel room.

The following chart shows the **45% decline** in short-term rentals on O'ahu due to regulations:



SOURCE: AirDNA, July 2023

By passing this Bill, the counties will further eliminate mid and short-term rentals creating another housing problem for residents and important visitors.

Excluding rentals defined as “hotel units”, O’ahu is down to 2,000 legal short-term rentals or 1% of our housing. Vacant homes account for 9% of all housing on Oahu.

¹ Note, for O’ahu, the short-term rental (less than 30 days) industry is extremely small and increasingly owned by hotels due to recent changes in Honolulu County rules (and recently amended by the Courts due to successful litigation by a group representing owners called HILSTRA). Due to the litigation, there is now a small group of people who can advertise for mid-term rentals. This group may become increasingly important as STRs have almost disappeared on O’ahu but much of our existing data does not necessarily distinguish these new categories.

We support legal rentals and will work to make compliance clear and easy. Unfortunately, it appears that the inability of the Honolulu City and County Planning and Permitting Department to enforce existing regulations before passing new regulations has resulted in continued illegal activity. Additional authority will result in new laws that will punish those operating legally, and proliferate the illegal activity.

Our industry provides living-wage jobs, flexible housing and vacation options, opportunities for residents to own, live, and rent, and keeps spending in the communities.

Please do not pass this Bill that would allow the County to further erode an essential right and component of housing for our residents and important visitors.

Sincerely,

Kelly Lee

Kelly Lee, President
O'ahu Short Term Rental Alliance (OSTRA)
Contact@OSTRA.org



The Senate
The Thirty-Second Legislature
Regular Session of 2024

To: Committee on Ways and Means
Committee of Judiciary

Date: March 1, 2024

Place: Conference Room 211
Hawaii State Capitol
415 South
Beretania Street

RE: SB 2919, SD1 Relating to Property

Senators, Donovan Dela Cruz, Chair and Sharon Moriwaki, Vice Chair and Members of the Committee On Ways and Means.

Senators, Karl Rhoads, Chair and Mike Gabbard, Vice Chair and Members of the Committee on Judiciary

Rental By Owners Awareness Association (RBOAA) fully supports compliance with State taxation laws and County zoning regulations.

We **OPPOSE** SB 2919 SD1

The Bill will allow for the counties to amortize or phase out transient accommodation uses in residential or agricultural zones. The result will be that citizens who have been legally operating STR will now be shut down. There have always been, in every county, non-conforming use within residential zones. The counties started granting non-conforming use permits/registration as long ago as the 1980's. This is over 40 years. Most counties now do not allow for new permits, so ultimately the number is stable and will diminish over time without the necessity of the county amortizing or phasing out. We also bring to the attention of the legislature that there are many Bed and Breakfast establishments that have operated for decades, and they will all be shut down and lose their livelihoods.

What was legal is now taken away.

Secondly, the Bill will shut down all the citizens who have been operating rentals for 30 day or longer stays. That is the impact of the Bill's newly defined "transient accommodation - includes uses that require the payment of transient accommodations taxes."

The State Department of Tax collected TAT on any rental of 180 or less. However, a county with a definition of a STR of 30 days or less will automatically eliminate all those rentals of between 30 and 180 days.

This also is not a phasing out or amortizing – it is an immediate shut down. What was legal is now deemed to be illegal by this definition change. This may be challenged as a government taking.

Third, the language of “the time, place, manner, and duration in which uses of land and structures may take place ...” This language is vague and does not give the public an understanding of the authority being granted.

For the above reasons, we respectfully request that this Bill be deferred.

Sincerely,

Alicia Humiston, President
Rental By Owner Awareness Association

SB-2919-SD-1

Submitted on: 2/29/2024 10:08:07 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Sean O'Donnell	Testifying for Kinas Maui Condo Rentals LLC	Oppose	Written Testimony Only

Comments:

Aloha,

My name is Sean O'Donnell, and I am a local resident of Maui, Hawaii. As a new business owner who recently purchased a short-term management company with my life savings, I am writing to express my strong opposition to SB2919.

This bill, if passed, will have a significant negative impact on my business, as well as the employees and locals who depend on it for livelihood. We manage two large estates legally permitted on agricultural land, as well as condos at Papakea Resort. Through these short-term rentals, we provide essential employment opportunities to numerous locals, including housekeepers, handymen, and landscapers, whose jobs are reliant on the opportunities created by short-term rentals. All of our owners also use these properties as their second homes, visiting often and being a part of our itegral community. So many different local families would be horribly impacted by the widespread disaster this would cause to our islands way of life.

SB2919 aims to heavily regulate vacation rentals, including requiring pre-approval for all listings, imposing hefty fines for non-compliance, and granting counties the ability to phase out non-conforming use certificates retroactively. This overreach is a clear violation of property owners' economic rights and will have devastating consequences for our industry.

Furthermore, the bill's implications extend beyond the business aspect. Mid and short-term rentals play a crucial role in accommodating displaced residents, those in transition, traveling nurses, emergency contractors, temporary military personnel, and students. Events like the Red Hill Crisis and Marco Polo fires have previously displaced thousands of residents, highlighting the importance of having temporary, furnished housing options available.

I urge you to consider the detrimental effects of this bill on local businesses and communities. As a proud supporter and member of the local community, I believe it is essential to oppose legislation that threatens the livelihoods of working-class families and the vibrant local economy.

Mahalo for your attention to this matter.

Sincerely,

Sean O'Donnell Maui, Hawaii

I'm a Canadian who has been coming to Maui every year since the 1970s. I manage and rent out four properties in Kihei. My parents purchased our first condo in the 1970s and we have rented out their unit for short term rentals since the beginning. Over the last couple of decades, I have purchased three additional properties that are available for short term rentals.

Tourism and vacation travelers are essential to the economic prosperity of Maui. I believe tourism contributes to about 70% of the State's GDP. I have personally seen this tremendous benefit the non-residents bring to the island in the way of financial and positive support to the local residents.

Over the years we have been able to provide short-term rentals to many guests. Recently there has been resistance to coming to Maui due to the public broadcast of "don't come" to the island. This attitude not only negatively affects property owners but also the local service providers who benefit from travelers to the island. We have experienced the direct effects of a reduction in tourism during the Covid times and we have yet to fully recover from the attitude after the Lahaina fires.

My basic understanding of SB2919, is that the government wants to reduce the number of short-term rental providers on the island. I gather that the belief is that by reducing the number of short-term rental properties is that it will increase the access to affordable accommodation. This may be partially true, but it is in no way proportional to directly assisting local residents. The revenue to the government and local services providers by far out way the perceived benefits to improved access to affordable housing.

STR TAXES RECEIVED BY COUNTY

For example, if an owner offers their property for short term rentals, they pay the following taxes to the government:

1. Rental Taxes (17.75% of gross rent)
 - a. TAT = 10.25%
 - b. MCTAT = 3%
 - c. GET = 4.5%
2. Property tax (which is much higher than owners who do not rent)

So, if property is able to generate \$100,000 of rental income per year on a \$1,000,000 property, what is the annual tax to the government? Answer ~\$26,250

1. Rental Taxes = \$17,750 every single year
2. Property Taxes = \$8,500 every single year

Let's say the property is no longer available for short-term rent and instead the property is sold to a local resident. The government would receive the following:

1. Rental Taxes = \$0
2. Property Taxes are reduced dramatically (i.e. let's say 65% reduction) = ~\$3,000

In this scenario, the county would lose \$23,250 of tax revenue every single year.

REVENUE RECEIVED BY THE SERVICE PROVIDERS

Let's say each family who comes to Maui spends \$2,000 on local services per week (food, restaurants, activities, etc.). With average occupancy of 80% that would be 42 weeks of the year an additional \$2,000 would be added to the local economy. For a total of \$84,000 directly added directly into the local economy.

TOTAL LOSS TO THE COUNTY

The example property listed above brings in \$107,250 to the local economy. The direct tax revenue received if converted to resident owned would be ~\$3,000.

This is an annual loss of over \$100,000 each and every single year moving forward.

Note: this does not include the secondary benefits of taxes and services used by the local service providers who focus on the tourism industry.

SUMMARY

I am vehemently opposed to SB2919 for a multitude of reasons such as:

1. Reducing the available short term rental properties will directly DECREASE the number of non-residents to Maui = BAD
2. This will DECREASE the rental & property taxes collected by the government = BAD
3. This will DECREASE revenue to the local service providers (i.e. cleaning, property management, on-island reps and other rental related services) = BAD
4. This will DECREASE revenue to the local food and restaurants = BAD
5. This will lead to the LOSS OF JOBS for the local service providers = BAD

This proposed bill is like shooting oneself in the foot. As soon as you reduce the non-residents, you will dry up your revenue base and will initiate a downward spiral of financial woes. Whatever money is left over will never be enough to support the basic needs of the residents. Non-residents greatly subsidize the services that directly residents benefit from.

SB-2919-SD-1

Submitted on: 2/28/2024 6:36:43 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
ANTHONY MAGLIOCCHINO	Individual	Oppose	Written Testimony Only

Comments:

Aloha:

I'm writing to express my opposition to SB29919. I have been an owner of a studio condo in Kihei (Kihei Bay Surf) since 1996 (28 years), which I primarily use as a short-term rental and to a lesser extent for personal use.

I understand and appreciate the need for affordable housing in Maui. However, I also understand that Maui's budget relies on taxation and Maui's economy relies on tourism, both of which would be negatively impacted by eliminating the limited number of short-term rentals available on the island. Last year (with significantly reduced rentals following the Lahaina fire) my condo generated nearly \$6,000 in transient accommodations and general excise tax. Over the 28 years I've owned the condo I'd estimate it has generated on the order of \$140,000 in tax dollars. I can't even begin to imagine the amount of money spent in Maui by the many short-term renters over those years. The condo also supports local cleaners and property management personnel who make Maui their home.

It also is my understanding that Maui's short-term rentals provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This short-term rental property tax revenue represents 18% of the county's 1.7 billion dollar budget.

Please consider the negative impacts that Senate Bill 2919 would have on Maui's economy, the local jobs that rely on short-term rentals, and the many jobs that rely on the tourism associated with short-term rentals

Thank you,

Anthony Magliocchino

SB-2919-SD-1

Submitted on: 2/28/2024 6:41:01 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Pablo Dubuk	Individual	Oppose	Written Testimony Only

Comments:

I am writing in opposition to this bill on the grounds that short term rentals have a place in the community. They accomodate displaced residents, residents in transition, inter-island residents that come for medical treatments as well as housing for medical and military personnel.

Secondarily, short term rentals also bring in much needed tax revenue.

Please continue to allow short term rentals to exist as an alternative to hotels, especially as these rentals are, in some ways, more accomodating / affordable for families.

My wife and I live on Maui and have owned a condo in Kihei, Maui for 12 years. We purchased this condo for our own use and to rent out as a short-term rental. We do not want to rent it out on a long-term basis because it would prevent us from using it ourselves. It has always been legally available to visitors as a short-term rental. When we purchased this property, it was understood that we could rent it out as a short-term rental to help pay the cost of ownership. The state and county have allowed us to do this legally. We pay significant property taxes for this property and our visitors pay significant transient accommodation taxes for using this condo. We paid a premium for the property when we purchased it in 2012 based on the income stream it could generate as a short-term rental. We also have been paying a premium on the loan for this property because it was a rental.

Now, after paying all these costs for all these years, the state is considering changing the rules that apply to our condo. It is not fair to change the rules mid-stream. If this bill passes, my wife and I will be forced to sell our condo because we depend on rental income to make the mortgage payments. SB2919 and HB1838 will both negatively impact the value of our condo. Depending on how much the value declines, we may even need to sell it at a loss. This will be a significant financial burden on us and I am unsure how we can cope.

Changing the law that applies to condominiums in this significant way is not fair. We made a long-term commitment based on the long-term rules that have been in place for decades. Any changes to these rules should only apply prospectively. At a minimum, pre-existing short-term rentals that have been complying with the laws should be grandfathered under the existing laws.

Please vote no on SB2919 and HB1838.

Thank you.

Erik Jacobson

Haiku, HI

SB-2919-SD-1

Submitted on: 2/28/2024 6:49:47 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Terri Murai	Individual	Oppose	Written Testimony Only

Comments:

In Opposition to SB2919: Protecting Maui's Economy and Diverse Tourism Options

Maui County,

I am writing to express my strong opposition to SB2919, which proposes the significant reduction of short-term rentals (STRs) in Maui. While I understand the desire to address concerns regarding housing availability and potential impacts on local communities, I believe SB2919 would have unintended consequences with significant negative economic and social impacts.

Supporting Maui's Cottage Industries:

SB2919 would severely harm the livelihoods of countless individuals who rely on the STR industry to support themselves and their families. This includes:

- **House cleaners:** Many independent house cleaners depend on income from maintaining and preparing STR properties. Eliminating these rentals would result in significant job losses and economic hardship for these individuals.
- **Rental management companies:** Numerous small businesses offer management services for STRs, handling tasks like booking, guest communication, and maintenance. SB2919 would force these businesses to close, further impacting local employment.

Impact on Tourism and Related Businesses:

Maui's tourism industry is its economic lifeblood. SB2919 would significantly reduce the available accommodations for tourists, particularly those seeking more affordable or unique lodging options. This lack of choice would likely:

- **Discourage travel to Maui:** Tourists may choose to visit other destinations with a wider range of accommodation options, leading to a decline in tourism revenue.

- **Negatively impact related businesses: Hotels, restaurants, and other businesses that rely on tourist spending would experience a significant financial impact due to a decrease in visitors.**

Finding a Balanced Solution:

Instead of an outright ban, I encourage lawmakers to explore alternative solutions that address legitimate concerns while preserving the economic and social benefits of STRs. This could include:

- **Implementing stricter regulations and permitting processes for STRs.**
- **Establishing clear guidelines for responsible hosting and neighborhood interactions.**
- **Investigating alternative solutions like increasing affordable housing options for long-term rentals.**

I urge you to reconsider SB2919 and work towards a solution that protects both the unique character of Maui and the economic well-being of its residents.

Sincerely,

Terri Murai



335 Hahani Street #342132 * Kailua, HI 96734 * Phone/Fax (808) 262-0682 E-Mail: htf3000@gmail.com

March 1, 2024

COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair
Committee Members

COMMITTEE ON JUDICIARY

Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair
Committee Members

SB 2919 SD1
RELATING TO PROPERTY

Hawaii's Thousand Friends, a statewide non-profit water and land use planning organization dedicated to protecting the environment, human health, and cultural and natural resources *supports* SB 2919 SD1 that expands the zoning powers of counties over short-term vacation rentals.

Passing SB 2919 SD1 further empowers counties to *enact ordinances deemed necessary to protect health, life, and property and to preserve the order and security of the county and its inhabitants....* (HRS 46-1.5)

The passage of SB 2919 confirms that the legislature does not recognize short-term vacation rentals as a residential use. County General Plans identify resort zoning as the proper zoning for short-term vacation rentals.

SB 2919 is an opportunity to eliminate unpermitted short-term vacation rentals, estimated to be approximately 89,000 homes statewide, in non-resort zoning and prevent these quasi-hotel uses from taking housing away from Hawaii residents.

Hawaii's Thousand Friends urges the committees to keep housing for Hawaii residents and maintain the integrity of county planning and zoning by passing SB 2919 SD1 out of committee.

SB-2919-SD-1

Submitted on: 2/29/2024 10:57:02 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Tina Dieu Tchong-Ovak	Testifying for Papakea	Oppose	Written Testimony Only

Comments:

I **OPPOSE** SB2919, SD1 for the following reasons:

1. Papakea was built in 1978 and has operated as vacation rentals for almost fifty years.
2. Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles.
3. Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming.
4. Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue.
5. Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors; highlighting any specifics about service providers that you rely on.
6. Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Task, and Maui Transient Accommodations Tax.
7. Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops
8. Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community.

For the reasons stated herein I **OPPOSE** SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Tina Dieu Tchong-Ovak

SB-2919-SD-1

Submitted on: 2/28/2024 6:51:08 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Dave Zimmer	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

My name is Dave Zimmer. I am writing in opposition of this bill because short-term rentals are an important component in Maui County's thriving and tourist driven economy.

Short-term rental properties boost the local economy and thus the well-being of the Maui County residents. Rental properties are reliant on locally owned, small, often family run, businesses such as cleaning services, electricians, plumbers, carpet/upholstery cleaners, grounds keepers, and property management companies. These locally owned businesses would suffer greatly with the loss of the revenue generated by these short-term rentals, many of which would likely go out of business. Hotels and resorts do not hire local businesses and entrepreneurs for their electrical, plumbing, cleaning, grounds keeping needs etc. Limitation of entrepreneurship would be a detriment to the Maui County residents in reducing opportunities for their financial and personal growth.

Short-term rental also generate tax money that goes directly to supporting the local economy and residents of Maui County. If short-term rentals are eliminated, that tax revenue will also be eliminated.

Visitors of Maui County enjoy the option of staying in a short-term rental instead of only the option of staying in a hotel like some other destinations require, which increases the appeal of visiting Maui County and thus boosts the economy through tourism. The people of Maui County are reliant on tourism to support the local economy, we need to do all that we can to preserve that.

Short-term rentals are not conducive to month-to-month or year-to-year family living due to their small size. They are deemed short-term rentals because they are often 1-2 bedrooms with relatively low square footage and are not places that families with 4 or more people would feel comfortable living in long-term. The short-term rentals were never designed with the intention of long-term living, and they are best utilized as short-term rentals as they have been for decades.

I am requesting that you do not move this bill forward.

Thank you for your time.

SB-2919-SD-1

Submitted on: 2/28/2024 6:56:21 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Richard Woo	Individual	Oppose	Written Testimony Only

Comments:

Dear Sirs/Madam,

I oppose SB2919 as this will impact people that live on the island of Maui. My vacation rental currently employs family run housekeepers, small mom and pop rental service agency and local handyman. Guest who rents our property also contributes greatly to the local economy, ie restaurants, bars, shopping and tour guides. If SB2919 passes, there will be a heavy toll on all the above mentioned services. Passing of this bill will not make things better, it will make things worse. Thank you for your attention to this matter.

Richard Woo

To whom this may concern,

I am writing to express my strong opposition to SB2919. As an owner of a vacation rental in Hawaii, this bill poses a significant threat to my livelihood and ability to afford living in the state. The operation of my short-term rental has been essential for meeting mortgage payments and sustaining our lives in the unique economic landscape. If SB2919 is enacted, it would make the operation of my short-term rental impossible and jeopardize our ability to continue residing in our home.

The vacation rental industry is a vital component of Hawaii's economy, providing essential income for many residents, myself included. SB2919's restrictive measures create insurmountable challenges for ordinary citizens to engage in this essential industry. The potential impact on my ability to pay my mortgage and provide for my family is daunting.

I urge you to reconsider the ramifications of SB2919 on the livelihoods of residents who rely on short-term rentals. Let us work together to find solutions that balance the needs of the community while preserving opportunities for citizens to participate in Hawaii's tourism industry, ensuring economic stability for families like mine,

Thank you for considering my perspective on this critical issue.

Sincerely,

Kristina Slater

408-568-2992

Krislater6@gmail.com

SB-2919-SD-1

Submitted on: 2/28/2024 6:59:37 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Gary Fowler	Individual	Oppose	Written Testimony Only

Comments:

Hello - I am concerned about SB2919. I am a Hawaii full time Resident in Holualoa, HI. As part of my retirement planning, I invested in an STR property in Kihei. This has been one of my primary investments in life. I don't have a ton of other retirement savings. I am very concerned that this will dramatically reduce my properties value, costing me potentially multiple hundred thousand dollars. My property is very small in square footage and only has 1 bedroom with an ensuite bath. This will not be an attractive property for many full time residents. Because of its ocean view, it currently carries a high value that I believe will impacted dramatically if this passes.

Ultimately, this could push me to have to leave the state (if I don't have enough money for retirement here).

Also - I am very concerned about the all the jobs that may be impacted by this. First from my property manager in Kihei and all of their employees. They have taken good care of me and I think this would be crushing to their business. They would have to layoff their employees. Not to mention all the cleaners that earn a living from this business.

I do want to help the people of Lahaina and am willing to use my property in other ways to help out. I think this partiular bill is such a drastic measure it will have downstream consequences that will cause a problem for a whole new set of people. I sincerely ask that other creative ways are found to address this beyond just punishing the people and the businesses behind the current STVR market.

Sincerely,

Gary Fowler
75-802 Hiona St
Holualoa, HI 96725

SB-2919-SD-1

Submitted on: 2/28/2024 7:01:53 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Johannes Eksteen	Individual	Oppose	Written Testimony Only

Comments:

The proposed bill risks, the entire tourism industry, which is the main source of income and employment in Maui and collapse of the housing market. Cecks and balances are in place through appropriate permits that allows the provision of short and medium term rentals a regulated manner, and this will disrupt beyond repair the current tourism industry in Maui. This should be a very short sighted way of trying to solve the housing crisis and will lead to tremendous unemployment and poverty. Existing incentives to build affordable housing as well as a restriction on further permitting of short term. Rentals are undoubtedly the correct way forward whilst preserving the tourism industry as an employer of the individuals that occur in need of such housing. My medical practice draws heavily on tourism and would not be viable under such conditions and would have to leave Maui and relocate it back to the mainland leaving many patients without care.

Yours sincerely

Dr J A Eksteen

16C Ekahi, 3300 Wailea Alanui Drive, Kihei, 96753

SB-2919-SD-1

Submitted on: 2/28/2024 7:04:18 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Janice Eksteen	Individual	Oppose	Written Testimony Only

Comments:

I'm very disappointed to discover that the state of Hawai'i has tabled a bill to completely eliminate short term rental licenses on Maui. This is extremely shortsighted.

Some years ago, my family visited Maui on vacation and stayed in a short term vacation rental, rather than a hotel. Beyond the fact that the hotels were charging more than double the nightly rate of most short-term rentals, making this the only affordable way to make the trip, we had the comfort of more space, and our own kitchen which allowed us to not only prepare many meals 'at home', but allowed us to socialize with other guests and residents that also used the communal BBQs and kitchen on offer at the rental resort that we stayed at. It was these experiences on this visit where we fell in love with Wailea and Maui and eventually bought a Short term rental property of our own that allowed us to come to Maui and stay in 'our place'. We are able to recoup a significant portion of our costs by running 'our place' as a short term rental business, however our business isn't profitable, nor does it break even. But it makes the difference to allow us to spend our vacation time and vacation dollars on Maui.

For the past 6 years we have invested tens and tens of thousands of dollars into our local, on-island business partners. My (now) husband and I chose to get married in Wailea, and we shared the splendor of our Maui home with 40 of our family and friends. We have built a routine around the recreation that we participate in on Maui; we have made friends with those employed within the travel and tourism industry and make a point of returning again and again to thier businesses. We seek out small and new businesses lauched by local entrepreneurs and support them. We have educated ourselves on the flora and fauna on both land and in the waters of Hawai'i as well as the ecological threats. We have made changes to food and products we consume and purchase so as to be the most responsible and respectful custodians of the land and the people she supports. We lobby our guests and friends to make similar changes.

We are extremely attached to our Maui home, and we aspire to eventually reside here permanently. However, in these pre-retirement working years, we are limited to taking vacation time only. If we were to lose our short term rental license, it would mean the loss of our ability to recoup our costs associated with our 2nd home, and we would have shut down our business and to sell our condo, very likely at a significant loss. This would also mean a permanent loss of access to, and appetite for spending any time in Hawai'i.

We understand the dilemma of law-makers and politicians in a time of widespread shortage of affordable housing. This is not unique to Hawai'i. If you believe that history is a

demonstrative guide, it will tell you that eliminating short term vacation rentals will not solve the housing shortage. But it will most certainly demonstrate that once this source of tax revenue has been eliminated, and the space for tourism to exist has also been eliminated, and the businesses that exist because of this tourism can no longer survive, the job of politicians' and lawmakers will not become easier, and life will not become better for anyone living in Hawai'i.

Sincerely,

Janice Eksteen

SB-2919-SD-1

Submitted on: 2/28/2024 7:05:06 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Judith Sabah	Individual	Oppose	Written Testimony Only

Comments:

To Whom This May Concern,

I am writing to oppose the senate bill 2919 as it will lead to an economical catastrophe for the Maui and its locals. The island lives off tourism. If short term rentals are phased out, the locals won't have jobs anymore. The housing crisis can be better managed than by eliminating the source of income for the locals.

Best,

Judith Sabah

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I oppose Bill SB 2919 for the following reasons:

- 1) My family wants to help local Maui residents affected by the 2023 fires and have agreed to give up our unit at Papakea Resort for 12 months as of February 1, 2024, even though this will have a negative impact on our finances.
- 2) Based on the fact that short-term rentals were permitted by law and the market for such was very strong and forecasted to continue to be so, we decided to purchase a home with the expectation the returns on our investment for several years would provide funds that would assist us in achieving our desire to spend extended time in Maui.
- 3) If the ability to rent short-term is rescinded my financial losses will be significant and would possibly necessitate having to dispose of the property at what is very likely to be a significant loss given this property was purchased as recently as 2018. The legislated change of use would make the property far less desirable to investors or those looking for supplemental income so that they can afford to purchase.
- 4) If all of these properties are lost to the tourist market, many jobs will be lost to local Maui residents including pest control, HVAC, plumbing, electrical, tree trimming, housekeeping, and front desk personnel. Many will have to leave Maui to find work elsewhere. This will lead to many of these properties being left empty as there will be fewer employed locals to rent them.

SB-2919-SD-1

Submitted on: 2/28/2024 7:16:56 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jovanae Hauschild	Individual	Oppose	Written Testimony Only

Comments:

This bill will directly affect the economic contributions to Maui and it's residents. Potentially phasing out over 13,000 short term rentals that were legally obtained would be a huge detriment to economy of Maui. There will be loss of employment due to less need of housekeeping, property managements, concierge services, tourism, service industry, etc... Leaving a greater impact than one can determine at this time.

Maui's STRs provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's \$1.7 billion dollar budget. The question arises: If STRs are curtailed, where will the equivalent revenue come from?

Short-term rentals serve as essential temporary housing with furnished accommodations for displaced residents. Where will residents find temporary, furnished housing if our industry is further decimated? Short-term rentals are accommodating various community members, including displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.

Please oppose Bill SB2919 and keep Maui Strong.

STR Guest Testimony

Hello Chair, Vice Chair and Committee,

My name is Maria Rita Castro I stayed in a short-term rental because I have health issues that require me to eat a certain way, so I prepare my own food and need a kitchen to do so. I would not have visited Maui if I had to stay in a hotel as I would not be able to prepare my own meals as needed. In addition, a hotel room would have been more expensive. I am writing in opposition of this bill for these reasons.

This bill will hurt me, other residents and important visitors that rely on short-term rentals as temporary, furnished, affordable housing.

Please let the counties enforce the laws that they already have. I ask that you please do not move this bill forward.

Thank you,

Maria Rita Castro

Maria Rita Castro
Ritzzy1967@yahoo.com

SB-2919-SD-1

Submitted on: 2/28/2024 7:19:56 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Charlene Tollner	Individual	Oppose	Written Testimony Only

Comments:

I am firmly opposed to this because my parents have owned a rental property in Maui for years. My father has recently passed away and my mother uses her income from her rental for her livelihood. We have been helping her manage a remodel because we will likely inherit this property. Larger units with several bedrooms & a kitchen, washer & dryers are necessary to accommodate bigger groups & families. My parents even used their unit to help a family displaced from the Lahaina fires.

SB-2919-SD-1

Submitted on: 2/28/2024 7:25:01 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Koveh Tavakkol	Individual	Oppose	Written Testimony Only

Comments:

Aloha Hawaii House & Senate Members,

My name is Koveh Tavakkol and I am a proud owner of a 1 bedroom condo unit J110 in the Maui Kamaole condo complex in Kihei. I am writing to express my concerns and protests against both HB1838 and SB2919 that are both being weighed here. Frankly I am shocked that these bills are even being considered, as they work to harm pretty much everyone from owners to workers and tax money within island. I am baffled that we would take action to harm certain owners and to ultimately end up not solving the problems that we think we would be solving. Let me explain:

I have owned this unit since 2017 and an avid supporter of Hawaii since I first fell in love visiting there. My family and I saved up and worked hard to purchase our unit there in the hopes of eventually moving out there one day and being full time residents. Like most people who have moved to the island though, that requires careful planning and time as we approach our retirement, so that meant renting out our unit to help compensate for the costs there. We purchased our unit at a premium cost in 2017 because it was a short term rentable unit. This meant paying much higher prices for our unit compared to others that were not short term rentable units. This also meant a higher mortgage and costs associated with owning the place, which is offset by our short term rental income, and also allows us to come and visit the unit at least twice a year (vacation income from our visits in the economy) and makes owning the unit possible because I spend significant time maintaining and fixing our unit to continue rental.

Now let's look at what our rental is doing for Hawaii and Maui specifically. In 2023, our 1 bedroom unit paid nearly \$5500 in cleaning fees to house cleaners. We paid over \$11,120 in GE/TA taxes to the state from rental income. \$2314 in taxes paid directly to the Maui County. \$840 to HOA guest resort fees. \$14,200 to our local rentals agency in Maui that employees short of a dozen people. On top of that is all the updates, changes and services we pay for every time we visit the island to the local economy there.

Rezoning our property would mean, we would not be able to short term rent our unit and all the income above would largely disappear. I no longer need cleaners that I just paid \$5500 to, don't need guest fees, don't pay the GE/TA taxes that put money into the State and Maui County pockets, don't need a rentals agency to manage anywhere near what I have them manage now. You have now displaced all those workers of their income. On top of that, we are now being directly harmed by an immediate reduction in the value of our property, which would be

an item we would pursue lawsuits against. We also cannot afford to rent our unit for any less than what we do now, because our mortgage never changed since we purchased the unit at a premium. So I have to ask, what did we really accomplish here? Moving it to a long term rental still creates an affordability problem for renters, as we are stuck with costs we cannot change. You instead took nearly \$15,000 a year of taxes out of the State and County, you displaced the jobs of at least a half dozen folks that we pay to take care of our unit, you put us in financial hardship and we still haven't resolved the issue of providing housing for folks.

What I am surprised about is how we are not seeing the results of this. We are just a single one bedroom unit! Imagine thousands and thousands of folks with bigger units than ours, and you can imagine the impacts of what you are considering. Why instead are we not discussing using all the money being generated to build affordable housing away from the tourist areas? Maui and largely the State of Hawaii survives on tourism and needs it to grow and continue to thrive. This is simply a supply and demand issue. Removing tens of thousands of rentals will not just shuffle that income around. It will send shockwaves through the state and counties that simply cannot be recovered from. Supply and demand drives prices and tourists will stop coming to the state. Income will drop out, taxes, jobs lost etc.

Please treat ALL Hawaii owners as respected and appreciated folks and vote NO to these bills. We are as much a part of Hawaii as folks who likely started out in our state and eventually moved there to be on island. We can also certainly say the hotel industries are not and don't have the best interest of the island in mind. Please consider the impacts of what we are discussing and vote NO for the betterment of Hawaii and all the people that are involved in this.

Mahalo,

Koveh

SB-2919-SD-1

Submitted on: 2/28/2024 7:32:13 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Dean Sandow	Individual	Oppose	Written Testimony Only

Comments:

We are writing to voice our strong opposition to SB2919. We write from our perspective as nonresident property taxpayers who use multiple local service providers to maintain our property. While the property is a short-term rental for times when we are not on island ourselves, the rental of the property contributes substantially to the community. Specifically:

We directly employ Maui-based cleaners, management staff, contractors, landscapers, and others to maintain the property.

We and our guests contribute substantially to the economy by shopping locally and using services such as vehicle rentals, equipment rentals, restaurants, tours, and personal care (*e.g.*, barbers).

All levels of these services generate tax revenue for the state and county. Loss of short-term rental options would seriously undermine the local economy.

We are fully compliant with all state and local tax reporting and payment obligations for short-term rentals, thereby directly generating on average \$15,000 in GET and TAT in tax revenues in addition to real property taxes. This number is for one of the thousands of short-term rentals that would be affected. Elimination of short-term rentals would remove this tax base.

Short-term rentals offer families and other guests a more affordable option for visiting Hawaii, as compared to hotels and resorts. Many of these guests will simply go elsewhere or stay home if they cannot afford Hawaii.

Speaking personally, loss of the option to rent to short term guests would do nothing to address the need for housing. We simply would not rent our property.

We urge you to reject this bill.

Dear Hawaii State Senator,

I am writing to you concerning SD2919, SB1. I own a permitted short term vacation rental (STVR) on agricultural land on the Big Island and strongly disagree with this bill. It seems the state has been trying for several years to get rid of STVR for reasons I can only believe is pressure from the hotel lobby on the islands because it gives tourist an alternate, less expensive means of visiting the islands; thereby allowing more people to visit the islands. The permitting process which was implemented in 2019 severely impacted and regulated the STVR; and now **YOU WANT TO CHANGE THE LAW AGAIN** and do **AWAY** with STVRs. You try to make it sound less restrictive by saying STVR on residential and agricultural zone, **BY ALL OF THE STVRS ARE ON EITHER RESEIDENTAL OR AGRICULTURAL ZONES**. You aren't **FOOLING** anyone, you are jkust fucking around with us. Of course the State Senate **NEVER OFFERS REASONS** for the removal of STVRs. This bill does **NOTHING** to fix the housing crisis, though that is sometimes the reason I hear as the reason for these kinds of bills. If you want to fix housing, **TRY RAISING WAGES OF THE PEOPLE WHO WORK HERE**. This State has one of the lowest hourly wages. The permitting process makes sure STVR are properly kept and managed. Which is more than what the State does to manage long-term rentals. There is a long-term rental next door to my STVR and the place is disgusting. Mold growing on the outside of the building and I am told mold growing on the inside. The yard is completely unkept and the owner just lives a couple of houses down the street. The State could make the rules even stricter, but give the owners the ability to respond. My STVR receives rave reviews, guests feel my place offers a wonderful alternative to hotels. These STVR are the backbone of the small business community in the state of Hawaii, they are owned by local people trying to supplement their income. The tourist that visit these islands via STVR bring support to the local stores and businesses in the community. Hawaii is a tourist state (there are **NO** major industries here), and reducing the number of tourists that can make it to the islands, as this bill will do, will severely impact the residents of these islands that are trying to make a living. **PLUS**, I hire local people to do the housekeeping, yard work and maintenance on the building. Helping further the economy of the local business people. This bill is a waste of my tax payer dollars. The state has many **REAL** problems that the legislature should be working on to fix. The following are just a few issues plaguing the state: joblessness, effects of global warming, fixing public schools, fixing roads, reducing business red tape and eliminating the apparent corruption of the State Legislature. Try focusing on these problems which will help the residents of the state, which after all is the function of the State Legislature.

Dear Representative Tarnas, Chair, Representative Takayama, Vice Chair, and Members of the Committee:

I **STRONGLY OPPOSE** H.B. 1838, HD1 for the following reasons:

This Bill could result in the phasing out of 13,744 **LEGAL** short-term rentals on Maui.

Maui's STRs provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's 1.7 billion dollar budget. Where will that revenue come from?

Mid and Short-term Rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.

Events like the Lahaina Fire displaced thousands of residents. Where will residents find temporary, furnished housing if our industry is further decimated?

Before you consider this Bill, please take a look at what has happened in the town of South Lake Tahoe. South Lake Tahoe is a tourist destination and most of its economy is derived from tourism. Once South Lake Tahoe banned STRs, the prices of real estate increased with most of the houses that were once used for STRs sitting empty all year except for the few weeks the homeowners come to visit South Lake Tahoe. In a few years, the local restaurants and businesses have started to close. The jobs have disappeared and even the residences that live there cannot find a local plumber or electrician.

I own at the Papakea resort. The Papakea was built in 1978 where I have been a homeowner since 2013. The Papakea is located oceanfront and was built as a resort and not as permanent housing as the units are fairly small and geared towards visitors. The monthly HOA dues for a 1br at Papakea are over \$1,200 per month. We come to the Papakea with our family 4 times a year. This complex has been operated as a short-term rental for almost fifty years.

Operating a STR at the Papakea allows our family to enjoy Maui and we are able to pay for property taxes and HOA dues.

Papakea employees approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry level positions and now are in supervisory roles and play a key role in the economy of Maui as taxpayers and consumers to support local businesses.

Papakea supports a wide variety of local trade professionals ranging from plumbers, HVAC, pest control, carpenters, electrical, tree trimming and small trades and handymen.

Papakea can only support the current personnel & operational maintenance levels with high HOA dues which rely on short term rental revenue

Papakes STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, contractors that have families and call Maui home and depend on the business they get from STRs. This is important to consider.

Papakea STR supports the State Of Hawaii and the county of Maui through payment of property taxes at the short term rental rate, Transient Tax and General Excise Tax and the Maui TAT. There are other ways to support housing such as using Transient Taxes and General Excise Tax and Maui TAT to be used to fund new affordable housing only for Maui residents and zoned accordingly. The state can mandate a faster permitting process and allow for smaller ADU units to be built. If you shut down STRs where will the funding come from to the state for all the services they provide?

Shutting down revenue sources and printing money only goes so far before the state goes bankrupt and there are many examples in the world were running rampant budget deficits and ballooning debt catches up with the state, country or company.

Papakea is a destination resort and has been operating as such for over 50 years so please consider all the factors carefully and all the jobs that will be lost and the impact to the local economy if STRs are shut down. I would love to see an independent third party do a cost & benefit analysis of the STRs to the state and then show if the tax dollars from STRs is used for new and subsidizing housing for local residents would be a better solution than to shut down small businesses who actually provide jobs for the community.

For the reasons stated herein I OPPOSE H.B. 1838, HD1 and urge the committee to defer it.

Respectfully submitted,

Greg Cheatham

SB-2919-SD-1

Submitted on: 2/28/2024 7:57:05 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Marlon Bottorff	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is Marlon Bottorff, I'm 22 years old and have lived on Maui all my life, it is the place that I have always wanted to save my money to buy a house. I have been working for 5 years and make a decent living, and have been apart of the rental market for 3 years. Looking at how things have gone in this realitively short period of time I can say that it is a very difficult task living here to make ends meet. Since the prices are skyrocketed so high it is very unlikely to be able to afford a mortgage on a decent house. With the lack of long term rental avaiable the price for rent alone force locals to live paycheck to paycheck. If driving local people away is the objective then everything is going to plan, but it in the interest of the residents from this island, we must make change for the people who care about Maui the most. This is just coming from somebody that is young and has the same mentality as most of my generation that still lives on this island. As everybody knows it is a very uncomfortable thought thinking about how future generations will be able to create a comfortable life for themselves and their families. This bill is a step in the right direction for what is rightfully deserved

Mahalo for listening

SB-2919-SD-1

Submitted on: 2/28/2024 8:03:40 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Merrill Nisam MD	Individual	Oppose	Written Testimony Only

Comments:

As a long-standing member of the Maui community since 1980, part-time resident, and soon-to-retire living on island, owning two properties on Maui, I have grave concerns for the adverse implications of this proposed legislation.

I have paid property taxes on Maui since Jan.2000, plus various sales taxes for over 40 years. Together with landscapers, gardeners, construction crews, property managers, my contribution to Maui economy over the past 44 years would tally hundreds of thousands of \$. My near-future retirement residence there, and active interest in politics, will build on that influence.

In aftermath of Lahaina disaster, I have given relief, and maintained lease for workers living in my Paia home, below fair-market value, in spirit of Aloha.

This proposed SB2929, and HB1838, would be unfair burden to myself and similar individuals who have invested heavily, in \$ and spirit, to Maui. Having a 2nd owning, in Wailea, which was purchased explicitly with established history of short-term rental allowance, is the only way I could afford such a property, with combined personal use, but shared with tenants, who are chosen with the commitment to respect the Maui economy, and culture.

Offering our short-term condo rental affords island visitors a place to stay, spend vacation funds on local economy, at a price less than 1/2 of local luxury hotels. We know those hotels have plenty of clientele, with a strong lobby supporting their cause. However, those of us with the few short-term condominium rentals offer a different option, yet plenty of avid interest and voice in this proposal.

Abolition of this short-term rental allowance would force me to evict the long-standing renters in our alternate home there, to allow our ongoing Maui visitation and yet keep the Wailea condominium at an affordable balance of trade.

Therefore, I urge modification, or blockage, of these proposed bills.

Mahalo, MN

SB-2919-SD-1

Submitted on: 2/28/2024 8:04:42 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Eve Hogan	Individual	Oppose	Written Testimony Only

Comments:

We are testifying in opposition to bill HB2919

We are long time contributing residents on Maui (30+ and 40+ years). I was a school teacher here and we have both been self-employed. We are now in our 60's and have both had health issues.

Our vacation rental is our retirement plan,
We worked diligently to get a LEGAL vacation rental permit.

We hire local people with well paying jobs.

We also house long term residents.

We support the community.

We pay huge taxes to support the state.

We house five displaced people in our home for free (which we could not afford to do if we didn't have vacation rentals.)

Our vacation rental houses sports teams and church groups from other islands, family members of local residents who come for reunions, weddings, funerals. If they are forced to stay in hotels....they WILL NOT COME.

PLEASE...Start your efforts on ILLEGAL VACATION RENTALS. This bill has extensive mention of "enforcement" but you have not displayed the ability to enforce the already existing laws. Making more laws that hurt more law-abiding people is illogical. The governor says there are thousands of illegal vacation rentals. START THERE.

We - the legal STR owners - endure a perpetual attack on our business with a FALSE BELIEF that legal vacation rentals are taking away **affordable** rentals. THIS IS A MISDIRECTED ATTEMPT TO SOLVE THE PROBLEM AND WILL HAVE FAR MORE UNINTENDED CONSEQUENCES THAN THE INTENDED.

LEGAL VACATION RENTAL PROPERTIES DO NOT EQUAL AFFORDABLE HOUSING. THEY WERE NEVER AFFORDABLE IN THE FIRST PLACE. THEY WILL NOT MAGICALLY BECOME AFFORDABLE.

THERE ARE EXTREME CAPS already existing on legal vacation rental homes in every community on Maui. In many communities, those caps were not even already met after ten years so they lowered the caps to the match existing STR numbers.

Consequences:

Eliminating legal vacation rentals will take a huge amount of money out of the economy.

It will take a huge amount from the budget with lost TAT, Property taxes and income taxes.

A huge number of high paying jobs will be lost. (Cleaners that are able to work while kids are in school, yard workers, repair and maintenance people).

Local mom and pop businesses will be destroyed when the only tourism takes place on (out-of-state or out-of-country corporate owned) resorts.

HAWAII'S REPUTATION among tourists who lose their accommodations will BE DESTROYED. THEY WILL GO WHERE THEY ARE WANTED and WHERE AGREEMENTS ARE VALUED.

SHUTTING DOWN VACATION RENTALS DESTROYS THE ECONOMY. THIS WAS ALREADY SEEN DURING COVID and the immediate aftermath of the fires. Its was also seen during former Maui Mayor Charmaine Tavares' attack on STRs. IT DOESN'T WORK. WE ALREADY KNOW THAT.

Shutting down all the legal STRs will destroy the lives of as many people as you think it will help, or more. Many STRs are owned by local people who depend on the income for health reasons, supporting their families, supporting the care of their elderly family members and who support the community in a myriad ways. You are taking away our resources for our children and grandchildren.

My questions for you:

What do you want us to do for our retirement income, starting over in our 60's because you took our legal business, our investment and our well-thought-out plan away?

What do you want us to tell the single moms who clean for us and the Hawaiian father of five who does our yard care when our STRH gets shut down? What do you expect them to do?

How are you going to replace the money to the budget when you willingly take this TAT, Property tax and income taxes out of the budget?

Please be thoughtful and logical about this decision. ENFORCE ALREADY EXISTING STR
LAWS AND SEE IF THAT WORKS INSTEAD OF MAKING MORE LAWS THAT ARE
UNLIKELY TO RESULT IN THE DESIRED OUTCOME AND WILL HURT SO MANY
LOCAL PEOPLE and DAMAGE THE ECONOMY.

SB-2919-SD-1

Submitted on: 2/28/2024 8:10:46 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
frank Lafond	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

Mahalo for taking the time to read my testimony.

I am a part time Maui resident. I work from my condo in Maui 3 to 4 months a year, and I rent my condo out as a short term rental between my stays in Maui.

I plan to retire full time in Maui.

I need the rental income from the short term rental stays to pay for the property taxes, HOA fees, and higher insurance since the Lahaina fire. I also need them to pay for my mortgage.

If I have to rent out my condo for 6 months in a row, or/and with lower monthly rent income than currently, I will not be able to make ends meet and to realize my dream of retirement in Maui. I will also not be able to work from my condo in Maui whenever I want, and I have no other place available on the mainland to stay at during these periods.

So, SB2919 would result in lower income for me, but also prevent me from staying in my own condo where I work from. I have only one condo in Maui. This bill/law should definitely not apply to owners like me who have only one condo and live part time or almost full time in Maui.

Mahalo for taking the time to read this.

SB-2919-SD-1

Submitted on: 2/28/2024 8:11:19 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Phyo Kyaw	Individual	Oppose	Written Testimony Only

Comments:

To the Esteemed Members of the Hawaii State Legislature,

I am writing to express my strong opposition to the proposed ban on short-term rentals in Hawaii. As a resident of this beautiful state, I believe that such a ban would have far-reaching negative consequences for our economy, our communities, and our way of life.

Short-term rentals play a vital role in Hawaii's tourism industry, providing visitors with diverse accommodation options that suit their preferences and budgets. By banning short-term rentals, we risk stifling tourism and depriving our local businesses of much-needed revenue. Many families in Hawaii rely on income from short-term rentals to make ends meet, and a ban would threaten their livelihoods and financial security.

Furthermore, short-term rentals contribute to the cultural fabric of our communities by allowing visitors to experience authentic Hawaiian hospitality firsthand. Unlike impersonal hotels, short-term rentals often provide guests with a more immersive and intimate experience, fostering meaningful connections between visitors and locals. Banning short-term rentals would deny both visitors and residents this enriching cultural exchange.

Moreover, it is important to recognize that not all short-term rentals are created equal. Many responsible homeowners operate their rentals with integrity, adhering to local regulations and respecting their neighbors. Rather than imposing a blanket ban, we should focus on implementing sensible regulations that address concerns such as noise, parking, and occupancy limits. By working together to find common-sense solutions, we can strike a balance that preserves the benefits of short-term rentals while mitigating any negative impacts on our communities.

In conclusion, I urge you to reject the proposed ban on short-term rentals in Hawaii. Let us instead pursue policies that support responsible tourism, empower local businesses, and uphold the spirit of aloha that defines our state. Thank you for considering my perspective on this important issue.

Mahalo,

Phyo Kyaw

I STRONGLY OPPOSE SB 2919.

I bought a condo in Hawaii for my retirement, and it is a legally registered rental condo. I follow all the rules and pay all Hawaii taxes. My wife and I stay there part of the year and rent it out most of the rest of the time, so it is occupied at least 80% of the time. If the right to rent my condo were taken away, it would be a financial hardship for me.

If the goal of this bill is to create affordable housing by doing away with short term rentals (STRs), it will not work.

Obviously, the Lahaina fires were a terrible tragedy, and there is a huge need for affordable housing. However, using this tragedy to promote an agenda of getting rid of STRs is wrong.

There is some belief that STRs have deprived local residents of housing through the years, and getting rid of them would make housing affordable. However, most studies suggest that eliminating STRs would result in only an extremely small reduction in property values and rental rates. Therefore most of the vacation rentals, if converted to long term rentals, would still not be affordable to many of the people in need.

I believe a better solution is two-fold: Provide developers with incentives and reduce restrictions to construct new affordable housing, so more units are available. Also crack down on and eliminate the thousands of illegal STRs, especially those in residential areas, and convert them to long term rentals.

It appears that the motivation of this bill has to do with catering to special interest groups, like the hotel lobby, which would love to see the STR competition eliminated, as well as those groups that would like to have tourism to Hawaii greatly reduced. If blame is to be placed for the current lack of affordable housing, politicians should look in the mirror.

If less tourists come to Hawaii, the loss in revenue would result in a vast ripple effect that could result in businesses like restaurants and shops closing, putting people out of work and negatively affecting Hawaii's economy. Thousands of people work in the STR industry, and if STRs were eliminated they would lose their jobs. How will the government deal with the loss of millions of dollars in tax revenue resulting from the elimination of STRs?

This bill would result in many negative consequences and no positive results. Again, for this reason, I strongly oppose SB 2919.

Thank you for your consideration.

Philip Daniel

February 28, 2024

COMMITTEE ON JUDICIARY

Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair
Senator Brandon J.C. Elefante
Senator Joy A. San Buenaventura
Senator Brenton Awa

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Senator Donna Mercado Kim
Senator Chris Lee
Senator Maile S.L. Shimabukuro
Senator Glenn Wakai
Senator Kurt Fevella

RE: Opposition to SB2919

Dear Senator Rhoads, Chair, Senator Gabbard, Vice Chair, Dela Cruz, Chair, Senator Moriwaki, Vice Chair, and Members of the Committee:

I am an owner of a 450 square foot studio condominium in West Maui that is on the so-called Minatoya List. The condo property was built in 1978 as a vacation rental property and has operated lawfully as a vacation rental property continuously for nearly 50 years in an area near hotels and other resorts. Directly next door is a series of hotel-zoned properties and numerous commercial properties. The vast majority of the units at our property are under 600 square feet, have limited parking, no storage, minimal kitchens, and the governing documents do not allow companion pets. Our property never served as local resident housing or any sort of workforce housing, so this is not a situation where long-term housing was converted to short-term rental property reducing the supply of available housing units. Small condos work well for those staying for a week or so, but are not conducive for long-term living. Some community members have gone so far as to say that such small spaces are not dignified housing for long-term purposes. While reasonable regulation of short-term rentals is certainly appropriate, authorizing the counties to phase out short-term rentals at a property that has been lawfully operating as such since inception for nearly fifty years is the wrong direction where Governor Green estimates 25,000 illegal short-term rentals currently operate without paying any TAT, GET, or county TAT.

Community Impacts of SB2919

Our property employs 35 Maui residents for administrative, maintenance, and security operations. Some members of our team have worked at our property for over 15 years. There are many examples of people that started in entry-level positions and have been promoted to supervisory roles. These are good jobs with benefits. Our property is able to sustain such a large workforce through extremely high maintenance dues. If this bill passes, our property will no longer be able to support seven-figure personnel expenses for such a large workforce.

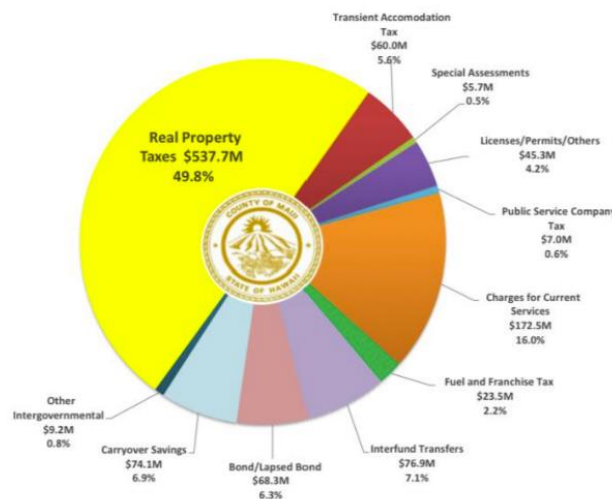
Additionally, individual owners utilize a variety of service providers including property managers, housekeepers, on-island agents, handymen, contractors, and other local trade professionals. Local Maui residents are employees of all these small-businesses. Owners patronize many other local businesses across the island to purchase furnishings and supplies for short-term rental operations. I hope the committee will consider that this bill will put many local residents out of work and destroy the small businesses they have worked hard to build.

Personally, we interview each guest before accepting a booking to ensure that we are not bringing the wrong type of visitors to the island. We decline bookings when we have any concerns. We encourage all visitors to volunteer time to local organizations, to come with compassion and patience, we do not provide single-use plastic products, we educate our guests about use of reef-safe sunscreen, and promote local businesses. For just my small unit, our local team includes a woman and minority-owned housekeeping business formed and operated by a local resident of West Maui, a licensed real estate broker from West Maui to act as our on-island agent, and local handyman from West Maui. We do what we can to encourage sustainability and productive tourism while supporting local businesses. If short-term rentals are phased out, we would sadly have no further need for the services provided by our local team.

Fiscal Impacts of SB2919

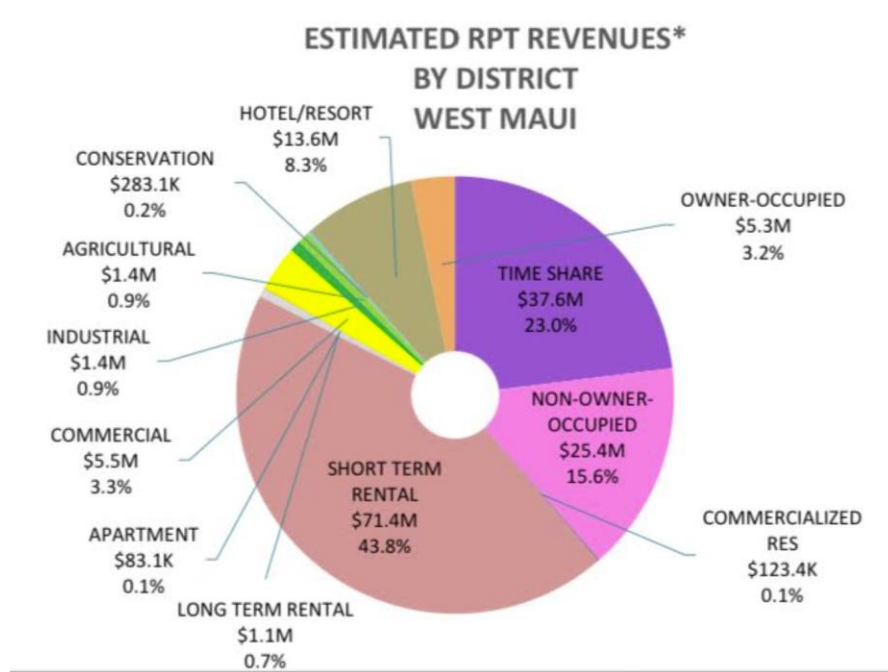
According to the DOTAX State of Hawaii Annual Report 2022-2023, the Transient Accommodations Tax was the third largest source of tax revenue for the State, raising \$865 million in 2023 with \$756 million going to the general fund. By passing SB2919, the Legislature would be relinquishing control over a significant portion of the general fund to the counties at a time where the State has already exceeded the general fund expenditure ceiling for fiscal year 2023-2024 by over \$1 billion.

Maui County’s largest source of revenue is real property taxes:¹

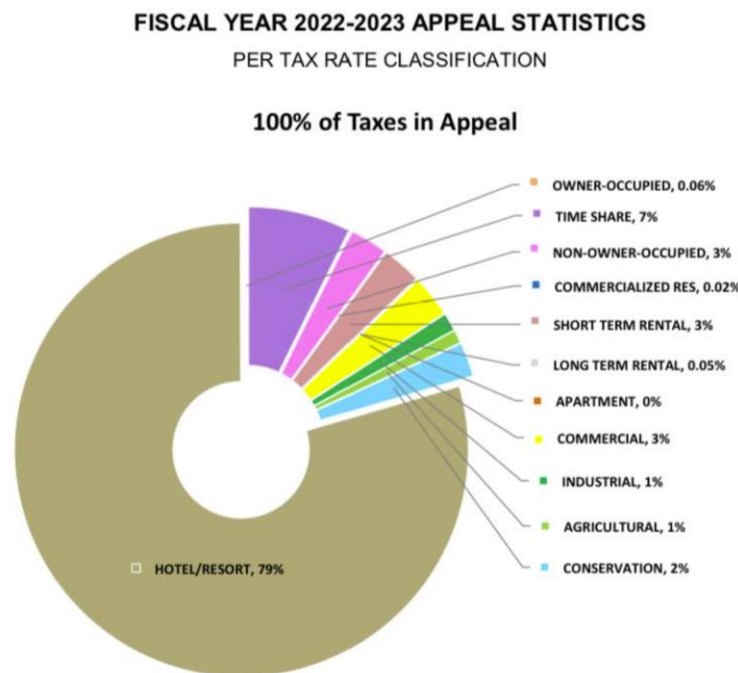


¹ See Maui County Selected Real Property Statistics for Budget Consideration for fiscal year 2023-2024. <https://www.mauicounty.gov/DocumentCenter/View/139896/2023-Selected-Real-Property-Stats-for-Budget-Consideration-handout-for-Council-Mayors-Proposed-Rates?bidId=>

Short-term rentals provided well over \$200 million of the County’s real property taxes. Short-term rental properties are the most significant source of property tax revenue for West Maui:



SB2919 oddly champions the hotel industry, despite the fact that the hotel industry objects to its tax responsibility more so than any other property type as demonstrated by the number of tax appeals:



While passage of SB2919 will promise decreased revenue at the State and County level, the State has no assurance regarding the number of long-term rental units that would actually become available. SB2919 does not force owners to make units available for long-term rental. If

additional long-term rental units are not made available, the State will sustain both a revenue decrease and additional expenses to fund housing from other sources. A better use of State and County funds would be investing in programs that deliver certainty regarding: the number of long-term units that will be created, the timing of delivery of long-term units, and the fiscal impact. With the budget pressure at the State and county level, enhanced focus on needs-based programs may help ensure that State and County funds are not utilized for those residents that are capable of paying for at least some portion of housing expenses.

In SB2831, the Legislature found that “the county of Maui is facing unanticipated revenue shortfalls, including in tax collections”. Maui County’s proposed action to decrease its largest sources of revenue during its own budget crisis while the County is requesting over \$400mm from the State presents an inherently contradiction. During the last informational briefing, the WAM Committee spent hours inquiring about how Maui County was going to improve its financial posture to support the relief efforts and demanding specific numbers and timing of long-term housing units that Maui County housing programs would deliver.

The WAM Committee was appropriately focused on good stewardship of State funds, by insisting on details regarding the correlation between State expenditures and predictable delivery of long-term housing units. Unfortunately, Maui County was unable to answer many of those questions with any level of detail. While the State is forced to cut programs, Maui County is experiencing budget crisis and yet seems positioned to further cut its revenue by phasing out short-term rentals.

Rather than allow Maui County to phase out a lawful short-term rental property with fifty years of continuous short-term rental use, the State should insist that the counties collectively regulate the 25,000 illegal short-term rental operations that are not paying any TAT, GET, or MTAT. Regulation of even a small portion of those illegal short-term rentals could have a more meaningful impact on the housing crisis than SB2919 without the side-effects of decreasing the State and County revenue, destroying small business, and creating more unemployment. Enforcement of existing short-term rental zoning ordinances, coupled with investment in housing programs that provide certainty regarding timing and quantity is a more responsible way of addressing housing needs.

The illegal short-term crisis could has only reached such epic proportions because the counties are either unwilling or unable to enforce existing short-term rental law. This committee should consider commissioning a study regarding the counties’ efforts to-date to regulate the 25,000 illegal short-term rentals to inform a more effective strategic plan for elimination of illegal short-term rentals, rather than blindly giving the counties dramatically more authority in an area where the counties have not been effective. Passing SB2919 is an imprudent exercise of legislative power due to the guaranteed loss of revenue with no assurance of creating long-term rental opportunities.

For the reasons stated herein I OPPOSE SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Scott James

SB-2919-SD-1

Submitted on: 2/28/2024 8:18:54 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Morgan Anderson	Individual	Oppose	Written Testimony Only

Comments:

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I OPPOSE SB2919, SD1 for the following reasons:

My wife and I own a condo in Papakea resort. Papakea was built in 1978 and has operated as vacation rentals for almost fifty years. We love to visit with family and we rent out the condo when not in use. Using it as a short term rental supports the local economy in many ways a long term rental could not.

Some of the ways that this STR benefits the local economy and businesses are:

Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles.

Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming, etc.

Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue.

Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, and contractors. All of these people live and work on the island, benefiting greatly by the work created from short term rental stays.

Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Task, and Maui Transient Accommodations Tax.

Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops.

For the reasons stated herein I OPPOSE SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Morgan Anderson

SB-2919-SD-1

Submitted on: 2/28/2024 8:27:07 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
B. Hansen	Individual	Support	Written Testimony Only

Comments:

Strong **SUPPORT** for SB2919! As a Native Hawaiian and resident of Hawai'i that can trace my lineage back more than 8 generations it is sad to know my children will never be able to buy in Hawai'i if something doesn't change. We are competeing with foreign investors who make a profit utilizing STRs. I oppose people from all over the world being able to profit on housing while local working famlies are priced out of Hawai'i.

Aloha

SB-2919-SD-1

Submitted on: 2/28/2024 8:29:12 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Zoey Giiammona	Individual	Oppose	Written Testimony Only

Comments:

I visit Maui often with my family and with friends and we always stay in condos or short term rentals, never hotels or resorts. If this bill passes, tourism to Maui will decrease significantly and the economy will suffer greatly. Vote no.

SB-2919-SD-1

Submitted on: 2/28/2024 8:36:26 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Eugene A Modell	Individual	Oppose	Written Testimony Only

Comments:

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, and Members of the Committee

I OPPOSE SB 2919, SD1 for the following reasons:

Papakea Maui was built in 1978 and has operated as a vacation rental property for nearly 46 years.

Papakea employs apporoimately 35 local resident employees. Several of these employees have worked at the property for over 15 years with some currently working in supervising roles.

Papakea supports a wide range of local trade professionals including poest control, HVAC, plumbing, electrical, and tree trimming. There are often several units under rennovation which employs cabinet makers/installers,drywallers, painters, tile and flooring installers, etc.

Papakea can only support current personnel and operational maintenance levels with high maintenance dues which rely of short-term rental income.

Papakea short term rentals support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents and contractors.

Papakea short term rentals support the State of Hawaii and County of Maui through payment of property taxes (at a premium short term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax.

Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, shops, grocery stores and entertainment venues.

Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community.

For these reasons stated herein, I OPPOSE SB 2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Eugene A. Modell

No for SB2919

We purchased a condo no far Papakea Resort few couple years ago and we been using of few weeks out pf the year.

Recently we rented our condo to a fire survivor through FEMA. We feel fortunate that we can can help a fire survivor

We thought we would be able to visit our Maui home couple of months a year and continue to do short term rentals when our contract is finished with FEMA, but now are informed that this part of our livelihood is at risk due to HB1838 and SB2919.

The Papakea is a resort, which rents out to tourists since it was built in the late 1970's. it has about 360 units. It was never intended to be an apartment complex. This resort generates tax revenue for the state of Hawaii, it employes dozens of local people local people , many are in management position who makes a nice living.

It supports the livelihood of handyman, cleaners , property managers and other contractors. The tourists who use our condo spend money in the local economy by going out to restaurants, renting cars, purchasing local tours etc...

We will not be able to afford our condo with w long term lease , as our cost to maintain of our condo is high (High HOA dues, property tax, mortgage, insurance , etc) and long term rent will not cover our expenses. Besides hurting our own finances, there is this greater loss of revenue to the local economy.

- Economic Contribution:** Maui's Short Term Rentals provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's \$1.7 billion dollar budget. The question arises: If Short Term Rentals are curtailed, where will the equivalent revenue come from?
Short term rentals are also pay **Hawaii Transient Accommodations Tax**, General Excise Task, and **Maui Transient Accommodations Tax**. Those tax revenue could be lost.
- Housing Options in Crisis:** In times of crisis, like the Lahaina Fire, short-term rentals serve as essential temporary, furnished housing for displaced residents. Where will residents find such housing in times of emergencies. Where will residents find temporary, furnished housing if short term rentals are severely curtailed?
- Employment Impact:** Statewide, over 40,000 jobs are supported by the short-term rental industry. Restricting this sector could have far-reaching consequences on employment.
- Community Support:** Short-term rentals accommodate various community members, including displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits,

traveling nurses, emergency contractors, temporary military & students, our family & friends.

5. Hotels will have less competition and they will charge much higher room rate which will discourage tourism.
6. Families who come to visit want kitchen and multiple bedrooms which found in short term condo rentals but not in hotel room. This will discourage family tourism.

I think that the State should invest in more housing for the local population, but not at the expense of eliminating short term rentals. The long-term impacts of eliminating short term rentals will severely hurt the local economy, in addition to hurting the people who invested in these properties in good faith. I ask you to vote no on HB1838 and find a better way to create more affordable housing for the local people.

SB-2919-SD-1

Submitted on: 2/28/2024 8:45:51 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Marsha Roberts	Individual	Oppose	Written Testimony Only

Comments:

To Whom It May Concern,

I urge you to oppose bill SB2919. As a single female physician who recently invested her entire life savings in a retirement home in Maui, I am deeply concerned about the ramifications of this bill which will eliminate the short-term rental option that many rely on to cover steep mortgage and tax payments.

The consequences of this bill extend beyond individual homeowners to the entire Maui community. Tourism, a vital economic lifeline for the island, will suffer as visitors seek alternative destinations like Mexico, the Caribbean or Fiji with lower-priced accommodations. This will have a devastating impact on Maui's economy for years to come.

Moreover, short-term rentals play a crucial role in Maui's revenue stream, contributing 40% of real property tax revenue and serving as a top funding source for affordable housing initiatives. If these rentals are restricted, the county will face a significant budgetary shortfall, affecting essential services and programs.

Additionally, the short-term rental industry supports over 40,000 jobs statewide, and limiting it could lead to widespread unemployment and economic instability.

During times of crisis, such as the recent Lahaina Fire, short-term rentals provide essential temporary housing for displaced residents. If this industry is further decimated, residents will struggle to find alternative accommodations during emergencies.

In conclusion, bill SB2919 is not only detrimental to individual homeowners but also poses a threat to Maui's economy, employment opportunities, and community resilience. I implore you to reconsider and reject this damaging legislation.

Sincerely,

Marsha Roberts

SB-2919-SD-1

Submitted on: 2/28/2024 8:46:37 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Rey and Carla Munoz	Individual	Oppose	Written Testimony Only

Comments:

Good Afternoon,

My husband and I would like to submit a testimony to strongly oppose HB1838.

We currently own two short term rental properties in the Kahana area of Maui. We have traveled to Maui for over 30 years and in 2017 and 2019 were able to purchase two units with inheritance funds. My husband's family came to Hawaii to cut sugar cane on contract in the early 1910's from Spain, so we have longstanding family ties to the islands and we believe they would be proud that family funds contributed to providing the opportunity for our family to continue to love Hawaii. We also donate a portion of funds generated from our units to local non-profits (Kumulani Chapel).

We have successfully rented our units with nearly 90% occupancy. Loss of this short term rental income would be devastating to our personal finances. We also use the units multiple times each year as well as our children and grand children. Long term rentals would prevent this. We love and appreciate the beauty and culture of Maui and want to continue to share this with folks who wish to come to Maui and stay in a condo unit for vacation. We are a legally permitted condo and we faithfully pay our property taxes to the County of Maui.

We understand that the short and mid-term condos on Maui provide 40% of the taxes generated for the county and 18% of the total budget revenue for the county. The impact of this loss would be devastating to the economic structure of the county, not to mention the impact on funding for affordable housing that is provided through these funds. How would Maui recoup this loss in funding to support valuable line items in the budget? With the many businesses closed in Lahaina due to the fires, as well as the funding from the county to assist the businesses and residents, likely the full negative budget impact has not yet been realized.

The loss of short and mid-term condos would impact not only our family and vacationers, but would limit the amount of housing available for traveling medical folks, temporary military and government workers, new residents in transition, residents from other islands due to medical reasons, to name a few. Also the condo experience greatly enhances the vacation experience with more room, ability to cook in the unit and a more home-like environment that our guests enjoy - likely causing them to return to Maui year after year for short term vacations - thus generating business for all of the areas of the tourist industry from the airlines, to the resorts, to the small businesses, to tour operators, restaurants and shopping.

The impact, though indirectly to the county as well, would directly cause great financial loss in excess of 40,000 residents - for housekeepers, maintenance workers, property managers, resort personnel, restaurants, servers and staff - many who are native to the islands. The negative impact would be felt by small business who have already suffered greatly due to the pandemic and the recent Lahaina fires. The loss of vacation travelers could and would likely be the final straw to cause complete closure for many of these folks and families, not to mention the various tour and entertainment opportunities who would have greatly reduced business. The taxes and income generated by these small businesses should not be overlooked in the equation.

Short and mid-term housing (furnished) have provided temporary housing for displaced persons after the Lahaina fire. Where will these folks go?

We love Maui and the beauty it offers. We ask that you vote against HB1838 to allow continued short and mid-term housing options in our condos on Maui.

Respectfully submitted.

SB-2919-SD-1

Submitted on: 2/28/2024 8:50:13 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Anand Mudliar	Individual	Oppose	Written Testimony Only

Comments:

As a Papakea property owner, I am against SB2919 for the following reasons:

Papakea has operated as vacation rentals since 1978 and supports about 35 local residents who have been part of the property for over 15 years, some advancing from entry-level to supervisory positions.

The property contributes to the local economy by employing various trade professionals like pest control, HVAC, plumbing, electrical, and tree trimming services.

Maintenance levels and personnel at Papakea rely on high maintenance dues, which are funded by revenue from short-term rentals.

Short-term rentals at Papakea also benefit numerous small businesses in Maui, including housekeeping services, handymen, on-island agents, and contractors.

Papakea's short-term rentals contribute to the state and county through property taxes, Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax.

Guests staying at Papakea support local businesses such as restaurants, food trucks, tour operators, state parks, national parks, and shops.

Papakea has a substantial number of returning guests who have been visiting Maui for years, fostering strong ties with the community.

Given these reasons, I oppose SB2919 and urge the committee to defer it.

Sincerely,

Anand Mudliar

SB-2919-SD-1

Submitted on: 2/28/2024 8:58:51 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Mitch Brown	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and esteemed members of the Committee,

I reside on the island of Maui and am reaching out to express my deepest concerns regarding the proposed bills, which, if passed, could significantly jeopardize the livelihood of many friends on this Island as well as that of other service providers in our community, including cleaners, electricians, and maintenance workers that are employed by these legally-run small businesses.

Unfortunately, this bill (if passed) poses a severe threat to their financial stability and jeopardizes their ability to afford housing and cover the necessary bills acquired running the business.. They have jumped through all the hoops required to get legal approval by the County . Instead of introducing new legislation, I firmly believe that enforcing the existing laws by the county against un-permitted STR's would be a more effective solution and free up much needed living spaces for the displaced families, that are everyone's concern.

I earnestly request that you reconsider and decide against advancing this bill.

Thank you very much for taking the time to consider my appeal.

SB-2919-SD-1

Submitted on: 2/28/2024 9:00:35 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jennifer Welch	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and esteemed members of the Committee,

My name is Jennifer Welch.

I am compelled to write to you in staunch opposition to SB2919 because the value of short-term rentals extends far beyond mere convenience. For many families, including mine, a hotel room is neither affordable nor suitable. The necessity to prepare meals due to dietary restrictions, the need for additional space to accommodate family members comfortably, and the desire for a homely atmosphere are just a few reasons why a one-size-fits-all approach with hotels does not work for everyone. I've opted for Hawaiian vacation rentals over hotels for their affordability, especially when traveling with friends to other islands for medical treatments.

This bill, should it pass, will not only adversely affect me but also countless other residents and crucial visitors who rely on short-term rentals for temporary, furnished, and affordable housing solutions. These accommodations often serve as a lifeline for individuals seeking medical treatments away from home, parents scouting schools or homes in new cities, and many others who find themselves in need of a temporary housing solution that feels like home.

Moreover, I believe that the existing regulations, if enforced properly by the counties, are sufficient to address any concerns associated with short-term rentals. Adding more restrictions could unnecessarily complicate the situation without providing a real solution to the perceived problems.

Therefore, I urge you, with the utmost respect, to reconsider the implications of this bill. I ask that you please do not move this bill forward. By fostering a more inclusive and flexible approach to accommodation, we can ensure that our state remains a welcoming and accessible destination for all.

Mahalo for your time and consideration.

Sincerely,

Jennifer Welch

SB-2919-SD-1

Submitted on: 2/28/2024 9:06:57 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Marcia R Geoffroy-Nisam	Individual	Oppose	Written Testimony Only

Comments:

I strongly reject the proposed SB2929 and HB1838. For four decades, I've frequented Maui and, since 2000, have been a part-time resident, having acquired a home in Paia. Our family's connection to Maui's essence runs deep, spending extensive periods on the island before returning to mainland work and school commitments. During our absence, our home has been consistently leased on a long-term basis. With retirement plans set for Maui, we've maintained a long-term rental on the north side and, a few years back, acquired a short-term rental (STR) on the south side where we intend to retire and visit until retirement is possible. Financial considerations currently lead us to lease the latter as an STR, as we regularly visit the island to use our condo, making long-term rental impractical. We purchased our condo at an inflated price BECAUSE it was deemed legal to short term rent.

Over the past 24 years, we've actively contributed to Maui's infrastructure by fulfilling tax obligations, and this commitment persists. Through engagements with landscapers, gardeners, construction crews, and property managers, we've played a role in sustaining and bolstering the local economy. Now we are trying to make ends meet with our STR so that one day we may retire to Maui.

To the Hawaii Legislature on SB2919:

I am completely opposed to the above-referenced bill. I am unable to appear in person or via Zoom, so please accept this as my testimony if opposition.

In view of the Lahaina fire of last summer, when thousands were displaced and needed short term rentals, this bill is ill-advised. Where will those folks go if there are no more legal short-term rentals (STRs) allowed?

STRs also allow visitors from other islands who might be needing medical treatment, but who cannot afford expensive hotel rooms.

Although I live on the mainland, I visit Maui frequently and love spending time at my own STR condo in Kihei. If I could not rent it between my visits, I could not afford to keep it. I know that's a small concern for you, but that's my way of relaxing and helping the Maui economy and I'm happy to do it. If I no longer own a condo, I will find somewhere else to vacation and relax. Maybe the Caribbean or Mexico, but my family and I will no longer be coming to Hawaii.

The bill does not take into consideration the influx of tourism dollars into the local economies. We are enriched by and embrace the Hawaiian culture and customs. We always go to a luau during our stays to enjoy the tradition and learn about the native people. I've been to maybe 30 of those wonderful events. We could not afford to stay long or enjoy those events if we didn't have a STR to stay in.

Please re-think this bill. It is completely short-sighted to not consider what has happened in the recent past (the Lahaina fire) and the revenue from tourism.

Thank you for re-considering,

Carole Fineberg
Reno, NV
Owner – Maui Condo

SB-2919-SD-1

Submitted on: 2/28/2024 9:23:00 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Amber Coontz	Individual	Support	Written Testimony Only

Comments:

Aloha,

I support SB2919 for the following reasons.

"According to 2021 data from Maui County, the Valley Isle has 24,425 visitor lodging units. The breakdown:

41 hotels, 8,336 rooms

13,029 residential condominiums used for transient lodging

165 single family bed & breakfast

420 permitted/grandfathered single-family transient lodging

2,475 timeshare dwelling condominium units

134 hotel zoned condominiums not used for transient lodging"

(Source: <https://mauinow.com/2022/10/22/maui-council-passes-bill-to-end-hotel-moratorium-but-cap-transient-vacation-rentals/>)

Why does Maui County have over 24,000 visitor lodging units when the Maui County General Plan established a target ratio of no more than one visitor for every three

residents? "Specifically, the Maui Island Plan states: Policies: 4.2.3.a: Promote a desirable island population by striving to not exceed an island-wide visitor population of roughly 33 percent of the resident population."

That translates to a daily visitor population of approximately 50,000 people. However, the average daily visitor census was approximately 65,000 in 2022 which exceeds the one to three visitor to resident ratio by about 25% according to the *March 2023, Report on Managing Visitor Numbers by Managing Visitor Accommodations (Cost of Government Commission, County of Maui)*.

"An estimated 16,000-plus TVRs may operate legally in the County, many in multi-unit buildings, along with several hundred single family units." (Source: <https://www.mauicounty.gov/faq.aspx?TID=82>)

Maui's housing shortage is a direct result of Maui County and the State of Hawaii's approval of approximately 16,000 short-term vacation rental units while ignoring the housing and infrastructure needs of residents for decades. The county and state has allowed Maui's visitor accommodation development to outpace our island's infrastructure for decades. Before August 8, 2023, the daily visitor population was approximately 40,000 to 75,000 tourists with approximately 20,000 rental cars on island, in addition to the resident population of 165,000. HTA data for December 2023 and the entire year of 2023 still show an average of approximately 55,000 visitors on island each day.

Excessive inventory of short-term visitor accommodation overburdens limited island resources, outdated infrastructure, medical facilities, and emergency personnel. Water shortages, chronic drought conditions, shoreline erosion, annual wildfires, outdated sewage treatment/infrastructure, crumbling electric grid, emergency personnel shortages, and inadequate medical facility infrastructure are all issues that must be addressed now to create a resilient island and resilient island economy for Maui.

Maui residents need affordable long-term rental housing immediately and sufficient infrastructure to support the development that we already have in Maui County. The current inventory of approximately 24,000 visitor lodging units is NOT a "balanced approach" to meeting the needs of residents and the tourism industry. The tourism industry and essential jobs in education, medical care, skilled trades, and emergency/first responder sectors will continue to be chronically understaffed due to the severe lack of affordable housing for residents. Short-term rentals over-inflate the value and selling price of all housing inventory making long-term rentals and home ownership too expensive for residents to afford.

I urge you to support this bill to help all counties in Hawaii address the housing needs of residents.

Mahalo,

Amber Coontz

SB-2919-SD-1

Submitted on: 2/28/2024 9:58:11 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Pamela Reader	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

My name is Pamela Reader. I am a long time Lahaina resident (23 years!) and most recently lost my beautiful home on August 8, 2023 to the Lahaina wildfire.

I strongly agree that there needs to be some real solutions for housing. But I feel that many of the arguments against short-term rentals are inaccurate and misleading. For instance, the argument there are 87% STRs in West Maui is wrong. That is actually the section of Kaanapali Beach that includes the hotels, Honua Kai and time shares.

The current short-term rentals are not long term solutions for families. They are mostly studio and 1Bedroom units, with little to no storage and minimal parking. How would this help a famliy of 4, even a famliy of 3? Let alone all of the extended famlies currently looking for housing.

These families need real, respectable housing that fits working peoples needs. We all know things can get built much quicker than they actually are on Maui.

Villianizing people for purchasing and owning real estate that was never supposed to be for long-term housing is not fair and short-sided. It's easy to blame people they do not know. Things like Instagram and Facebook are sending headlines out to people without really explaining the reality of what is going on and what is at stake. The real thing that will drive people off of this island is if there is no economy to support them.

I love Lahaina and I plan to rebuild my home and stay on Maui. My kids are born and raised here. But because people have stolen the term "Lahaina Strong" does not mean they are speaking for the whole community.

Please move on from short-term rentals and focus on real solutions for Maui families.

SB-2919-SD-1

Submitted on: 2/28/2024 10:00:12 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Neill Amasaki	Individual	Support	Written Testimony Only

Comments:

I support this bill.

SB-2919-SD-1

Submitted on: 2/28/2024 10:03:28 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Lisa Xiang	Individual	Oppose	Written Testimony Only

Comments:

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I **OPPOSE** SB2919, SD1 for the following reasons:

1. Papakea was built in 1978 and has operated as vacation rentals for almost fifty years
2. Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles
3. Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming
4. Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue
5. Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors; highlighting any specifics about service providers that you rely on
6. Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Task, and Maui Transient Accommodations Tax.
7. Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops
8. Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community

For the reasons stated herein I OPPOSE SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Lisa

SB2919 Oppose

As 40+ year permanent residents of Maui, my wife and I oppose Senate Bill 2919 We feel that Maui County has had very ineffective policies for Short Term Vacation Rentals. We believe that there should be more evaluation of the nuances of short term rentals, which ones actually provide a different vacation experience than are available from hotels. Which ones are tune to new ecologically minded tourists. Multiple rentals owned by the same owner. The state could play a much bigger role in solving many of the short term rental problems by first compiling some real statistics and opening some discussion about what types of short term rentals, not just leaving it to the political factions of the counties which almost always rule on the side of the monied interests.

We have been providing an ecological short term rental on its own 2.6 acre private botanical reserve at a very reasonable price before permits were required. We received permit number 11 primarily because we paid all the GET & TAT taxes for years before just on our own integrity. We are only able to use water catchment so we can't rent that home full-time or we won't have enough water for our own cottage. We need to constantly maintain such an unusual log home and especially my wife's 20+ year nature reserve. We are in our 70s now, this is our only income, we're making just enough, competing with many illegal and semilegal competitors that don't pay their taxes.

RE: SB2919

Dear Members of the Committee,

SB2909 would dramatically impact our family and Maui for the worse. Please reject this bill.

Since the 1990s, my parents have remodeled, replaced, re-furnished, repaired, and thoroughly enjoyed their Kihei short term rental condo, while creating a modest supplemental income for themselves. It has hosted honeymooners, first-time visitors, repeat vacationers, longer-term visitors, and temporary housing for medical professionals and others; hundreds of people over the years. My parents have poured money into this unit (and into the tax coffers) to provide for it, and now it provides for them in their old age.

This bill could potentially devastate my parents financially if the unit is re-zoned. And if short term rentals provide 40% of the real property tax revenue, it would assuredly create a major tax shortfall for the state and county. The hospitality industry itself would be decimated, effecting an economic vaccuum.

Please, reject this short-sighted bill. The short term rentals on Maui are legal, and as they currently exist, provide for the state, residents, and owners in multiple ways.

Sincerely,

Ruth Thompson

Trustee for John and Margaret Thompson

SB-2919-SD-1

Submitted on: 2/28/2024 10:40:36 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Tryg Fortun	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

My wife and I oppose SB2919. We have a vacation rental. Our cleaners make over \$80 an hour. We also pay landscapers, pool technicians, pest control people, etc. to keep the property nice. We pay a tremendous amount in property taxes, GET, and TAT taxes; those taxes help keep Maui affordable and go towards needed governmental services.. Our guests also spend a tremendous amount of money on goods, services, and taxes, which helps the economy, the government, and the people of Maui and Hawaii. We are presently renting our vacation rental for a year to a family who works for us and who was displaced in the Lahaina fire. Vacation rentals help Maui and Hawaii.

Mahalo.

Tryg & Barb Fortun

SB-2919-SD-1

Submitted on: 2/28/2024 11:08:20 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Rosemary Hedge	Individual	Oppose	Written Testimony Only

Comments:

For 20 years my husband and I have owned apartment 702 in 4 Paddle that has a Non-Confirming Use Certificate (NUC) for which we pay regular bi annual fees and TAT and GET taxes. In that time our youngest daughter has lived in it while attending HPU and latterly her and her family stayed in it when their other apartment was being renovated. We and our extended family have stayed in it many times giving us a base to return to often twice yearly although we live in New Zealand, letting us visit friends and colleagues from when we lived on island. As we have a daughter living in LA it is a wonderful halfway holiday home for us to meet up with her or her and her family or us to come to individually.

In the unused times we, for 20 years have used our NUC to rent it out through Captain Cook Resorts who have provided a wonderfully reliable service to us and our guests. Without the ability to rent it out on a short term basis we would have to think very hard whether we could afford to keep it which very much goes against our individual rights as in the US Constitution.

Your bill SB2919 attempting to cut out short term rentals, even legal less than 30 day ones like ours, will decimate the very small pool of currently available furnished self servicing accommodation available on Oahu. This type of accommodation is vital for families with young children who need more than a small hotel room safe and enjoyable for a family to stay in. These apartments also provide a financially viable alternative to the expensive hotel rooms which provide no kitchen facilities necessary for young families. Also for many overseas visitors for whom a visit to a hotel in Hawaii is way beyond their financial means, the short term rental market provides a financially viable option that is essential to maintain. Do you want to lose a vital proportion of your visiting public just so the hotels have carte blanche over the accommodation pool? Not a very democratic governance method.

Our apartment as a short term rental provider also allows accommodation for workers on short assignments, people coming for business trips and families for weddings and other functions who want more independence and security that hotels do not provide in any way. Latterly in the Maui fires, the Marco Polo fires and the Red Hill crisis our apartment was available for people in their time of need.- a home away from home.

We have for 20 years provided an essential service to the Honolulu tourist industry, one that in many ways is more vital, affordable and cost efficient than that of the Ritz Carlton, Outriggers, Marriotts etc. Rosemary and Brian Hedge

SB-2919-SD-1

Submitted on: 2/28/2024 11:57:13 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Paul W Kasha	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

My name is Paul W. Kasha. My wife and I own a short-term vacation rental condo on Maui. We purchased this condo in 2004 with the intention of having a future place to go on vacation. We live in Alaska and it is very cold in the winter here. I have arthritis and my wife has an autoimmune disease and spending time in Hawaii helps us both. For almost 20 years we have been able to visit Maui when we can between doctor visits. Now in retirement and living on Social Security, we find it necessary to rent our condo to make ends meet. We oppose this Bill (SB2919) as it will take away our being able to afford visiting our condo on Maui and the necessary upkeep, property tax, HOA fees, insurance, etc. We ask that you please do not move this bill forward. We find our short-term rental has made it easier for us to schedule our time between doctor appointments and visiting our condo on Maui. We believe that eliminating short-term rentals like ours will hurt the local economy because not every visitor to Maui can afford the greater expense of a hotel.

Thank you for your time.

Sincerely, Paul and Linda Kasha

Hawaii Bill SB2919

My wife and I have been vacation rental owners on Maui since May of 2022. Our 1st trip to Hawaii was 40 years ago for our honeymoon. The reason we purchased our vacation rental was so we can visit Maui on a regular basis so we could determine if we would be able to retire on Maui. The vacation rental option for the unit has enabled us to do that. If this option was not available, then we would not be able to realize our dream of retiring on Maui. Therefore, we are against SB2019.

We feel this bill would be a detriment to the economy of Maui. Vacation rentals give visitors the opportunity to visit without paying the super high prices for a hotel room. Visitors are the life blood of the businesses of the island and keep them thriving. Also, without vacation rentals how is the county going to make up for the income it receives from taxes (property, GET and sales) associated with vacation rentals?

Why isn't the Legislation looking for ways to incentivize developer to build more affordable long-term housing for the citizens for Hawaii?

We do not see the value of Bill SB2919 and we are against it.

Thank you,

Aaron and Jayne Mednick

Owners of a Vacation Rental

Kihei, HI

Mark Goebel

106 Kaanapali Shores Place

Lahaina, HI 96761

RE: SB2919

Members of the Senate:

I am writing in opposition to Bill SB2919 and the impacts it would have on short term rentals. My family and I purchased our home in March of 2020 shortly before the Covid pandemic. The intended use is for our large family to use it throughout the year and allow others through the short term rental process to enjoy all the island has to offer. This process affords the county of Maui to generate 40% of its real property tax revenue as well as providing 18% of the county's budget.

As the owners of our property we have a vested interest in the maintenance and upkeep of our homes as well as the surrounding areas. This allows us to supplement the over 40,000 jobs that support this industry and allows us to provide job opportunities in not only tourism which is a large percentage of the local economy but also support local carpenters, plumbers, electricians and other good paying jobs in the local economy.

Phasing out the short term rental market will have a deleterious affect on the local economies reducing the revenues of the county and career opportunities for its citizens.

I am asking you to please oppose this short sighted legislation that will ultimately have a negative effect on the local, county and states ability to generate revenues and provide career opportunities for its citizens.

Regards,

A handwritten signature in black ink that reads "Mark Goebel". The signature is written in a cursive, flowing style.

Mark Goebel

SB-2919-SD-1

Submitted on: 2/29/2024 3:32:42 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Prasad Mogili	Individual	Oppose	Written Testimony Only

Comments:

Subject: Strong Opposition to SB2919

Dear Members of the Hawaii State Legislature,

My name is Prasad Mogili, and I am a small business owner in Maui. I am writing to express my strong opposition to SB2919. As a member of the community, I have witnessed the invaluable role that short-term rentals play in not only providing economic stability for families like mine but also offering unique and personalized experiences to visitors to our beautiful state.

In addition to being a small business owner, I am deeply committed to supporting the community. I have dedicated both of my units to provide housing for the victims of a recent fire, ensuring they have a place to call home during a difficult time.

The implementation of SB2919 would not only jeopardize my ability to continue this significant support for those in need but also have a devastating impact on the economic well-being of my family, especially my children.

Short-term rentals have been a vital part of my family's livelihood, enabling us to meet mortgage payments and sustain our lives in this unique economic landscape. The passage of SB2919 would not only make the operation of my short-term rental impossible but also jeopardize our ability to continue residing in our own home.

Furthermore, the bill's restrictive measures create insurmountable challenges for ordinary citizens like myself to engage in this vital industry. It threatens the economic stability of families who rely on the tourism industry as their primary source of income. The potential impact on my ability to provide for my family is daunting, and it is clear that this bill would have severe and detrimental effects on the entire community.

SB2919 fails to take into account the significant contributions of short-term rentals to our local economy. It overlooks the positive economic impacts on housekeepers, maintenance workers, and other working-class families who rely on the industry for employment. I implore you to reconsider the ramifications of this bill and to work toward solutions that balance the needs of the community while preserving opportunities for citizens to participate in Hawaii's vital tourism industry.

I kindly request the Hawaii State Legislature to reject SB2919 and to consider the widespread impact it would have on the livelihoods of residents like me who depend on the short-term rental industry for our economic well-being.

Thank you for considering my perspective on this crucial issue.

Sincerely,

Prasad Mogili

Email - Prasad.Mogili@gmail.com

SB-2919-SD-1

Submitted on: 2/29/2024 3:35:19 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Colleen Sutton	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

My name is Colleen Sutton. I stayed in a short-term rental in Maui because hotels do not meet my needs when traveling.

Hotels do not allow my family to purchase food and eat safely because of our allergies and sensitivities. When we stay in Maui, we purchase local food, when possible, and we check ingredients lists on all of the food we buy. We have to make sure to avoid the foods my husband and daughter are allergic to. This is simply not possible eating at hotels. We need to have our own kitchen.

We need to have access to laundry. Hotels may provide this service, but it's very expensive and we have had clothes ruined from washing practices that didn't match the clothing. When we stay in Maui, we regularly visit the beach and we have to wash all our SPF shirts along with our bathing suits and hang them to dry. We have never found a hotel that has room enough for this.

Please consider that these "little things" actually make the trip to Maui better. We regularly visit Maui and if there were no short-term rentals, we simply would not be able to come back. Hotels are not an option for us.

I am writing in opposition of this bill because short-term rentals are important. Hotel rooms are simply not affordable nor livable. I'm sure that many other families are like ours, people need to prepare meals and need space for other things (like laundry after a day visiting the amazing Maui beaches).

This bill will hurt me and prevent me from future visits to Maui. I know that tourism is important to Hawaii in general, and Maui especially. I have spoken to residents working in the tourism industry and they were so happy that we came to visit after the devastating fires. I am confident that other visitors also rely on short-term rentals as temporary, furnished, affordable housing.

Let the counties enforce the laws that they already have.

I ask that you please do not move this bill forward.

Thank you for your time. Mahalo and aloha.

SB-2919-SD-1

Submitted on: 2/29/2024 4:13:28 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jill Chapman	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill

I own a property in a condo-hotel built just for this purpose. It is not an apartment and it is not built for families and long term housing solutions.

I question the validity of what you're proposing on a constitutional basis.

This bill would affect nearly 15000 private citizens on Maui. Most of whom are Hawaiian. The tax revenues, the payments to AOAOs, maintenance and housekeeping individuals, stay local. Not the case with the major hotel chains, by the way.

Maui STRs provide 40% of the real property tax revenue for the county. Where will you make that up in the coffers?

Vilifying the short term rental owners isn't the answer to the housing crisis. It's the bureaucratic red tape and laws that are stifling the building of affordable family housing.

I strongly oppose your bill

SB-2919-SD-1

Submitted on: 2/29/2024 4:14:53 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kelly Moore-Coullahan	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I am writing to express my strong opposition to House Bill 1838. This bill, if passed, would significantly impact the ability of property owners to operate short-term or mid-term rentals, even if they are currently permitted and legal.

Specifically, HB1838 allows counties to phase out non-conforming single-family transient vacation rentals in any zone over time. The bill revises the state statute to permit counties to amortize or phase out nonconforming single-family transient vacation rental units over a reasonable period, thus removing them from the 'residential use' exclusion of the statute.

This legislation effectively grants counties the authority to make unilateral decisions regarding the regulation of vacation rentals, without clearly defining criteria or limitations. The lack of clarity around terms such as 'reasonable period of time' and 'transient vacation rental' opens the door for arbitrary and potentially damaging actions by county authorities.

As a local resident of Hawaii, I am deeply concerned about the negative impact that HB1838 could have on our community. If this bill is enacted, it could unfairly select only single-family residential properties for phase-out, potentially leading to the elimination of a significant source of temporary housing in our state. Furthermore, it could set a precedent for the revocation of property rights, create uncertainty for investors and builders, and significantly diminish the economic contributions of the vacation rental industry.

I urge you to consider the implications of HB1838 on the livelihoods of property owners and the broader community. It is essential to protect the rights of property owners, preserve valuable economic contributions, and ensure the availability of diverse lodging options for residents and visitors alike.

Thank you for your attention to this urgent matter. I strongly encourage you to oppose HB1838 and to stand with the local community in protecting our rights and economic well-being.

Mahalo, Kelly Moore-Coullahan 【9†source】

Clear chat

SB-2919-SD-1

Submitted on: 2/29/2024 4:26:35 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kevin Smith	Individual	Oppose	Written Testimony Only

Comments:

We purchased our home in 2005 as a legal short-term rental. We feel that removing the legal status is a violation of our property rights.

Many families visiting Hawaii report that if there was not a home or vacation rental option during their stay in Hawaii, they would not have made the trip.

We feel, the removal of STRs from the vacation unit inventory could have a cascading effect, causing damage to other tourist-focused businesses, such as car rental agencies, restaurants and tour operators, as well as grocery and other retail outlets and workers employed in cleaning, repairing and maintaining the STR units.

Over the years, we have grown to know many of our guests. They return every year to see the friends they have met on Maui. They do not want the hotel experience. They want to be more connected to the culture, local people and the environment. They often walk to restaurants and shop locally. They adore the small and family-like atmosphere and setting of our Maui condo community.

We hire a wonderful family to clean our unit and use local tradesmen for updates and maintenance. We use an Island property management company. We feel connected to the community. We donated to the Lahaina Fire relief funds and volunteered to help rebuild that community.

SB-2919-SD-1

Submitted on: 2/29/2024 4:45:13 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Tammara Billik	Individual	Oppose	Written Testimony Only

Comments:

I am writing to urge you to reject SB2919 in it's current form. Short term rentals provide a massive benefit to our state - in tourism dollars that support our workers and in tax dollars that support our community. For me, its personal. I've been coming to Maui since the 1970's. My cousins grew up in Kihei and Kula. I always dreamed of one day being able to live on Maui and saved for over 30 years to be able to purchase a condo, which I did during the pandemic. My dream had come true and one day I would be able to retire here on Maui. I use my condo frequently - I try and visit every other month. In order to keep my condo and stil be able to use it, I rely on my short term rental income. I would not be able to keep my condo without that income (a long term renter would not provide the same income, nor would it allow me to use my own property). Please consider a less restrictive bill - perhaps one that would not penalize single unit owners such as myself. I have worked hard to be part of our Maui Ohana and hope that you will also consider folks like me when looking at this bill. We all want to provide and create more housing opportunities for our community, but should it be at the expense of folks who have worked hard, invested their money in our island and are now staring down the possiblity of being forced to lose our income? Thank you for your time.

SB-2919-SD-1

Submitted on: 2/29/2024 4:56:38 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
John Kelley	Individual	Oppose	Written Testimony Only

Comments:

Aloha

I am writting to **oppose** HB2919.

While I do support the expanding of the "scope of the transient accommodations tax law to include certain shelters and vehicles with sleeping accommodations", I OPPOSE "Amortize or phase out transient accommodations uses in residential or agricultural zoned areas." Specifically, I ask that those units falling within Minatory be specifically excluded from this Act and continue to operate as previously agreed to.

As a frequent visitor and vacation rental owner on Maui, this bill directly affects my livelihood and the well-being of my community. Our vacation rental serves as a crucial source of supplemental income during our retirement years. Its loss would have a profound impact on our financial stability. Additionally, it affords us the opportunity to enjoy time on the island throughout the year, which would not be possible if we were forced to rent out long-term.

It's worth noting that short-term rental owners have played a crucial role in providing furnished housing for displaced residents during crises like the Lahaina Fire. Further restrictions on short-term rentals could severely limit this vital resource for temporary housing in future emergencies.

SM2919 could potentially phase out tens of thousands of legal short-term rentals. These rentals are not only essential for the local economy, providing jobs and substantial property tax revenue, but they also serve various critical needs within the community, including accommodating displaced residents and supporting sustainable tourism.

Short-term rentals contribute significantly to the counties property tax revenue, funding essential services like affordable housing initiatives. Eliminating or severely restricting these rentals would create a substantial budget shortfall and hinder the county's ability to address housing needs and provide essential services.

In conclusion, I urge you to oppose SB2919 in its current form and protect existing authorized short-term rentals. Thank you for considering my perspective on this matter.

Mahalo

John Kelley

SB-2919-SD-1

Submitted on: 2/29/2024 5:08:43 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Brian Perrodin	Individual	Oppose	Written Testimony Only

Comments:

To Whom it Concerns:

My family is from Northern Wisconsin. We have been spending our vacation time at Papakea for decades. We literally cried for the people of Maui as it burned. We have people there that consider us Ohana. My wife's license plate reads LALOHA. We have a Maui Strong sticker on our new car and we have financially supported the cause.

We will be arriving at Papakea next week and we debated if it was the right thing to do. In the end, we knew we had to come to support the economy and to reenergize at our second home. You have no idea how much the Aloha Spirit and climate does to help us through Northern Wisconsin winters.

I have spent enough time in Maui to understand the flip side of this issue but this is not the right way to do this. I am deeply saddened that we may be eliminated from coming to your state. No, as much as I love it there, I will not rent from any of the high rises. While we are there in March we will be donating money to the staff at Papakea we consider family that were affected by the fire. It is truly our second home and we consider the people Ohana as they do us.

At a younger age, we seriously considered moving to Maui but there were no university positions available in my field.

You have no idea how much we love the people, atmosphere of Maui. I mentally become a much more relaxed person the second the tropical air hits me in the airport. Therefore, I hope you do not take this away from us.

Sincerely,

Brian and Carmen Perrodin

SB-2919-SD-1

Submitted on: 2/29/2024 5:10:20 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Fred Kilby	Individual	Oppose	Written Testimony Only

Comments:

Aloha

I am writing to express my opposition to SB2919. Specifically, the section which reads "Amortize or phase out transient accommodations uses in residential or agricultural zoned areas." It should at least include and exclusion for those units authorized by the Minatoya decision.

Our vacation rental provides us supplemental income in our retirement years. The loss of such income would have a significant impact to us. It also allows us the ability to enjoy time on island throughout the year, something we would not be able to do if forced to rent out long term.

I understand that some reason to support this Act included:

“The counties of Maui and Kauai are facing an annual decline in total housing stock as formerly resident-occupied homes are converted to short—term rental units.” I find this highly dubious as Maui has put in place limitations and caps on the number of “formerly resident-occupied homes” that can become short-term rentals. Those that are in existence have been so for many years. Any new construction homes would not be short-term rentals. So to say there is net loss does not seem feasible.

Another has been, “... to phase out vacation rental uses as a key tool for helping Maui residents find adequate rental housing in the wake of the wildfires.” This would seem to be overkill as Governor Green had stated “There are 27,000 short-term rental units on Maui alone, and if we can dedicate just 10% of these homes to displaced Lahaina families, we can house them all.” I believe that enforcing existing laws on illegal units (estimated at over 5,000 units) would more than satisfy the need here. As you can see, there is no need to “phase out” vacation rental use.

Events like the Lahaina Fire displaced thousands of residents. It is the short-term vacation rental owners who are stepping up to provide furnished housing. If short-term housing is further decimated where will residents find temporary housing in the next crisis?

This Bill could result in the phasing out of tens of thousands of **LEGAL** short term rentals.

According to Hawaiian Life, “...vacation rental properties are vital to Maui. They provide many jobs for local people, are the single largest property tax contributor to Maui County, help to fund our affordable housing fund, and are a leader in sustainable tourism.”

Short term rentals pay one of the highest property tax rates which provides significant real property tax revenue for the counties, (along with the TA Tax to the State.) In Maui, this makes it the top funding source for affordable housing for Maui. How will these revenues be replaced?

Mid and Short-term Rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.

I ask that you oppose SB2919 and protect existing short-term rentals, including those falling under Minatoya.

Mahalo,

Fred Kilby

SB-2919-SD-1

Submitted on: 2/29/2024 5:18:25 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Natalie Fobes	Individual	Oppose	Written Testimony Only

Comments:

My family is strongly opposed to SB2919. We believe it will have unintended, negative consequences.

STR's offer an affordable alternative to the hotels. My family has stayed in STR's on three other islands because the nightly rates are much lower than the hotels, there is more square footage in the unit, and we can cook our own meals. Many off island families would not visit Hawaii if they had to pay the hotel rates. They couldn't afford it.

Passing this bill is a gift to the hotel industry.

Tax revenue will drop.

Jobs supporting the tourism industry will be lost.

If passed, costly legal challenges will follow. The legal STR's were licensed and permitted by the counties.

Instead, concentrate on building more affordable housing.

Why are dozens of small homes sitting empty near the airport? The bureaucratic red tape is holding up occupancy. I've driven by that site since October. Why is it taking so long?

Encourage more prefab construction.

Mahalo for considering my testimony.

SB-2919-SD-1

Submitted on: 2/29/2024 5:24:58 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Natalie Henderson	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

My name is Natalie Henderson. I stayed in a short term rental because my 7 year old daughter was diagnosed with severe food allergies when she was young and has fructose malabsorption. This requires access to a kitchen for meal prep given significant dietary restrictions as well as refrigeration for her medication. Hotels don't provide for this and the cost would be significant without access to short term rentals.

I am writing in opposition of this bill because short-term rentals are important. A hotel room is not affordable nor livable to many that have families, need to prepare meals or need more space than one room.

This bill will hurt me, other residents and important visitors that rely on short-term rentals as temporary, furnished, affordable housing.

Let the counties enforce the laws that they already have.

I ask that you please do not move this bill forward.

Thank you for your time.

SB-2919-SD-1

Submitted on: 2/29/2024 5:29:32 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Steve Thiesfeld	Individual	Oppose	Written Testimony Only

Comments:

I **OPPOSE** SB2919, SD1 for the following reasons:

My wife and I are owners of two STR units at Papakea Resort. They have been successfully rented by a wide variety of individuals over the years we have been owners, and we believe strongly we should be allowed to continue as such.

Papakea was built in 1978 and has operated vacation rentals for almost fifty years, serving a wide variety of individuals and families. It is well-known, respected and beautifully maintained.

Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years. Many started in entry-level positions and worked into supervisory roles, and now are the primary providers for their families.

Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming.

Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue.

Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors. We have actually become friends with some, and have helped support them during some difficult circumstances.

Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Task, and Maui Transient Accommodations Tax. WHO or what would replace this income to the county and state?

Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops. These institutions simply cannot survive without this income stream.

Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community. It's one of the many reasons we chose to purchase our property there.

For the reasons stated herein I OPPOSE SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Steve Thiesfeld

SB-2919-SD-1

Submitted on: 2/29/2024 5:36:34 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Larry Stevens	Individual	Oppose	Written Testimony Only

Comments:

The right way to fix Hawaii's housing problems is to build more housing. Destroying small business is not the way.

Short-term rental properties do not generally make good long term rentals. They lack parking, storage, and often come with expensive amenities of little value to long-term residents.

SB-2919-SD-1

Submitted on: 2/29/2024 5:39:08 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Joseph Ciocia	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

Maui is a second home, a family gathering place, and a retirement destination for us.

We bought a condo over two years ago. Last year, we spent a third of the year in Maui, most of the time bringing our family - kids, grandkids, parents, and cousins.

Every visit is a boom to the economy and employment in Maui. We recognize that Maui needs housing, but housing without employment is not a solution.

We can only afford our place in Maui because we allow short-term rental for the rest of the year. With each of these rentals, we are adding to the local economy. Our guests eat in the local restaurants, visit the local attractions, and often contribute to funds like Maui Strong. In fact, after the fire, we started donating 20% of our booking to Maui Strong.

We need to be empathetic to the people on the island who lost their homes, but we can't turn our backs on those who have been investing in Maui all along.

A halt in STR will drive STR owners off the island, decrease property values and taxes collected, and take significant tourism dollars out of the economy. It will be a short-term solution that will cause a more extended, unrecoverable long-term problem.

I appreciate your consideration.

Mahalo,

Michael J Ciocia

SB-2919-SD-1

Submitted on: 2/29/2024 5:42:51 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Mali Hawes	Individual	Oppose	Written Testimony Only

Comments:

Stop these attacks on residents private property rights.

We will remember in November.

SB-2919-SD-1

Submitted on: 2/29/2024 5:43:43 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Nancy Noll	Individual	Oppose	Written Testimony Only

Comments:

Dear State Members,

I am asking for "Common Sense" to prevail in your decision making on this bill.

All sides need to come to the table and be heard for a "common sense" path forward.

The only word that comes to mind for this bill is "Draconian".

It would be litigated for years @ taxpayers expense, if it was allowed to pass.

So many people would be hurt in lost jobs, the tourist industry would suffer.

People can't afford hotel rates to be able to work temporarily in many jobs.

Just please use "Common Sense" in your decision making.

There is a compromising solution, but this bill is not the answer!

Thank you.

Dear Hawaii Senate Ways and Means Committee on Judiciary

I **OPPOSE** SB 2919 the following reasons:

- Papakea was built in 1978 and has operated as vacation rentals for nearly fifty years.
- Papakea employs approximately 35 local resident employees, some of whom have worked at the property for over 15 years; some starting in entry-level positions and have worked into supervisory roles
- Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming. I personally have employed contractors, tradespeople and local artisans, spending well over \$300,000 on my unit since I purchased it in 1995
- Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely upon short-term rental revenue
- Papakea STRs support the Stat of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodation Tax
- Papakea guests and owners support many small businesses on the island, including restaurants, food trucks, tour operators, state parks, the national park, and countless specialty shops
- Papakea has a high number of returning guests that have been visiting Maui for decades and have deep connections to the community. I have guess who have rented my unit annually for over twenty five years.

For the reasons stated herein I **OPPOSE** SB 2919 and urge the committee to defer it.

Respectfully submitted,

Susan Gene Braun, Owner

Papakea D309

February 29, 2024

COMMITTEE ON JUDICIARY
COMMITTEE ON WAYS AND MEANS

RE: **Opposition to SB2919**

Aloha Senator Rhoads, Chair, Senator Gabbard, Vice Chair, Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, and Members of the Committee:

I am an owner of a 450 square foot studio condo in West Maui. The ocean front resort property where my condo is located was built in 1978 as a vacation rental resort. Despite the property having been developed and approved for vacation use, and having operated in such manner for almost 50 years, it is on the Minatoya list. While that should denote the vested rights to operate as it always has, this notation has become weaponized with false narratives. This property is not in a “neighborhood” and has never been long-term or work-force housing, rather it is a resort that is bordered by commercial properties and is flanked on one side by a hotel zoned property, and a STVR resort on the other.

Our tiny condo directly supports the businesses of no less than five West Maui residents - some of which lost their homes in the fire. These individuals have stressed the importance of maintaining their businesses and creating some normalcy post fire. Our resort property also employs 35 local residents for a variety of functions. Many of the staff have worked at the property for over 15 years. As an example, in December 2023 our resort community celebrated a staff member that retired after 23 years as an employee. If this bill were to pass all of the individuals that directly support our condo as a vacation rental and many of the resort employees will no longer be needed.

The guaranteed negative fiscal impacts (reduced tax base, increased litigation costs, reduced economic viability of West Maui tourism, increased unemployment claims, etc.) of this bill combined with the unknown housing outcomes make it incredibly ill thought through. Many owners have expressed that they will not engage in long-term renting even if this bill were to pass. Other housing solutions that are better fiscal stewardship should be explored. As one example, Governor Green has pointed to the approximately 25,000 illegal short-term rentals that are not paying TAT, GET, or MTAT. The regulation of even a fraction of illegal short-term rentals is a logical place to start.

There is already increased unemployment and uncertainty in the Maui community. The additional increased disruption to businesses, the local economy, and lives as the outcome of this bill is inhumane. I can't imagine the pain of being someone that lost their home and who would now lose their business as a result of this bill. For the reasons stated above I OPPOSE H.B. SB2919, SD1 and urge the committee to defer it.

Mahalo,

Jeanie O'Kane

SB-2919-SD-1

Submitted on: 2/29/2024 6:02:13 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeffrey Likes	Individual	Oppose	Written Testimony Only

Comments:

I was appalled after reading the contents of SB2919. Unfortunately, once again, we have an example of oppressive legislation as a solution where there is no problem.. Having another layer of governmental oversight and regulation on the short term rental economy is needless, punitive, and smacks of the way the uni-party (democrats) in this state seeks to control and subvert commerce. I urge each legislator that when it comes time to voting on this terrible piece of legislation to not only vote 'no', but to vow that nothing like this ever sees the light of day again. For those of you who embrace communism and Marxism, here's an economic lesson: the individual freedoms guaranteed to the citizens of the United States. allow us to engage in a free market capitalist economy and to move our resources to where's there a need or demand.

The role of government is to GET OUT OF THE WAY.

If this ends up becoming "law", we will have no choice but to divest ourselves of ALL investments in Hawaii and not consider ever spending or investing here until the party in power is replaced with good, freedom loving legislators who embrace a pared down state government.

SB-2919-SD-1

Submitted on: 2/29/2024 6:03:35 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Edward Loughead	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

My name is Edward Loughead I stayed in a short term rental because it was a better value and work-from-home friendly. I am writing in opposition of this bill because short-term rentals are important. A hotel room is NOT affordable nor livable to many that have families, need to prepare meals or need more space than one room.

This bill will hurt me, other residents and important visitors that rely on short-term rentals as temporary, furnished, affordable housing, allowing me to work some each day while enjoying what Maui has to offer each day. If I could not secure an affordable short-term rental that allowed for work life balance I would sadly not return to Maui.

Let the counties enforce the laws that they already have.

I ask that you please DO NOT move this bill forward.

Thank you for listening.

SB-2919-SD-1

Submitted on: 2/29/2024 6:15:21 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ayn Garvisch	Individual	Oppose	Written Testimony Only

Comments:

As A Maui homeowner since 2003, our family is vehemently against this bill. As a short term rental, it supports the local economy in the form of employment of local residents such as contractors, managers, cleaning personnel, plumbers, electricians, gardeners, etc. Over 40,000 jobs are supported by the short-term rental industry. Restricting this sector could have far-reaching consequences on employment.

Maui's Short term rentals provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This Short term rental property tax revenue represents 18% of the county's \$1.7 billion dollar budget.

Personally I know of at least 20 local long term residents who are opposed to this bill.

Please vote NO.

SB-2919-SD-1

Submitted on: 2/29/2024 6:24:14 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
mike stango	Individual	Oppose	Written Testimony Only

Comments:

I have owned in Papakea for 30 years as a second home . I can only afford to keep it (due to Hawaii 's expensive costs) thru vacation rentals .

I OPPOSE any bill that would limit / change its use.

I find the whole procedure unconstitutional.

Thank you,

Mike Stango

SB-2919-SD-1

Submitted on: 2/29/2024 6:25:11 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Amelia Pickering	Individual	Oppose	Written Testimony Only

Comments:

I am writing to oppose SB2919.

My family has owned a home on the Big Island since 1977. Over the years we have spent as much time there as possible but we are scattered over the Mainland and not able to live and work full time in Hawaii. We have rented our home on a short term basis since 1977. Families often come back to Hawaii to rent our house year after year. Many of our renters tell us they come to Hawaii because they can rent a house like ours - a hotel is not going to work for them.

These rentals to just our house have contributed hundreds of thousands of dollars to the Hawaiian economy. We also pay significant property taxes every year based on our short term rental status. The availability of short term rental homes have brought vacationers to Hawaii who would not come otherwise. Thousands of Hawaiians work in this industry, and contribute mightily to the state's economy. Why would the legislature want to kill this industry that is employing Hawaiians and contributing so much to the economy?

Mid and Short-term Rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & many friends. These fully furnished rentals are available for families who have been harmed by fires and floods. Without them where would people go?

We understand that there is a serious housing shortage in Hawaii but eliminating short term rentals is not the answer to solving that problem. In fact it takes housing options off the market. If we are not able to rent our home, we will no doubt have to sell it as we won't be able to afford to maintain it, pay taxes, etc. The County and State would then lose the revenue being generated by this property. This property is not going to be affordable for the people who need housing the most. If it is bought by some wealthy person who uses it to vacation in Hawaii occasionally and otherwise it sits empty, it is not going to bring in revenue to the County and State. Why would the legislature want to do this?

We have done everything to be good neighbors, to follow all the laws and regulations, and to promptly pay all the fees and taxes associated with our short term vacation rental. We desperately want to be able to keep our home and we want to be able to share it with repeated and new vacationers who fall in love with Hawaii when they stay at our rental.

I urge you to vote against SB2919.

SB-2919-SD-1

Submitted on: 2/29/2024 6:35:04 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Horst Michalek	Individual	Comments	Written Testimony Only

Comments:

Horst Michalek owner of a rental unit in Kihei is a senior, aged 83, and is dependent on the rental income of the mentioned rental unit.

SB-2919-SD-1

Submitted on: 2/29/2024 6:35:55 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Sarah Wever	Individual	Oppose	Written Testimony Only

Comments:

I oppose SB2919 regarding stopping STR on the Resorts. Without tourism Maui's economy will drop considerably. In addition, if the owners rent to tenants for over 180 days, the owners will have to paid any legal costs and damages that may occur. For other Short-Term Owners, they may be forced to sell or lose that place. Maui is already getting bad new about who started the wildfires and that there is a conspiracy, which as already been a decline in tourism. If this Bill is passed it will also put resort employees out of a job, and the Property Managers will also be affected. By passing this Bill it will just add to the current situation causing more impact on Hawaii. I am originally for Oahu and have a deep connection to the islands. Though, as a condo owner, I find this proposed Bill to unjustified.

Mahalo.

SB-2919-SD-1

Submitted on: 2/29/2024 6:39:15 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Martine Aceves-Foster	Individual	Oppose	Written Testimony Only

Comments:

Good afternoon, Chair and Committee Members:

Thank you for allowing me to speak on SB 2919.

My name is Martine Aceves-Foster, and I oppose SB 2919.

I raised my children here in Hawaii, taught for 26 years in the UH system, and my former husband and I bought our home here in Hawaii. After the divorce, I chose to stay in the home I love, amongst my good neighbors and dear friends.

This is the home where my sons stay when they visit me, and that is the reason I rent short-term. I want my sons to be able to come home. That's important to me.

I own one piece of property in Hawaii with one structure on it, my home. It's simple, one front door to a 3-bedroom, 2-bath house. I rent short term one of the bedrooms my sons used to occupy. Many of my guests have been students, nurses, medical interns on rotation, Oahu residents in transition, and former Hawaii residents returning to visit their ohana. I've enjoyed providing a home for my guests and getting to know them.

Renting one bedroom in my home has made it more manageable to pay the mortgage, property taxes and utility bills.

As a single divorced retiree on a fixed income, I see SB 2919 as a blunt tool.

Yes, cost of living and providing enough affordable housing in Hawaii as serious problems. That is why we rent — so we can make ends meet. Taking that option away does not add affordable housing when we're simply trying to hold on to our homes.

Hawaii's housing problem will not be solved by forcing some homeowners to give up their homes in order for others to have them. And who's to say the buyers will be locals in need of housing? Isn't it true that about 20% of homes on the market are purchased by people who live outside the State of Hawaii?

I would like to see a bill that includes an exemption that allows individuals and couples who reside in their home to supplement their income by renting a room or two in their own home — without the requirement that we, the homeowner, must remain at home 24/7.

Please, vote against SB 2919. Please, create legislation that does not replace one homeowner with another homeowner. Please, help all of Hawaii's residents thrive in Hawaii. Mahalo.

SB-2919-SD-1

Submitted on: 2/29/2024 6:42:42 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Michelle Padilla	Individual	Oppose	Written Testimony Only

Comments:

Honorable Committee members,

Aloha! My name is Michelle Padilla, and I am a proud owner of a Condominium in the beautiful paradise of Maui, Hawai'i. As a homeowner in this extraordinary location, I have been deeply connected to the culture, spirit, and vibrancy of the Hawaiian Islands. My property in Maui is not only a part of my livelihood but also represents my family's heritage, beliefs, and aspirations.

I am Part Hawaiian and I have always treasured the opportunity to share the beauty of Maui with visitors from all over the world. Renting out my unit has not only provided a source of income for my family but has also allowed me to extend the spirit of Aloha to our guests, offering them a genuine experience rooted in the rich traditions Hawaiian culture.

If the proposed legislation gains traction and restricts my ability to continue renting out my property, it would severely impact my family's financial stability and our ability to maintain and care for our unit in Maui. Moreover, it would hinder our ability to share the true essence of Hawaiian hospitality with our guests, as well as the cultural experiences that our property offers.

Futhermore, the potential effects of this legislation go beyond our personal circumstances. It threatens the livelihoods of many hardworking individuals involved in the local vacation rental industry, including housekeepers, maintenance workers, and other essential workers who depend on this industry for their employment and financial well-being. The broader impact on the local community cannot be overstated.

I am deeply concerned about the implications of the bills, HB1838 and SB2919, and their potential to disrupt the delicate balance between economic prosperity and cultural preservation in our beloved Maui. I urge the Committee to consider the real life implications that this legislation would have on families like mine and the broader community in Maui.

I am committed to upholding the heritage and culture of Hawai'i while ensuring a sustainable future for my family and the local community. I implore the committee to weigh these considerations carefully as they deliberate on the proposed legislation.

Mahalo nui loa for your time and consideration.

Warmest regards,

Michelle Padilla

Re: SB 2919

Aloha Chair, Vice Chair and Committee,

My name is Tim Hadjis. My wife and I recently purchased a home on the island of Hawaii that has an existing short-term vacation rental license. We have been coming to Hawaii over the last 35 years and it was always a dream of ours to own a place on the big island. That would not be economically possible for us without having a short-term license that allows us to share use of the property with others when we are not visiting the island.

More importantly, the property must be kept and maintained at a very high level to offer comparable accommodation to the many resorts and their amenities. That maintenance requires employment of several local residents who depend on this work. Starting with the management company to the cleaners, electricians, maintenance workers, landscapers and so many other small businesses that support the short-term rental business.

I am writing in opposition to this bill because I believe it will threaten these small businesses whose employees live and work near to the community in which those short-term rentals are located. I believe this bill will create a loss of jobs, hurting those employees and putting at risk their ability to pay for housing and bills.

Let the counties enforce the laws that they already have.
We urge you to vote no on this bill.

Thank you for your time.

Tim and Kari Hadjis

SB-2919-SD-1

Submitted on: 2/29/2024 6:50:46 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Martin Outlaw	Individual	Oppose	Written Testimony Only

Comments:

We purchased our condo in 2014 for our family. We have enjoyed many vacations through the years. I know our guests enjoy their time on the island as well. I cant imagine the impact on all the workers/businesses this would effect if this bill passes. The financial impact would be astounding. Please think of all the people that need the income from short term rentals. Thank you for your time.

Martin Outlaw

SB-2919-SD-1

Submitted on: 2/29/2024 6:51:42 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael W. Mitchell	Individual	Oppose	Written Testimony Only

Comments:

Aloha Honorable State Senators,

Foremost, I share your sadness and sincerely empathize with all of you who have lost family members, friends, and property in Lahaina tragedy last year. I lost my mother shortly after the fires. She lived outside of Lahaina town above Kaanapali and the stress of the tragedy was a factor in her passing.

I oppose SB2919 because I believe that with continued hard work and focus on the housing shortage by **voluntary** means (and not forced by the passing of this bill) that much better options for Maui’s recovery can be implemented. There will far-reaching ripples of negative impact throughout an already devastated community if this bill (SB2919) is passed and becomes law.

Maui’s Short Term Rentals (STR) employ thousands of cleaners, maintenance workers, property management teams, tradesmen/woman of all professions, plus many more. These people and their families are all, in different ways, assisting in the recovery of west Maui. We should not “un-employ” all these people and add to the devastating effects of the fire and further complicate the recovery process.

Taking away the low-cost accommodation options of STRs for tourists will significantly discourage visitors from coming to Maui because of the high cost of hotel rooms. Maui needs encouragement for tourist visitation not the other way around.

Maui STRs provide 40% of the real property tax revenue and this same revenue is 18% of the County’s budget. How will Maui re-build, repair, recover, and flourish again with such a deep loss of tax revenue.

Voluntary methods such as increasing the existing incentives for Short-term Rental (STR) owners to voluntarily rent to displaced locals, workers, and their families. Stepping up construction for affordable housing, and creation of temporary housing are both possible options to be increased.

Please consider the far-reaching negative effects of the passing of this bill and explore other ways to assist the displaced (and honor the lost) while carefully considering the detriments to both those currently working in the STR realm (raising families and assisting in the recovery efforts) and to Maui’s economy.

Mahalo,

Mike Mitchell

SB-2919-SD-1

Submitted on: 2/29/2024 6:57:20 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Curtis Wells	Individual	Oppose	Written Testimony Only

Comments:

My life partner, Christine Zecca, and I bought a condo in Kihei about two years ago because of our over 50 year love affair with Hawaii. We have been visiting here in Hawaii for over 50 years and lived here full time when we could afford it. We are both retired teachers living primarily on Social Security Benefits and income from our condo. We have lived in the condo for about 5 months a year each year and we need rental income from the condo to be able to pay the HOA fees and the property taxes, which are substantial. If we could no longer rent our condo on a short term basis we could no longer afford to live here. We hope that we will be able to continue to rent out our condo on a short term basis not only for the income, but to enable to live here ourselves whenever we can. Thank you.

To Whom It May Concern:

We are writing in opposition of HB1838. We are owners of a short-term leased single bed apartment in a condominium in Maui. We have owned this condo for about 20 years. While we do live on the mainland, our family and us enjoy use of this condo as much as possible throughout the year. Our frequent visits to Hawaii are significantly influenced by having this familiar place to stay and enjoy. With the understandable and well-justified tax structure on short-term rentals (which must generate significant revenue for Hawaii), it is only feasible for us to keep and maintain this condo through short-term renting. (Also noting here that the maintenance and the condo must also generate income as all housing markets do.)

There is a great difference between short term rentals and hotels, particularly with families, like ours. It would be disastrous to lose the ability for a family to have the benefits of a non-hotel place to stay in Hawaii.

I urge you to reject HB1838.

Thank you,
Mabel and Andrew Haley

SB-2919-SD-1

Submitted on: 2/29/2024 7:09:47 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jill Paulin	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Members of the Committees,

I am a resident of Hawaii and strongly oppose Bill 2919. It is a foregone conclusion that the counties will eliminate more temporary, furnished housing for residents and important visitors should this Bill pass. The law currently protects residential use at the state level to ensure that this doesn't happen. More and more climate-related events are causing the displacement of our residents. Where will they stay when all the temporary housing is gone? Where will those traveling inter-island for medical treatment stay? Where will the much needed traveling nurses and other contactors stay? These mid and short-term rentals are part of the housing solution. Please don't think you can "rob" from one housing component to fix another. The repercussions on our residents, important visitors and economy will be devastating at a time when we can ill afford it.

I humbly ask that you defer this measure.

Mahalo,

Jill Paulin

SB-2919-SD-1

Submitted on: 2/29/2024 7:10:57 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Chris Sutton	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

I am writing in opposition of senate bill 2919.

I have been regularly coming to Maui with my family for almost 30 years. I began coming with my wife-to-be and future in-laws in the 1990's, I had my honeymoon there, and as our family has grown, my daughters have come to see Maui as one of their favorite places in the world. Over these many years, we have built a lifetime of wonderful memories, many of which were made in beautiful Lahaina. I can close my eyes and visualize almost every street and corner of that beautiful place, and seeing it destroyed was traumatic.

When we come to Maui, we always stay in short-term rentals. Hotels do not meet my needs when traveling. I have several food allergies. When we stay in Maui, we try to purchase local food, and we check ingredients lists on all of the food we buy. We prepare our meals "at home". This is far more difficult to do in hotels. We need to have our own kitchen. This may seem like a little thing, but it makes all the difference for my family when we come to Maui.

I do not believe that removing short-term rental options in Maui is the best way to address the island's housing crisis. Maui governments have had ample opportunities to construct more housing and have failed to do so, and I feel that short-term rental property owners are being scapegoated to fix a problem of the government's making. Even since the fire, it seems that governments are fixating on short-term rentals while ignoring better alternatives. I understand from reading local news that, for example, there is rent-free housing for 350 fire victims, provided by Family Life Centre, that sits empty due to bureaucratic red tape.

Please reject this bill. Enforce the current laws. Cut red tape. Construct new affordable housing. Keep an important part of Maui's local economy intact. Mahalo for your consideration.

February 29, 2024

Committee on Judiciary and Hawaiian Affairs

Aloha,

My wife and I live in Woodinville, Washington. We began visiting Maui soon after our marriage 22 years ago. We loved it so much we bought a timeshare at Westin Kaanapali Villas and loved that so much that we went shopping for our own vacation home in West Maui. We were fortunate to find a condo in Maui Kaanapali Villas, the second resort to be built on Kaanapali.

MKV is a wonderful place, and we currently spend one month of the year there. Our plan is to spend six months per year once we retire. In the meantime, to pay the mortgage and the taxes, we rent it out short term.

It is distressing to find that our story is now considered "bullshit" by your governor. Buying a vacation home and renting it out is a practice worldwide. Yes, in some places it is not regulated well. As I understand it, Maui has it under control with a very strict list.

And, how fortunate for the fire families of West Maui that these short-term rental properties exist. They are a great buffer to absorb these displaced families. If they were all sold to locals as the governor wishes, where would displaced families go?

I have read so many articles about the fire and the recovery and I have never read of anybody saying how fortunate West Maui is to have all of those hotels and rental properties to instantly house the displaced families. That is tragic.

If the state puts a short-term rental moratorium in place, we would likely have to sell our dream vacation home at MKV. At an approximate value of \$1 million, how many of the families will be able to afford that. It would likely be purchased by someone with more money that could weather the moratorium, and then it would be back in short-term rental after the moratorium. How does that help?

Please do not take away our rights for renting our vacation home which was purchased and rented according to the laws of Hawaii. This would be a sad case of a government knife in the back.

Mahalo.

Lester Rubstello
19812 163rd Ave NE
Woodinville, WA 98072

SB-2919-SD-1

Submitted on: 2/29/2024 7:13:09 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Scott Young MD	Individual	Support	Written Testimony Only

Comments:

I have support this measure

SB-2919-SD-1

Submitted on: 2/29/2024 7:13:09 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Karen J Comcowich	Individual	Support	Written Testimony Only

Comments:

Aloha Senators,

Please continue to support SB 2919 SD1 giving the counties authority to phase out vacation rentals and expanding the definition to include transient vacation vehicles which are an increasing nuisance. The impact of transient vacation rentals are felt most acutely at the local level, including a lack of available housing units, housing developments built for investors, increased traffic, transient neighbors, and visitors who spend more at Costco than at local restaurants. Thank you for recognizing that each county has different impacts from and experience with vacation rentals and this issue is best handled at the county level.

Mahalo for your time,

Karen Comcowich

Lahaina, HI

SB-2919-SD-1

Submitted on: 2/29/2024 7:18:35 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
michael kayem	Individual	Oppose	Written Testimony Only

Comments:

Aloha! we own a new condo owners at Valley Isle Resort in Maui, fulfilling a lifelong dream that we have worked very hard to achieve. I empathize with the locals, and I understand the complexity of this situation. It's a cycle. We provide condos for tourists to stay in, and when tourists visit, they spend money which supports the livelihood of the locals. I employ a housekeeper who relies on my income, additionally, I have a handyman who cleans our windows and performs various repairs. There's also a realtor involved, so three locals are directly impacted by our condo alone. Furthermore, we have staff at the guest registration desk in the lobby of our resort that would no longer be needed.

With an average of 5 bookings a month, that amounts to 60 rental cars a year. Assuming each booking includes dining out at least once a day, we experience close to 100% occupancy, resulting in over 300 restaurant visits a year. Moreover, my 60 bookings are likely to participate in various adventures such as scuba diving or boating trips, leading to 60 fewer bookings in the adventure and sightseeing business. While locals may have condos to live in, there will be a lack of work to cover their living expenses and their rent. On another note, our monthly costs for our one bedroom condo in Valley Isle is, HOA fees alone are \$1668 a month plus mortgage payments, \$3411, utilities \$125 and insurance \$75 a total of \$5,279. Who can afford these payments beside a tourist for a short visit? And with restrictions, let's say 180 days per year, who can afford the \$5,279 a month for the remaining 6 months? People like us would have to sell, unlike the tech billionaires who are already waiting on the side lines. Thank you for my time

SB-2919-SD-1

Submitted on: 2/29/2024 7:20:12 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jill Alfond	Individual	Oppose	Written Testimony Only

Comments:

Subject: Urgent Opposition to HB1838 - Protecting Our Right to Operate Short and Mid-term Rentals in Hawaii

Dear Committee on Judiciary and Hawaiian Affairs,

Good morning,

My name is Jill Alfond, I am a property owner at Puako Beach Condominiums on the Big Island of Hawaii.

I am writing to express my strong opposition to House Bill 1838 (HB1838), which will threaten our ability to operate short and mid-term rentals on the Big Island of Hawaii.

****Points of Concern:****

1. *** HB1838 jeopardizes my ability to offer an affordable short-term rental opportunity for visitors to the Big Island, impacting my financial stability and our ability to contribute to the local community.**
2. *** Short and mid-term rentals play a vital role in accommodating displaced residents, visitors traveling for medical reasons, traveling professionals, as well as families in transition.**
3. *** Emergency Situations: During crises like the Red Hill Crisis and Marco Polo fires, short-term rental properties provided crucial temporary housing. Restricting use further raises concerns about housing options during emergencies.**
4. ***Visitor Impact: The economy relies on visitors to Hawaii. Restricting the use of one's personal residential property will create barriers to entry by removing affordable options for visitors, thereby creating an elitist environment by limiting who can visit Hawaii. Hotels are not ideal for large family gatherings and it should not be the role of the government to tell people where they "can" and "cannot" stay. Creating a blanket policy restricting short-term rentals limits affordable and convenient accommodation choices and leaves only expensive hotels as options for visitors.**
5. ***Impact to Local Business Owners**

In addition, this action of creating a blanket policy of restricting short-term rentals would decimate the local business owners who rely on visitors to the Island to provide their livelihoods. Visitors will go elsewhere for their trips and the businesses which depend on visitors will not be sustainable and will result in families having to leave the island because their business has closed. This cannot be overstated!!! Hawaiian businesses rely on tourist dollars and these will go away when people cannot rent homes and condominiums for their stays!!!!

I urge you to reconsider the potential consequences of HB1838 and appreciate your immediate attention to this matter.

Sincerely,

Jill Alford
Owner, Puako Beach Condominiums

John Rosen
5564 Willow View Trail
Morrison, CO 80465

February 29, 2024

Re: SB 2919

Dear Senators,

I am writing in opposition to the proposed SB 2919. My wife Julie and I purchased a property in Hawaii County last September. This purchase was made after many years of trips to the Island as visitors. With the exception of our first visit, we always arranged for accommodations at short term rentals in various locations on the Island – Puako, Hawi, Honokaa, Volcano, etc. We fell in love with the Island and much of this affection was because of the access, relaxed atmosphere and comfort afforded by the short-term rental properties we regularly frequented. We are attracted to Hawaii by the natural beauty of the land and ocean and the variety of related outdoor activities. We are not resort people and if a resort or hotel was the only option available to us, we likely would have found an alternate travel destination. We believe there are a significant percentage of visitors to Hawaii that are similar to us. The elimination of the short-term rental option would not drive a higher occupancy at the resort locations. It would result in reduced visits to the state.

We fully understand the housing shortage issue that Hawaii is experiencing. We are from Colorado and all of our mountain towns face very similar issues. The elimination of short-term rentals will not resolve this problem, which is driven by affordability. Properties such as the one we purchased are very expensive to own and maintain. Even if we were forced to sell due to the loss of our ability to generate income, the property would not be affordable via ownership or rental to island residents that are having difficulty locating affordable housing opportunities. If we sold the property it would be purchased by someone with substantial financial means who would either occupy the house as a full or part-time resident - someone not affected by the affordability crisis in the state. In effect, a forced sale of our property would essentially be to remove a highly occupied tourist rental and a commensurate reduction in revenues to the state without adding to the affordable rental housing stock.

The termination of our short-term license would also eliminate our need for the people and businesses that aid us in managing and renting the property. This includes our property management team and the cleaning staff. To a lesser degree, we would not contract for the extensive landscaping, tree trimming, and building maintenance services we provide to ensure maximum marketability of the property. This is a loss of jobs and revenue to the people who need it most.

The housing shortage and affordability problem will not be resolved or mitigated in any way by SB 2919. In fact, it may be exacerbated by its passage. We urge you to vote no on this bill.

Sincerely,

John & Julie Rosen
89-1815 Puako Beach Drive
Kamuela, HI 96740

Subject: Strong Opposition to SB2919, SD1

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, and Esteemed Members of the Committee:

I am writing to express my strong opposition to SB. 2919, SD1, and I urge you to consider the significant ramifications before proceeding with this proposal.

First and foremost, this bill could lead to the phasing out of 13,744 legal short-term rentals on Maui. As a critical component of Maui's economy, these rentals not only provide accommodation for visitors but also contribute substantially to the county's finances. In fact, they account for 40% of the county's real property tax revenue and serve as a top funding source for affordable housing initiatives. If these rentals are eliminated, the loss of revenue will pose a significant challenge for the county's budget, raising questions about how essential services will be funded in the future.

Moreover, short-term rentals play a crucial role in accommodating various individuals and groups within the community. From displaced residents to traveling nurses and emergency contractors, these rentals serve as temporary homes for those in need. Additionally, they support Maui's tourism industry by providing lodging for visitors, including inter-island travelers and families on vacation.

To illustrate the potential consequences of banning short-term rentals, I draw your attention to the case of South Lake Tahoe. Following the prohibition of short-term rentals in that area, the local economy suffered greatly. Real estate prices skyrocketed, local businesses closed down, and job opportunities dwindled. It is essential to learn from such examples and consider the broader economic impact before making any decisions that could harm Maui's economy and its residents.

As an owner at Papakea resort, I can attest to the positive contributions of short-term rentals to the local community. The resort employs approximately 35 local residents and supports various tradespeople and service providers, ranging from plumbers to landscapers. The revenue generated from short-term rentals not only sustains these businesses but also contributes to the overall economic vitality of Maui.

Furthermore, the taxes generated by short-term rentals are essential for funding crucial services and infrastructure projects in the state and county. Rather than eliminating this revenue stream, alternative solutions should be explored, such as directing transient taxes towards affordable housing initiatives or streamlining the permitting process for new construction.

In conclusion, I urge the committee to defer S.B. 2919, SD1 and to carefully consider the long-term implications of this proposed legislation. It is imperative to conduct a thorough cost-benefit analysis and explore alternative solutions before taking any action that could jeopardize Maui's economy and the well-being of its residents.

Respectfully submitted,

Randip Manrao

SB-2919-SD-1

Submitted on: 2/29/2024 7:23:13 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Annie	Individual	Support	Written Testimony Only

Comments:

I support the phasing out of short-term rentals, as it not only deprives local communities of affordable housing but is also largely owned by non-Hawaiian residents. Regarding job creation and income generation, we receive visitors at hotels, so those not staying in short-term rentals will likely stay in hotels, contributing to local businesses. I don't anticipate the phasing out of short-term rentals severely impacting the local economy. The priority should be on providing affordable housing for local residents. It's disheartening to see native Hawaiians being priced out of their own lands.

I also believe that further reviews for issuing or renewing licenses are necessary if phasing out is not an option. For instance, many short-term rental owners are listed under trusts. Since trusts are not recorded documents, beneficiaries can be changed at any time. Consequently, a property owner can easily change the trustee and beneficiary to sell the property without the county's knowledge. This has occurred before, and I suspect it's still happening. The same issue applies to LLCs; if an LLC is listed with a registered agent, the owner's identity is shielded. Therefore, the property can easily be sold under the same LLC to a different owner, with the same registered agent.

SB-2919-SD-1

Submitted on: 2/29/2024 7:23:13 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kevin Krewell	Individual	Oppose	Written Testimony Only

Comments:

Hello Legislators,

Thank you Chair and the entire Committee for the opportunity to testify on HB1838. My name is Kevin Krewell. My wife, Fely, and I have owned a condominium unit in Kihei (Maui) since 2002. The condominium complex was always designed for legal short-term rentals.

My wife was born and raised on Maui and we have strong local connections and visit the islands multiple times per year. We are mostly retired. In the times when we are not on Maui, we offer our unit as a short-term rental (STR). If STRs are zoned out, we would not just lose out on that rental income, the local economy would lose out on those visitors who prefer condominiums over the much pricier hotels. This is especially true for families who come here year after year. The only winners here are the hotels. Local shops and restaurants, and even airlines, would lose business from the lost potential condominium renters that will no longer be able to afford to visit. We would not put our unit into a long-term commitment because we spend approximately 40% of our time in our unit.

Eliminating STRs will hurt Maui in many ways including reducing the pool of emergency housing and lead to lower tax revenue. Re-zoning STRs into oblivion is not a solution to the housing shortage. Turning Hawaii into a retreat for the rich will not solve the economic issues facing the state. This bill (HB1838) will not help either renters or local small businesses. Please reject this bill.

Thank you for hearing our testimony.

Kevin & Fely Krewell

SB-2919-SD-1

Submitted on: 2/29/2024 7:23:31 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Patricia McLaughlin	Individual	Oppose	Written Testimony Only

Comments:

In my opinion, one entity or person own multiple units, sometimes over 20. There is no person use of these unit either. These people should be asked to convert to long term rentals. In addition, short term rental provide alot of tax base and tourist revenue, so they should not be completely banned, but reformed so more use by all can be enabled.

SB-2919-SD-1

Submitted on: 2/29/2024 7:24:16 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Leonard Mangalindan	Individual	Oppose	Written Testimony Only

Comments:

Good morning. First of all, thank you for allowing me to express my opinion on Bill SB2919. I am a retiree and have invested in a property in Maui. Currently, our property is on a short term rental program as my wife and I save up for our retirement. In the near future, our plan is to retire permanently in Maui and become residents of the island.

I am submitting my written testimony in opposition of this bill for the following reasons below. I appreciate your time and consideration.

Respectfully,

Leonard Mangalindan

(949) 533-7072

Bill SB2919, which aims to allow counties to enact zoning ordinances to phase out short term rental (STR) units could affect **13,744 LEGAL STRs on Maui**. Opposing this bill can be based on several key reasons:

1. Property Rights: SB2919 could infringe upon the property rights of homeowners who rely on short term rentals as a legitimate source of income, especially for retirees. Homeowners who have invested in such properties may face *significant financial losses and diminished property values* if forced to phase out their rental units.

2. Economic Impact: *STRs contribute to local economies* by generating income for property owners, supporting small businesses, and attracting tourists who spend money at local establishments. Phasing out these rentals will result in job losses and decreased revenue for communities dependent on tourism.

Maui's STRs provide **40% of the real property tax revenue for the county**, as well as being the top funding source for affordable housing. This STR *property tax revenue represents 18% of the county's \$1.7B budget*. If STRs are phased out, where will that revenue come from? Will this require raising additional taxes to make up for the huge revenue loss that will be self-inflicted?

3. Housing Shortage & Availability: Just like in many other States, there is a housing shortage in the State of HI, especially Maui due to the unfortunate Lahaina fires. Prohibiting STRs will not effectively address housing availability issues. The impact on long-term housing availability may be minimal, as many vacation rental properties are not suitable or intended for long-term occupancy. Moreover, vacation rentals often occupy a niche market segment distinct from long-term rentals.

The **BEST SOLUTION** for addressing the housing shortage is to ***BUILD AFFORDABLE NEW HOMES*** for low income families, especially for those affected by the Lahaina fires!

4. Short Term Rental Benefits: Mid and Short Term Rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military and students, our family and friends.

5. Regulatory Overreach: Granting counties the authority to phase out STRs sets a precedent for *excessive government intervention* in property rights and private enterprise. Such measures could deter investment in the housing market and stifle entrepreneurial activity in the hospitality sector, thereby negatively affecting Maui's economy.

6. Tourism Industry: The tourism industry plays a vital role in many local economies, supporting jobs and infrastructure development. Restricting STRs may deter tourists from visiting certain areas, leading to a *decline in tourism-related businesses and tax revenue*. The fact is that Maui's economy is heavily dependent on tourism.

7. Housing Diversity and Choice: STRs provide travelers with alternative lodging options and contribute to the diversity of accommodations available in tourist destinations. By restricting STRs, *SB2919 could limit consumer choice* and force tourists to seek accommodations in traditional hotels, potentially increasing prices and reducing availability. Currently, *STRs provide a significantly cheaper alternative to high priced hotels* that attract and provide visitors who are seeking an affordable and fulfilling experience found in actual homes. By eliminating STRs, *hotels will have a MONOPOLY and could result in charging more exorbitant prices*.

8. Community Engagement: The decision to phase out STRs should involve comprehensive community engagement and consideration of diverse perspectives. SB2919 may bypass meaningful stakeholder input and exclude affected property owners from the decision-making process. *This is not a healthy democratic process*.

CONCLUSION: While addressing concerns related to short term rentals is important, *Bill SB2919 may not represent the most effective or equitable approach*. Alternative strategies that balance the interests of property owners, communities, and the tourism industry should be explored to achieve sustainable solutions.

Eliminating STRs is not the solution in an effort to provide housing availability. The main issue is a significant shortage of affordable homes. I highly suggest that the *government explore a solution that will encourage the development of new homes instead*, by obtaining

funds from the public and private sectors. Encourage investments that will benefit the local communities from new homes built. As a concerned citizen, I am willing to volunteer my services to explore the best solution for resolving the housing shortage in Maui and helping the local communities (especially the Lahaina fire victims), who are in need of this assistance. Let's eliminate this housing problem and not create new ones if Bill SB2919 is passed. Together, let's build a better Maui!

SB-2919-SD-1

Submitted on: 2/29/2024 7:24:58 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Marie Preitauer	Individual	Oppose	Written Testimony Only

Comments:

Subject: Opposition to SB2919

I am writing to express my strong opposition to SB2919. As a long-time visitor and property owner in Hawaii, I have personally witnessed the positive impact of short-term vacation rentals on our local and state economy. My husband and I have owned property on Maui for over 17 years and have contributed to the economy through county and state taxes and job creation. We are just one example of the countless property owners who are positively contributing to Hawaii's economy through short-term vacation rentals.

The proposed SB2919 creates a state-wide framework for heavily regulating vacation rentals, including pre-approval for all listings, exorbitant fines for non-compliance, and granting counties the ability to phase out non-conforming use certificates. This bill not only infringes upon the economic rights of property owners but also poses a significant threat to the livelihood of many families who depend on income from vacation rentals to make ends meet. In fact, the industry paid over \$720 million in taxes last year and employed more than 49,000 people at wages averaging \$40/hr.

Moreover, the detrimental impact of this bill extends beyond property owners. It will also affect car rental companies, cleaning companies, maintenance companies, construction companies, tour operators, restaurants/bars, and local retailers, leading to a broader negative impact on the state's economy.

I urge you to oppose SB2919 and work towards a solution that addresses Hawaii's housing shortage without penalizing small vacation rental operators and jeopardizing the state's economy. Those of us that own or live in Hawaii love the state and want what is right for it's people, but we also need to be considered in the over-all plan. Let us find a balanced approach that supports the interests of property owners, sustains local economies, and ensures the availability of temporary housing for residents and visitors alike.

Mahalo for your attention to this matter. I trust that you will consider the far-reaching implications of SB2919 on our communities and our state.

Sincerely,

Marie and Steve Preitauer

303-249-8402

SB-2919-SD-1

Submitted on: 2/29/2024 7:25:33 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Magdalena Odonnell	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose that bill! The short-term rental industry provides jobs for locals in the community such as housekeepers, management companies, handymen, and many many more! This would ruin our lives once again! We have already suffered after covid and fire and that would be another suffering for many industries! I once again strongly oppose that bill!

Sincerely,

Magdalena Odonnell

SB-2919-SD-1

Submitted on: 2/29/2024 7:33:23 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ben Jackson	Individual	Oppose	Written Testimony Only

Comments:

Good morning,

My name is Ben Jackson, I am a property owner at Puako Beach Condominiums on the Big Island of Hawaii.

I am writing to express my strong opposition to Senate Bill 2919 (SB 2919), which will threaten our ability to operate short and mid-term rentals on the Big Island of Hawaii.

****Points of Concern:****

1. *** SB2919** jeopardizes my ability to offer an affordable short-term rental opportunity for visitors to the Big Island, also impacting my financial stability and ability to contribute to the local community.
2. *** Short and mid-term rentals** play a vital role in accommodating displaced residents, visitors traveling for medical reasons, traveling professionals, as well as families in transition.
3. *** Emergency Situations:** During crises like the Red Hill Crisis and Marco Polo fires, short-term rental properties provided crucial temporary housing. Restricting use further raises concerns about housing options during emergencies.
4. ***Visitor Impact:** The economy relies on visitors to Hawaii. Restricting the use of one's personal residential property will create barriers to entry by removing affordable options for visitors, thereby creating an elitist experience by limiting the ability of people to visit Hawaii. Creating a blanket policy restricting short-term rentals limits affordable and convenient accommodation choices.
5. ***Impact to Local Business Owners**

In addition, this action of creating a blanket policy of restricting short-term rentals would decimate the local business owners who rely on visitors to the Island to provide their livelihoods. Visitors will go elsewhere and the businesses which depend on visitors will not be sustainable and will result in families having to leave the island because their business has closed.

I urge you to reconsider the potential consequences of SB2919 and appreciate your immediate attention to this matter.

Aloha Nui Loa and mahalo for allowing to provide this testimony,

My story begins many years back, but I will save the details and only provide the highlights. Hard to do though cause all pretty much high lights.

I'm from the Midwest part of the country, Missouri to be exact. It is there I completed engineering school then made my west, Go West Young Man, said my grandfather, so I did. Coming from very humble beginnings, going west was more challenging than glamorous, but in the long run it all worked out. I started an engineering company and all seemed right with the world. Then.....the world changed, my world changed. It was then I met a local girl from Maui. My life would never be the same....

We started dating and all would be good, except, the minor detail, we were separated by 2000 miles of beautiful blue ocean. Long story short, we eventually came together. We wrote letters to each other describing what we wanted our lives to look like, down the road. It is amazing, but we both said we wanted to be living up in Kula, Maui. For me it was about being with her, but in an environment like home. To her it was always a magical place from small child where she wanted to be.

After about 10 years in California, we saved enough to buy a place on Maui, over in Kahana. A beautiful 1 bedroom ocean front ohana.

We didn't know much about vacation rental but it helped us keep our place while living in California. Somewhere along the line, my wife, born and raised on Maui wanted to go home. Little did we realize, our Maui Ohana would help provide the mechanism to allow us to come home. We engaged in short term rentals always striving to provide the best accommodations and the best guest experience we could, always thinking about.... we wanted people to experience Maui as we did, as I did, as a magical place.

Contrary to the published narrative, we are not rich mainlanders cock roaching (different word) on the tourist making mega profits. We are merely sustaining our existence to live back home on Maui.

In the big picture, STVR provide a vehicle for many to provide for their families, while employing so many others, including housecleaning, maintenance, etc. If you think about it, the backbone of the country is small business which is what you have with a short-term rental. We paid nearly \$30,000 dollars in taxes with property tax, GET and TAT, so you multiply that by all the STVR that is nearly 40 or 50% of the Maui County Tax base.

To attack this industry, is attacking small business, but more importantly attacking the tax base of Maui. I'm not convinced the politicians are taking this into account, while the current proposals would gut the Maui tax base, destroy tourism, and ultimately the local folks, our brothers and sisters will pay the price. The FEMA money will go away, then what. Where will the money come from, once the tax base is eroded, the small business is decimated and the local families loose the FEMA money.

A strong economy depends on all parts functioning in harmony, which provide revenue streams to all including the State of Hawaii. I believe the current bills will send Maui County into bankruptcy. How can any other outcome be fathomed. You take away 40 or 50% of tax revenue, how do you make it up. I am concerned the local folks who are in an uncertain world and vulnerable, to say the least, maybe unintentionally being politicized.

Thank you in earnest for the opportunity to speak, James A Harber Jr, alias Kimo

SB-2919-SD-1

Submitted on: 2/29/2024 7:35:11 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Dennis Curtin	Individual	Oppose	Written Testimony Only

Comments:

We purchased our small one bedroom cottage in 1986. It was built in the 50's and was in a very rundown condition. We spent a lot of hours and sweat over the years, restoring it to an attractive vintage Ohana, which reflects the charm and character of the Puako community. It has provided affordable lodging for not only family and friends, but also for visitors from the mainland and for contractors, etc. doing projects on the big island. In all the years the cottage has been a short-term rental, we have never had a single complaint from any of the neighbors. We love our neighborhood community and are very considerate and respectful towards them. The majority of our guests are repeat customers that patronize the local merchants and restaurants and participate in activities that all add to the local economy. We employ numerous local vendors that maintain our property. We try to keep our cottage affordable even though paying over \$12,000 a year in property taxes and approximately 20% tax on rental income. Hawaii is a very expensive place. If the STVR is revoked, owning this place that we love and put so much energy and effort into for a lot of years, will probably no longer be viable for us.

With all due respect, if this bill passes who wins here. Our adorable cottage that has been affordable lodging for guests for years, becomes a full-time rental at a high price due to the property taxes and high cost of living on the Big Island. So are the new full-time occupants eating at restaurants regularly, shopping at the local stores, participating in different activities offered on the island? Are they employing local gardeners, house cleaners etc.?

Respectfully, Dennis Curtin

SB-2919-SD-1

Submitted on: 2/29/2024 7:37:38 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Shalom Costa	Individual	Support	Written Testimony Only

Comments:

Please let the local community have a voice for community properties 🙏

SB-2919-SD-1

Submitted on: 2/29/2024 7:39:45 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Berglioth (Brie) Mathews	Individual	Oppose	Written Testimony Only

Comments:

My name is Berglioth (Brie) Mathews. I am a STR Host in the Minatoya District, and I share my home and welcome guests to Maui. Please protect the rights of Hosts like me who share their homes to supplement our income and oppose HB1838.

I am a 30-year veteran Fire Captain so I know all too well what tragedy looks like and what is facing the people who lost so much in the Lahaina fires.

I spent 25 years working and scraping to save enough money to invest in Maui. I have quite literally put my life on the line for the privilege of owning here. I do so knowing that I followed the rules and contribute to the community by providing jobs to locals in the cleaning, handy-person and trade industries. Also, providing budget rentals allows people to enjoy Maui in an afford away so that they can spend their money on local businesses.

I purchased my property in the Minatoya district at the Maui Vista as a way to establish myself as part of the Kihei community and to have a home on Maui. I rent my condo on short term rental platforms when Indo not use it myself to visit here and relive the high stress of being a first responder. This in turn employs local residents for cleaning, repairing and upgrading my property.

Without having my legal STRs, family businesses would not have the income they do now. As Hosts, I depend on this income for my livelihood, and especially as the costs of living on the island

continue to increase. Without the ability to host, many of us will face further economic hardship and the uncertainty that comes with it.

As you discuss and draft regulations that will impact us, please support our right to contribute to the community while also ensuring our investments to supplement our income. Not all of us are rich people who just look to swoop up all the property in Maui. Many of us have invested a lifetime in just one small piece of maui. In my case, a tiny 1br/ba that will not fix any housing crisis. In fact, STR owners are being unjustly targeted to fix a long standing crisis in governmental mis-management. We help

bring wide-ranging benefits to the local community, including distributing visitor spending to local small

businesses and increasing tax revenues for the County & State.

We need to work together to establish fair, balanced rules that preserve the economic benefits of short-term rentals while protecting the integrity of

neighborhoods.

Also, if the intent is to open more affordable "homes" for local residents, then our property (and many others like ours in Kihei) is not the type of home that would accomplish this goal. Our complex was designed and built to house short-term rentals. We have parking for 1 car, no storage for residents and high (and ever increasing) HOA fees, currently around \$900 per month. My 600 SF unit is not suitable for affordable housing by any means. At most, our unit can house 2 people, and the mortgage on the condo if we were to sell in the current market, the mortgage payment would be \$3900/month, plus property taxes and the HOA fees. This does not seem to be affordable in my estimation. Additionally, this complex is ageing and is starting to need costly repairs which present themselves by way of special assessments.

As a STR property, I pay a much higher property tax rate than I would if my condo became permanent

housing. The County would lose the extra revenue generated by my STR. Too, the County & State will lose the GE and TAT income that my property generates.

Maui County has recently imposed a 3% tourism tax on STR. "Maui County's revenue from its new tax for this year will go toward affordable housing, open space, cultural programs, and tourism management and enforcement." To phase out STR condos in the Minatoya district seems counterproductive to accomplish the goal of bringing in extra revenue to support more affordable housing.

The legislature needs to consider this substantial loss of revenue that will occur by phasing out my ability to rent short term.

Mahalo for taking the time to read my story.

SB-2919-SD-1

Submitted on: 2/29/2024 7:42:34 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Keith Hyde	Individual	Oppose	Written Testimony Only

Comments:

Papakea, an AOA of 364 units, was built in 1978 and has offered short term vacation rentals (STRs) by individual owners for almost fifty years. If unable to continue doing STRs Papakea will not be able to support the local economy of Maui in many ways that are valuable to the local and state economy.

Papakea directly employs approximately 35 local residents. Some have worked at the property for over 15 years; some started in entry-level positions and have advanced into supervisory roles. Others have moved to positions at other resorts on Maui but learned valuable skills during their time at Papakea.

In addition to direct employees, Papakea AOA supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming.

Individual owners at Papakea use the services of many, many additional small businesses in the Maui community in the maintenance of their units including housekeepers, handymen, on-island agents, and contractors. Many other people are employed by required support businesses such as our management company My PerfectStays, which employed 50 people before the fire and hopes to return to that number soon.

Without STRs like Papakea most of these people, residents of Maui, would lose their jobs or suffer a reduction in hours.

Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (the vast majority at the short-term rental rate), Transient Accommodations Tax, General Excise Task, and Maui Transient Accommodations Tax. Papakea can only

support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue. Without the revenue created by STRs, the property will most certainly decline, physically and financially, and tax revenues will also decrease.

Papakea guests generate revenue for the state when they patronize businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops.

A stay on Maui is already a more expensive vacation compared with other destinations. A loss of available STRs would result in an increase in the prices of the remaining properties, making Maui too expensive for a large swath of visitors resulting in an overall decrease in tax revenue.

Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community. Our owners are also deeply connected to the community. After the fires last August, many opened their units to our ohana and they were able to stay on site at a most difficult time.

On a personal level, we have been owners at Papakea for 13 years and have not seen positive cash flow from our unit in that time. We struggled through Covid times with seven months of no revenue during which we had to continue to pay our taxes and other expenses. After the fires we grieved with our ohana and helped out as much as we could. We have stayed the course because we love Maui and feel part of the community here. However, if we are no longer allowed to do STRs, we and many like us, will have to sell our property, likely at reduced rate, and Maui's tax revenue will again go down.

For the reasons stated herein I OPPOSE H.B. 1838, HD1 and urge the committee to do the same.

Respectfully submitted,

Keith and Melanie Hyde

TRACEY BUCK-WALSH

1007 Westside Road
Healdsburg, California 95448
916-761-9277
Email: tracey@tbwlaw.com

February 29, 2024

State of Hawaii
State Senate:

Re: Opposition to SB2919

Esteemed Members:

My husband and I oppose SB 2919. We own a home on Maui in a four-home compound that was developed in 1972 to serve as vacation rentals. Our compound is fenced and self-contained for parking, unnoticeable by neighbors, and has been generating TAT and GE taxes since its creation—and more recently it generates Maui County STR taxes. We have rental brochures dating back to 1972, with rules of conduct. Notably, in the over 50 years of operation, no complaint has ever been lodged against the short term rentals in our compound.

We provided Maui County with our historical use as a vacation rental, providing 50 year old guest books, declarations from our valued vendors and STR tax payment records. Based on our history, Maui County confirmed our property is a legal non-conforming use under its short term rental ordinance.

Our home, and the 3 other homes on our compound, are unsuitable for “regular” or affordable housing stock. We are served by one water meter, we have no interior fencing, and share the costs to maintain the grounds: landscaper, coconut removal, tennis court maintenance, garbage, water, pest maintenance, etc. The costs are considerable and, if divided equally, would place the houses out of reach for any long-term rental market. Instead, we rent them and our families can enjoy the homes and grounds as we did before —free from crowded condos or expensive hotels where paid parking is the norm and the only food available is through restaurants.

Visitors to the Hawaiian Islands like a choice in vacation accommodations. HB1838 threatens to eliminate choice such as our humble home, which gives visiting families a taste of old Hawaii at an affordable price. For these reasons, I respectfully, I urge a no vote.

Kind regards,
Tracey Buck-Walsh
Tracey Buck-Walsh

SB-2919-SD-1

Submitted on: 2/29/2024 7:45:13 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Scott Gillespie	Individual	Oppose	Written Testimony Only

Comments:

Aloha Committee Members,

I am writing as a concerned property owner in Hawaii to express my strong opposition to SB 2919. This bill, if passed, would have a devastating impact on the short-term rental industry in Hawaii.

As a property owner who relies on short-term rental income, the passage of SB 2919 would directly affect my livelihood. Moreover, it would drastically limit the options available to displaced residents, newly housed residents, and those in transition, as well as visitors coming for medical treatment, family visits, temporary work assignments, and educational purposes.

This legislation would not only impact property owners like me but also have far-reaching consequences for the local economy, as the short-term rental industry contributes significantly to tax revenue and employment opportunities.

I urge you to reconsider the implications of SB 2919 and to take into account the valid concerns of property owners and the broader community. I strongly oppose this bill and stand in support of protecting the future of short-term rentals in Hawaii.

Mahalo for your attention to this critical issue.

Sincerely, Scott Gillespie

SB-2919-SD-1

Submitted on: 2/29/2024 7:51:17 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Johnman Lee	Individual	Oppose	Written Testimony Only

Comments:

In Opposition to SB2919: Protecting Maui's Economy and Diverse Tourism Options

To Hawaiian State Legislators and Representatives,

I am writing to express my strong opposition to Senate Bill 2919, which proposes the significant reduction of short-term rentals (STRs) in Maui. While I understand the desire to address concerns regarding housing availability and potential impacts on local communities, I believe SB2919 would have unintended consequences with significant negative economic and social impacts that Maui may never recover from.

Supporting Maui's Cottage Industries:

SB2919 would severely harm the livelihoods of countless individuals who rely on the STR industry to support themselves and their families. This includes:

- **House cleaners:** Many independent house cleaners depend on income from maintaining and preparing STR properties. Eliminating these rentals would result in significant job losses and economic hardship for these individuals. These dollars STAY on the island and let people provide for their families. Where will they get replacement income for this?
- **Rental management companies:** Numerous small businesses offer management services for STRs, handling tasks like booking, guest communications, marketing and maintenance. SB2919 would force these businesses to close, further impacting local employment. Again, where will these people find replacement income in an economy that is already devastated?
- **Handymen, Repair and Maintenance Businesses, A/C maintenance companies, etc.:** These again are mostly small businesses, locally owned and operated that help to support the operation of short-term rentals.

Impact Upon Tourism and Related Businesses:

Maui's tourism industry is its economic lifeblood. 80% of the revenue for the state of Hawaii comes from tourism, and without a plan to replace that revenue, the state will sink into an even more dire situation. The raising of taxes and fees that tourists are asked to bear is becoming unfathomable, pushing costs to visit Maui beyond the reach of many families and tourists. The recent passing of a \$50 per night additional fee for any lodging is imply insane and terribly short sighted. I have already heard of many families who have ruled out going to Maui simply because it is too expensive. If SB2919 were to pass, it would significantly reduce the available accommodations for many tourists.

If only faced with hotel options, the likely impacts would be:

- **Reduced tourist traffic to Maui:** Tourists will choose to visit other destinations that are more affordable and offer a wider range of accommodation options, leading to a decline in tourism that will have a deadly impact on the state's revenue.
- **Maui residents will be forced to relocate:** Without tourism, many Maui residents will be forced to relocate to find jobs that will allow them to support themselves and their families. Ironically, despite all of the talk of protecting the people of Hawaii, this bill will do the exact opposite.
- **Negatively impacts upon related businesses:** Hotels, restaurants, tour/adventure companies, car rentals and other businesses that rely on tourist spending would experience a significant financial impact due to a decrease in visitors. Many will not survive, leaving reduced options for those visiting, which in turn makes it less appealing. It is easy to see how this downward spiral can end up literally killing the island's economy.

Finding a Balanced Solution:

Instead of an outright ban, I encourage lawmakers to explore alternative solutions that address legitimate concerns while preserving the economic and social benefits of STRs. This could include:

- Implementing stricter regulations and permitting processes for STRs.
- Establishing clear guidelines for responsible hosting and neighborhood interactions.
- Investigating alternative solutions like increasing affordable housing options for long-term rentals.

I urge you to reconsider SB2919 and work towards a solution that protects both the unique character of Maui and the economic well-being of its residents.

Sincerely,

Johnman Lee

February 27, 2024

To whom it concerns –

As an owner of an STR, we are very dismayed that the legislature is considering HB1838 and SB 2919. Our hearts break for all of those who lost everything in the Lahaina fires, but these bills will not fix the issues that Maui is facing in rebuilding. As owners of an STR, we immediately opened our home to a displaced family. Our management team was quick to work with FEMA and the Red Cross to help navigate the process and has been in constant communication with us about the needs and how we can help. We immediately committed our unit indefinitely. Unfortunately, the latest change by FEMA cancelled our contracts and removed the family. Many of our fellow STR neighbors have tried to figure out a way to make our units accessible under the FEMA Direct Housing program, but due to a large, long-term renovation project, we do not qualify under the current requirements. Many of us have wanted a work around as our units will be available for a large portion of the required time, but not the full time. To our knowledge, no one has had a response or any dialogue about how to make the situation work so that our units could be used. All any of us want is to help. But these bills won't do that.

These bills will only hurt an already struggling Maui economy. Eliminating our ability to rent our units, if they cannot be used for long term housing, will result in a loss of many jobs including our management staff, cleaners, maintenance crews. Not to mention the loss of tourist dollars spent by those who will choose to go somewhere where they can stay in something other than a hotel. It will continue to trickle down through the products we won't need or people we won't hire in keeping our unit rentable, such as household items, appliances, furniture, painters, contractors, as we won't need to replace or update as often. And while some may choose to sell their units, many of us will not, however, our property values will likely decrease, thus the county will receive less in tax revenue. This, on top of the reduction in TAT/GET tax that won't be collected.

While we appreciate the intentions to find housing options, these bills will not accomplish their intended purpose. Rather they will make an already horrible situation worse. They will not help Maui heal. We love this island and want what is best for its residents and its recovery. We have known many of the people affected for decades and want what is best for them, they are Ohana.

Sincerely –

The Vernor's

SB-2919-SD-1

Submitted on: 2/29/2024 7:55:13 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Mary J. Lee	Individual	Oppose	Written Testimony Only

Comments:

In Opposition to SB2919: Protecting Maui's Economy and Diverse Tourism Options

To Hawaiian State Legislators and Representatives,

I am writing to express my strong opposition to Senate Bill 2919, which proposes the significant reduction of short-term rentals (STRs) in Maui. While I understand the desire to address concerns regarding housing availability and potential impacts on local communities, I believe SB2919 would have unintended consequences with significant negative economic and social impacts that Maui may never recover from.

Supporting Maui's Cottage Industries:

SB2919 would severely harm the livelihoods of countless individuals who rely on the STR industry to support themselves and their families. This includes:

- **House cleaners:** Many independent house cleaners depend on income from maintaining and preparing STR properties. Eliminating these rentals would result in significant job losses and economic hardship for these individuals. These dollars STAY on the island and let people provide for their families. Where will they get replacement income for this?
- **Rental management companies:** Numerous small businesses offer management services for STRs, handling tasks like booking, guest communications, marketing and maintenance. SB2919 would force these businesses to close, further impacting local employment. Again, where will these people find replacement income in an economy that is already devastated?
- **Handymen, Repair and Maintenance Businesses, A/C maintenance companies, etc.:** These again are mostly small businesses, locally owned and operated that help to support the operation of short-term rentals. Passing this bill may impact their ability to stay in business.

Impact Upon Tourism and Related Businesses:

Maui's tourism industry is its economic lifeblood. 80% of the revenue for the state of Hawaii comes from tourism, and without a plan to replace that revenue, the state will sink into an even more dire situation. The raising of taxes and fees that tourists are asked to bear is becoming unfathomable, pushing costs to visit Maui beyond the reach of many families and tourists. The recent passing of a \$50 per night additional fee for any lodging is imply insane and terribly short sighted. I have already heard of many families who have ruled out going to Maui simply because it is too expensive. If SB2919 were to pass, it would significantly reduce the available accommodations for many tourists.

If only faced with hotel options, the likely impacts would be:

- **Reduced tourist traffic to Maui:** Tourists will choose to visit other destinations that are more affordable and offer a wider range of accommodation options, leading to a decline in tourism that will have a deadly impact on the state's revenue. Just because the Hawaiian Islands have had tremendous success in the past as a vacation destination, you cannot take for granted that people will continue to come.
- **Maui residents will be forced to relocate:** Without tourism, many Maui residents will be forced to relocate to find jobs that will allow them to support themselves and their families. Ironically, despite all of the talk of protecting the people of Hawaii, this bill will do the exact opposite and likely drive an exodus from the island, further reducing the tax base.
- **Negatively impacts upon related businesses:** Hotels, restaurants, tour/adventure companies, car rentals and other businesses that rely on tourist spending would experience a significant financial impact due to a decrease in visitors. Many will not survive, leaving reduced options for those visiting, which in turn makes the island less appealing. In addition, if these businesses cannot survive, there is another hit to the tax base which the government is reliant upon to fund its operation. It is easy to see how this downward spiral can end up literally killing the island's economy.

Finding a Balanced Solution:

Instead of an outright ban, I encourage lawmakers to explore alternative solutions that address legitimate concerns while preserving the economic and social benefits of STRs. This could include:

- Implementing stricter regulations and permitting processes for STRs.
- Establishing clear guidelines for responsible hosting and neighborhood interactions.
- Investigating alternative solutions like increasing affordable housing options for long-term rentals.

I urge you to reconsider SB2919 and work towards a solution that protects both the unique character of Maui and the economic well-being of its residents.

Sincerely,

Mary J. Lee

SB-2919-SD-1

Submitted on: 2/29/2024 7:56:34 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ching H Lin	Individual	Oppose	Written Testimony Only

Comments:

I am writing to express my strong opposition to Senate Bill 2919, which proposes restrictive measures on short-term rental properties. As a responsible short-term rental property owner, I believe that this bill will have detrimental effects on our community and unfairly target law-abiding hosts like myself.

Maui is a special place for my family. This is where my wife and I fell in love 25 years ago, a place we called home for many years. We would like to contribute to solving the housing crisis. However, I don't believe that our 1-bedroom condo in the hotel zone is the cause or solution for the housing crisis. I truly believe it is providing much-needed tourist revenue to the Maui economy.

One major concern I have with SB2919 is the proposed imposition of overly burdensome regulations on short-term rentals. While I understand the importance of ensuring the safety and well-being of our communities, this bill seems to overlook the fact that many of us have already implemented robust safety measures and guidelines for our guests. Imposing additional regulations without taking into account the efforts made by responsible hosts only stifles our ability to provide a positive and enjoyable experience for our guests.

Furthermore, the bill's proposal to limit the number of nights guests can stay in a short-term rental is particularly concerning. This arbitrary restriction not only undermines the property rights of owners but also adversely impacts our ability to generate income and maintain the financial viability of our properties. A more balanced approach that considers the unique circumstances of each community and allows hosts to operate responsibly should be explored instead.

It is essential to recognize that responsible short-term rental property owners play a vital role in supporting the local economy. We contribute to tourism, create job opportunities, and bring revenue to local businesses. SB2919, as it stands, fails to acknowledge these positive contributions and, instead, lumps all short-term rentals together without distinguishing between responsible and irresponsible hosts.

I urge you to reconsider the provisions of SB2919 and work towards a more balanced and fair approach to regulating short-term rentals. Engaging with stakeholders, including short-term rental property owners, can lead to better-informed legislation that addresses legitimate concerns without unfairly penalizing responsible hosts.

Thank you for your attention to this matter. I hope you will consider the perspective of short-term rental property owners like myself and strive for a more reasonable and equitable solution.

SB-2919-SD-1

Submitted on: 2/29/2024 8:02:10 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Misty Ferris	Individual	Oppose	Written Testimony Only

Comments:

- This Bill could result in the phasing out of 13,744 LEGAL short term rentals on Maui.
- Maui's STRs provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's 1.7 billion dollar budget. Where will that revenue come from?
- Mid and Short-term Rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.
- Events like the Lahaina Fire displaced thousands of residents. Where will residents find temporary, furnished housing if our industry is further decimated?

Written testimony re. HB 1838 and SB 2919

Submitted February 29, 2024, 8 am HI time.

We have owned a condo in West Maui (Kahana) for 10 years and during that period we have short-termed rented it as well as enjoyed it ourselves as a second home.

Owning our home contributes a lot to Maui and the State's economy. We employ a local rental agency that receives 25% of our short-term rental income. A local cleaning service and handymen are employed to maintain our unit. We, of course, pay all taxes—property (which in one year increased three-fold, I might add), occupancy, etc. as well as Hawaiian income tax (something that we do not pay in our home state of Nevada.) Our condo assessments are more than \$1,000/mo. and these, of course, pay for both a local property management company as well as a resident manager, grounds people, vendors who maintain our elevators, etc. In addition, our condo association contributes to the Kahana Bay shoreline endeavor that is seeking solutions for shoreline erosion, etc.

We make three annual trips to visit and these usually are two weeks long. We wouldn't have purchased our property for only 6 weeks use a year. We need the income from short-term rentals to defray (not totally cover) our expenses. While on island, we spend money on lots of dining, groceries and home goods. We maintain our property in top condition and, therefore, frequent Lowe's, Home Depot, Macy's, Target, Ross, Ace and other stores. Not to mention the thousands of dollars we spent on renovating our unit when we first purchased. A contractor, electrician, plumber, painter, etc. were all employed.

Out of state owners who can afford the high prices to purchase and maintain Hawaiian real estate—and gladly pay for it--shouldn't be treated as second class homeowners for how they choose to use their investment.

We realize that short-term rentals are issues in other places but we are also aware that laws and rules need to consider all sides of an issue and not form decisions based on a kneejerk reaction to the admittedly horrific Maui fire of last August.

Are you legislators aware of Palm Springs, CA? Here are a few comments from an article earlier this month (2/22/24) that are food for thought. Do you want property values—and taxation rates—to fall in Hawaii?

"Both short-term rental investors and traditional property owners in Palm Springs, California, are seeing a decline in property values since the city instituted restrictions on the ability of property owners to offer their properties as short-term rentals.

If you're a licensed short-term rental owner in a neighborhood over the 20% cap and sell your house, the buyer won't inherit your rights to operate it as a short-term rental. That becomes problematic when a significant portion of the property's value may lay in its potential to generate revenue as a short-term rental. It's created a difficult situation for owners selling properties in capped neighborhoods.

In an interview with the [Los Angeles Times](#), real estate agent Michael Copeland detailed his predicament. He purchased a house for \$1.8 million in Palm Springs' popular Gene Autry neighborhood, which is over the cap. He dutifully applied for his license, but now that he wants to sell his home and can't transfer it, he is having great difficulty finding buyers.

He originally listed the property for \$1.725 million before reducing it to \$1.595 million. The property has been on the market for over a year, and like many other frustrated sellers in capped neighborhoods, Copeland has no idea where the bottom is. Another agent, Tim Sarlund, listed a property at \$1.4 million 10 months ago that he's reduced to \$875,000 and still can't sell."

SB-2919-SD-1

Submitted on: 2/29/2024 8:14:59 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Stuart Simmons	Individual	Support	Written Testimony Only

Comments:

I strongly support SB2919 SD1

Visitor lodging businesses (short-term rentals) are not appropriate for residential-zoned neighborhoods. I believe SB2919 SD1 will assist Honolulu DPP in enforcing zoning laws by eliminating the so-called “mid-term” rentals.

These mid-term rentals are subterfuges designed to hide vacation rentals from DPP inspectors.

In my neighborhood, I’ve witnessed numerous out-of-state property owners who illegally rent their investment properties for a week or two but can hide their illegal activities by creating fake 30-day contracts. This loophole must be stopped if we want to increase the housing supply for local residents and stop tourism sprawl into our neighborhoods.

SB2919 SD1 will allow the City and County of Honolulu to phase out the non-nonconforming 30-90 day rentals that a recent Court ruling has allowed.

As the Governor has stated “the housing of residents should be our priority”!

Stu Simmons

Oahu resident

Sherry P. Broder
Honolulu, HI 96822

Aloha Senate Committees on Ways and Means and Judiciary Chairpersons and Committee Members.

I am submitting this testimony in strong opposition to SB 2919, SD 1.

I am very fortunate and grateful to have been a local Oahu resident for decades and my children and grandchildren were all born and live in Hawaii.

The major and real problems of housing affordability in Hawaii are NOT short term rentals. Below are just some of the problems that contribute to housing affordability.

1. The counties keep approving more hotel rooms, more tourists keep coming to Hawaii, and then many tourists want to have a home in Hawaii.
2. Land ownership is concentrated in a very few landowners in Hawaii which drives up the price of land.
3. The cost of materials is very high because of the shipping costs and the competition for materials.
4. Hawaii is like the national trend of the rise in economic inequality making it harder for lower-income households to buy secure housing. The PEW Foundation reports that the rise in economic inequality in the U.S. is tied to several factors. These include in no particular order, technological change, globalization, the decline of unions and the eroding value of the minimum wage. Whatever the causes, there has been an uninterrupted increase in inequality in wealth since 1980. a greater share of the nation's aggregate income is now going to upper-income households and the share going to middle- and lower-income households is falling. See <https://www.pewresearch.org/social-trends/2020/01/09/trends-in-income-and-wealth-inequality/> (last accessed 02/27/24).
5. *More hotels popping up outside of touristy Waikīkī*
It's a trend experts said will likely continue due to the demand for convenient and affordable options. [KITV4](#). (last accessed 02/29/24).
6. *Agency disputes affordable housing loss projection*
A risk assessment of potential Hawai'i affordable housing losses presented Tuesday at the Legislature is overblown, according to a state agency that helps finance such housing. [Star-Advertiser](#). (last accessed 02/29/24).
7. *A tech billionaire is quietly buying up land in Hawai'i. No one knows why*
He's bought 29 parcels, more than 580 acres, in Waimea, and nine others, about 25 acres, at beach resorts. In the majority of instances, he's paid more than current market value, according to public records. [National Public Radio](#). (last accessed 02/29/24).

Moreover, short term rentals bring positive economic benefits to local people:

8. All local people bear the burden of tourism. It is unfair that only hotels can make money from tourism. Today the hotels are mostly owned by hedge funds and multinational corporations. For the most part, local people earn low wages at the hotels.
9. Many STR are owned by local people who do not have access to the capital needed to build a hotel and local people should be supported in their efforts to engage in making money from the tourists. The STR market provides new income channels for State and county governments. Prohibiting STRs will contribute to the continuing decline of economic opportunities for local people.
10. Many local people seek to stay at STR as most often they are a more affordable option.
11. Short term rentals bring tax dollars to the state and local governments.

Mahalo nui loa for your consideration of my testimony.

State Capital, Honolulu Hawaii

Re: SB2919, SD1 Relating to Property

Hearing Scheduled: Friday, March 1, 2024 10:31am

Testimony in Strong Opposition

Aloha Senators,

The O`ahu Short Term Rental Alliance (“OSTRA”) represents many thousands of residents who own, manage and work within the legal mid and short-term rental industry – and we strongly oppose HB1838. Our President Kelly Lee submitted this as written testimony and I’m here to provide it verbally as I’m a co-Director of OSTRA.

Our rentals provide over 13,000 living wage jobs that support property managers, cleaners, contractors and their families. Our short and mid-term rentals provide critical housing to meet the needs of residents and vacationers. Short-term rentals on O`ahu provided \$46 million in taxes and fees toward the state’s budget in 2022 and contributed \$165 million toward the County budget.

We believe you also will oppose HB1838 when you understand the immediate implications for housing, local jobs, the economy, and tax revenue for Hawai`i. Simply holding hearings on these types of bills creates unnecessary uncertainty particularly for housing, tourism, and real-estate related businesses at a vulnerable time.

HB1838 would give the counties authority to enact ordinances to eliminate, or phase out short-term rentals in any zoning classification.

What Hawai`i needs most is clear, consistent, fair rules for business to thrive. Instead, this bill would have each County able to eliminate existing property rights without compensation (so making it legal for Counties to do what would now be considered an illegal taking of private property). The most likely result will be confusion, law suits, and illegal attempts by county officials to eliminate productive, legal, tax and local-job generating businesses.

This bill creates fear for some of our most vulnerable residents and would hit them hardest: on O`ahu, 80% of the short-term rental owners are residents and also kupuna (seniors). 70% of them own 1 unit that provides income to subsidize the ever increasing cost of living in Hawaii.

Our short-term rentals provide furnished, temporary housing to residents as well as visitors. 25% of Oahu's visitors are non-vacationers (per the HTA). 13% of those visitors are friends and family that need affordable accommodations. It is very likely that if you live on another island, you have stayed in a short-term rental on O'ahu.

The following groups stay in our affordable, temporary or transitional housing¹

Residents

- Inter-island neighbors visiting for work, health procedures or family events
- Residents displaced from emergency events such as the Red Hill Crisis and the

Marco Polo fires

- Residents needing temporary housing due to life's transitions
- Newly housed residents that cannot qualify for an annual lease
- Residents needing a vacation or place to gather for events

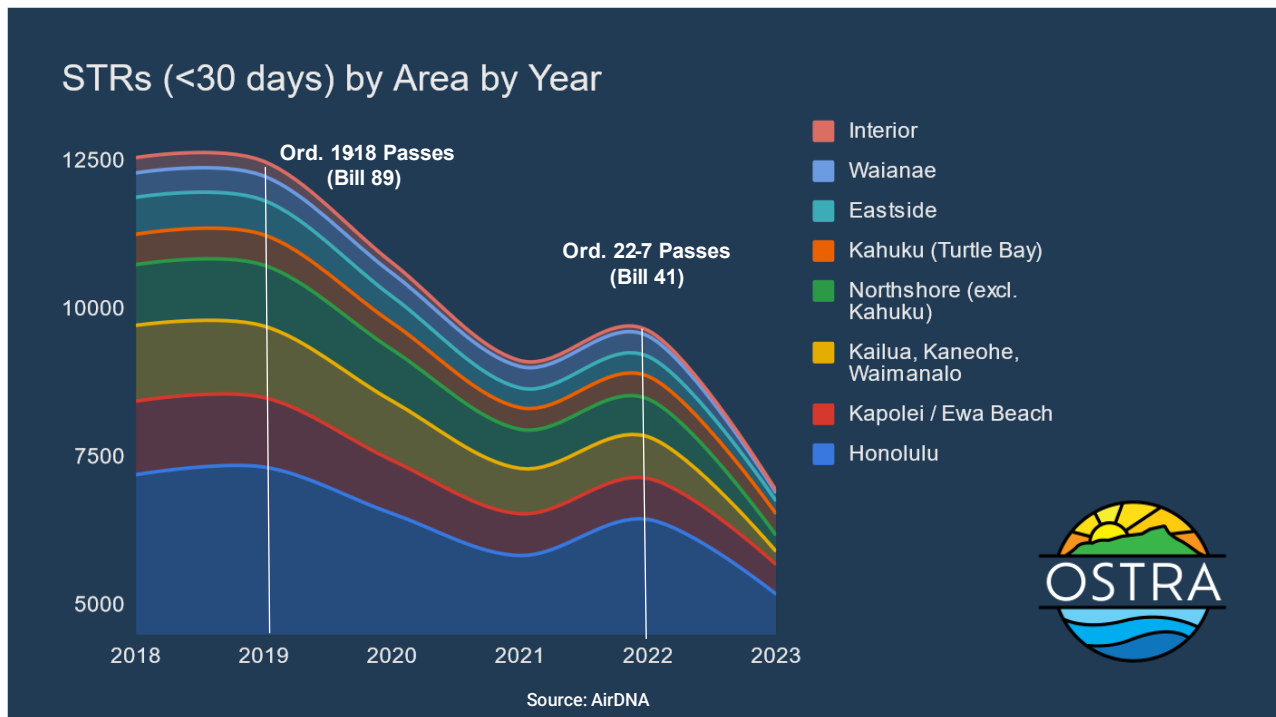
Non-Residents

- Thousands of Traveling Nurses and other medical personnel
- Temporary military and emergency contractors
- Film and sporting event participants
- Family & friends visiting for various life events

These residents and important visitors cannot afford the average hotel rate of \$700/night.

They choose short-term rentals for affordability and also the livability versus a hotel room.

The following chart shows the 45% decline in short-term rentals on O'ahu due to regulations:



SOURCE: AirDNA, July 2023

As you can see, by passing this Bill, the counties will further eliminate mid and short-term rentals creating another housing problem for residents and important visitors.

As a result of Bill 89 and Bill 41, over the last 5 years Excluding rentals defined as “hotel units”, O`ahu is down to ONLY 2,000 legal short-term rentals or

1% of our housing. Vacant homes account for 9% of all housing on Oahu. (Source Air DNA July 2023)

1 Note, for O`ahu, the short-term rental (less than 30 days) industry is extremely small and increasingly owned by hotels due to recent changes in Honolulu County rules (and recently amended by the Courts due to successful litigation by a group representing owners called HILSTRA). Due to the litigation, there is now a small group of people who can advertise for mid-term rentals. This group may become increasingly important as STRs have almost disappeared on O`ahu but much of our existing data does not necessarily distinguish these new categories.

OSTRA supports legal rentals and will work to make compliance clear and easy. Unfortunately, it appears that the inability of the Honolulu City and County Planning and Permitting Department to enforce existing regulations before passing new regulations has resulted in continued illegal activity. Additional authority will result in new laws that will punish those operating legally, and proliferate the illegal activity.

Our industry provides living-wage jobs, flexible housing and vacation options, opportunities

for residents to own, live, and rent, and keeps spending in the communities.

Please DO NOT pass this Bill that would allow the County to further erode an essential right and component of housing for our residents and important visitors.

Michael Heh, Director OSTRA

808-382-4515



SB-2919-SD-1

Submitted on: 2/29/2024 8:31:49 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Eric Freeh	Individual	Oppose	Written Testimony Only

Comments:

February 29, 2024

Dear Members:

It has come to my attention that yet another piece of devastating legislature is being considered. I am shocked that SB2919 is even being given any consideration.

1. As you know the Lahaina fires have displaced many local residents putting even more pressure on an already strained real estate market. Eliminating short term rentals will only compound problems for the locals trying to find appropriate lodging.
2. Elimination of short-term rentals will almost certainly reduce the revenues paid to the government, thus eliminating resources that should be used to help the local population.
3. The passing of SB2919 will eliminate many businesses that center on property management and maintenance of the short term properties that you are seeing to eliminate.
4. I personally have a significant amount of capital already at risk because of the fires that destroyed Lahaina in August of last year. Eliminating short-term rentals will almost certainly make investment in such properties impossible.

It's an old saying in real estate investing that "money goes where it is treated best". I can't help but think that the island will be cutting off its nose to spite its face as far as future capital inflow goes. In summary, I am hoping that the powers that be have the wisdom and courage to see that passing SB2919 would be a catastrophe for the locals, for investors and for the government.

Cordially,

Eric J. Freeh, owner

1403 Front Street, Unit 201

Lahaina, HI

SB-2919-SD-1

Submitted on: 2/29/2024 8:34:12 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Dennis Gabelhouse	Individual	Oppose	Written Testimony Only

Comments:

We have been home owners on Maui for 22 years and spending winter months here for the past 12 years. Hawaii and Maui have been a part of our lives for over 50 years and we have made many good friends and local Hawaiian's that we have met on island making this truly our second home.

As condominium home owners in a resort managed complex, Kamaole Sands, we do rent our condo out in the summer and fall months and have contributed to the State and County tax revenue, which I understasnd Short Term Rentals represent 40% of the County tax revenue. Then there is the tourism revenue for many small businesses on Maui that STR's generate.

If the Mayor and County acts too aggressively with changing (90 day rentals) or banning Short Term Rentals, it will cause a major economic downturn with the loss of County revenue and tourist related employment and many other support busineses on Maui.

This action targets the Middle Class who for the most part can't afford the unbelievable outrageous Maui Hotel room rates that are more than double Oahu room rates. The Mayor and County should be questioning these hotel operators who are taxed much lower than STR's.

The thousands of STR owners have supported the economy of Maui for many, many years with investment risk at times, high taxes and now threats of being squeezed out of Maui. Mainland and foreign owners are the backbone of Middle Class tourism on Maui and should be valued for their past and ongoing contribution to Maui's economy.

Please protect Maui's economic health by not passing this bill in it's present launauge.

Dennis & Gwen Gabelhouse

SB-2919-SD-1

Submitted on: 2/29/2024 8:34:22 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kristina Anderson	Individual	Oppose	Written Testimony Only

Comments:

Thank you for the opportunity to testify.

I oppose this measure.

Contrary to the governor's opinion and the hotel lobby numbers he continually cites, most vacation rentals in the state *are* legal. They are already operating with an STVR and/or NUC permit in place. They are fully compliant with taxes--Excise, and TAT. It's very difficult to operate a VR in the state these days "Illegally." So that means these small businesses have already been granted the ability by their counties to operate legally. All of them have invested time and money in their STVRs to ensure they are safe and offer appealing accommodations to guests. (You can't rent a dump in today's competitive marketplace.) I know that many STVRs on the Big Island invested thousands and thousands of dollars to navigate the initial STVR permitting process during Bill 108. Every year they pay to renew. With this one measure all of these currently legal operations could be wiped away without a good reason for doing so.

It's akin to saying you don't like clubs and bars even though they are legal and compliant with liquor laws and their liquor licenses, and then giving the counties permission to close them all at will. Why is it different for STVRs?

If passed, the state would likely face a number of lawsuits challenging this reckless measure which would cost the taxpayers a ton of money to defend.

Most islands' STVRs are already heavily regulated. A measure like this is simply giving the counties a carte blanche to wipe them away. It's wrong.

Please Vote NO.

SB-2919-SD-1

Submitted on: 2/29/2024 8:34:46 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kurt Magness	Individual	Oppose	Written Testimony Only

Comments:

Kurt Magness 101A Kuau Beach pl, Paia, HI 96779 magarc@mac.com

2/29/24

Honorable David Tarnas Chairman, House Committee on Judiciary and Hawaiian Affairs
Hawai'i State Capitol, Room 442 415 South Beretania Street Honolulu, HI 96813

Aloha Chairman Tarnas,

I am writing to express my strong opposition to House Bill 1838, which allows counties to phase out non-conforming single-family transient vacation rentals in any zone over time. This bill poses significant challenges to our community and the local economy. As a supporter and operator of short-term rentals (STRs) in Oahu, I am deeply concerned about the potential negative impact of this legislation on our livelihoods and our community.

The following points outline some of the key reasons why I oppose HB1838:

1. **Unfairly Selects Only Single Family Residential Properties:** This bill unfairly targets single-family residential properties and allows counties to phase out short-term rentals. These properties are ideally suited for short-term or temporary housing, providing essential space and facilities for temporary living, unlike higher density areas.
2. **Property Rights and Retroactive Changes:** HB1838 allows counties to take away property rights from our community and sets a precedent for retroactively changing the rules, creating uncertainty for homeowners, investors, and builders.
3. **Potential Devastation of Local Industry:** The bill has the potential to decimate an industry that contributes significantly to the economy, generating \$740 million in taxes and \$4.8 billion in visitor spending annually.
4. **Punishes Law-Abiding Citizens:** This legislation unfairly punishes individuals who have followed the rules, navigated the process, and contributed to the local economy through their STRs.

The positive financial benefits of short-term rentals (STRs) are numerous and can have a significant impact on local economies. Some of these benefits include:

1. **Increased Local Spending:** Visitors staying in STRs often spend money at local businesses, including restaurants, shops, and attractions, contributing to the local economy and providing an economic boost to the community.
2. **Job Creation:** The demand for STRs generates employment opportunities in various sectors such as hospitality, cleaning, property management, and maintenance, resulting in job creation and income generation for local residents.
3. **Tax Revenues:** STR operators, like other lodging providers, contribute to tax revenues through occupancy taxes and other local taxes, which can be used to fund public services, infrastructure, and community development. It is estimated that 1/3rd of the county revenue is from STR's. Why would you kill the golden goose ? Look at the numbers. How would you cover the loss of funds
4. **Property Value:** The availability of short-term rentals can enhance property values, as it can attract tourists and potential homebuyers to the area.
5. **Economic Diversification:** Offering STRs can promote economic diversification in communities by providing additional income streams for property owners, particularly in areas where traditional employment opportunities may be limited.

These are just a few examples of the positive financial impacts associated with short-term rentals. If you have specific data or examples from your experience that you'd like to highlight, please let me know and I can incorporate that into the talking points.

I urge you to consider the severe and detrimental effects of HB1838 on our community and the economy. This bill threatens the livelihoods of many individuals who depend on STRs for their income and has the potential to create significant economic hardship for working families, including housekeepers, maintenance workers, and other service providers.

In addition, I encourage you to examine the economic benefits provided by the short-term rental industry and consider the significant tax contributions and job opportunities it generates for our community.

Furthermore, I plan to provide testimony in opposition to HB1838. I will utilize the appropriate channels to ensure that my concerns are heard.

Thank you for your attention to this matter. Your consideration of these issues is greatly appreciated.

Mahalo for your commitment to the well-being of our community.

Sincerely,

Kurt Magness

Honorable Senators Donovan M. Dela Cruz, Sharon Y. Moriwaki, Karl Rhoads & Mike Gabbard,

Committee on Ways & Means
Committee on Judiciary

My wife and I first visited Maui in 1997 and instantly fell in love with the island. We've visited many times since with our family. My dream was to someday own a home in Maui. After spending 27 years as a firefighter and surviving throat cancer, I was finally able to fulfill my dream of owning a vacation home on Maui in 2018. I hope to eventually make it my retirement home. This was all made possible because I was able to share my home as a short term vacation rental.

As an STR owner, I've been able to make some lifelong connections with some amazing people on the island. Our cleaner is a hard working mother of 3 and relies on the income generated from our reservations to help support her family. Our handyman is a local scuba instructor and tour guide and uses the income from repairs and maintenance to help support his business ventures. We use local companies for any contractor work needed in our condo. We frequently recommend local restaurants as well as activities in the Kihei area to all of our guests and do whatever we can to support the kama'aina and the local businesses.

After the Lahaina fires, we housed a displaced family for a month at no charge. We visited the island as well and donated clothing and household items to Hope Chapel in Kihei to help those affected. Our family volunteered in preparing meals and handing out food. Even though we're not permanent residents yet, we feel very much a part of the community and ohana of Maui.

I respectfully ask that you do not pass SB2919 or any other proposed bills to limit or eliminate short term rentals as I truly believe that it will do more harm than good to the local economy and morale of the island. Many people on Maui rely on short term rentals for income and eliminating them would be devastating to all that are connected. I believe that the best way forward is to expedite the building of more housing to address the issue. Short term rental owners shouldn't be made to bear the brunt of the housing crisis due to the lack of fire protection and prevention in the structures and infrastructure in and around the Lahaina area.

Thank you for your time and consideration.

Warmest regards,

Jason Wong

SB-2919-SD-1

Submitted on: 2/29/2024 8:38:53 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Christine Otto Zaa	Individual	Support	Written Testimony Only

Comments:

We need long term housing, not short term rentals. We have resort zoning and hotels for a reason. Residential is for residents. As residents, we choose to rent or buy in our residential neighborhoods to live next to neighbors, not tourists. Please give the counties all available tools to minimize the detrimental impacts of short term rentals on local families.

Mahalo,

Christine Otto Zaa

Kaimuki resident

SB-2919-SD-1

Submitted on: 2/29/2024 8:39:30 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Lovelynn Kaiawe	Individual	Oppose	Written Testimony Only

Comments:

Aloha my name is Lovelynn Kaiawe,

I am in opposition of bill SB2919 to get rid of short term rentals for good. I'm a Native Hawaiian born of this Aina and a single working mother. These short term rentals have caused a direct affect to myself and many others that are unable to afford to own a home, because of the lack of homes available that have priced us out of the market. It is the people of this place who work in our community who are unable to afford a basic human right... HOUSING. If we the people don't change what is happening in our housing market, many will and have already moved away. Outsiders who want to own a piece of Paradise have no ties to this place and when they decide the island life isn't for them they can go back home to where they come from. Where does our people go, this is our home, we come from this place, our roots are planted deep, and only wish for the next generation to have the option to stay if they desire. The housing crisis has only magnified from the fires of Lāhaina but, let's be honest we have been overlooked since the 1970 with shortage of affordable housing. We don't have till 2040 to wait for changes, the time is now at this present moment.

Mahalo Nui,

Lovelynn Kaiawe

Dear Representative Tarnas, Chair, Representative Takayama, Vice Chair, and Members of the Committee:

I **OPPOSE** H.B. 1838, HD1 for the following reasons:

I own a unit at Papakea Resort. Like virtually all of the units in Papakea, it has been used as a short term rental. Since the disaster, I have been renting it to a couple whose home burned down in Lahaina. In the future however, I will need to continue short term rentals in order to retain my Hawaiian home.

My unit is a studio which is slightly over 400 square feet and has very limited storage. It is not designed to be a long term rental and is poorly suited for that purpose. My current renters, who lost their home, are moving out in May because they finally found a larger place. They found our unit to be unsuitable for longer stays.

If short term rentals are banned at Papakea, I will be forced to sell and the unit will most likely become seasonal occupancy rather than a long term rental.

I don't understand the focus on short term rentals when there are so many time shares that are much more intensive uses and will have much less financial impact to owners if they can't rent them short term.

Please help me to retain my Hawaiian home. My wife and I have come every year to Maui for over 40 years. We feel part Hawaiian and greatly respect the Ohana in Hawaii. Mahalo.

Rich Holmer

2-29-24

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I OPPOSE SB2919, SD1 for the following reasons:

1. Papakea was built in 1978 and has operated as a vacation rental property for nearly 50 years. We purchased our 2 units with the intention, now realized, that the vacation rental income would be a large part of our retirement income.
2. Papakea employs about 35 local resident employees, some of whom have worked at the property for over 15 years. You would displace those residents and their jobs.
3. The short term rental business that exists at Papakea generates funds to support a variety of local trade professionals including, painters, contractors, plumbers, electricians, window treatment professionals, appliance and other interior supply companies on the West Side, air conditioning vendors and landscape professionals including tree maintenance. If you shut down our short term rental program we will no longer generate the funds needed to maintain the quality of upkeep this ocean front property requires.
4. Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue. Our property values will decline and many of us individuals who own units at Papakea will find ourselves upside down, financially, with the high dues, high property taxes and a low income from long term rentals.
5. Papakea short term rental program supports many small businesses in the West Maui community including housekeepers, handymen, on-island agents, all of whom we rely on to keep our property in top shape and fully rented with visitors.
6. If you implement the ban on short term rentals here, you will be the reason that many small owner operated jobs are lost in West Maui.
7. We Papakea owners support the State of Hawaii and the County of Maui through our payments of property taxes at the higher short term rental rate, through the Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax.
8. Papakea guest visitors support the local Honokowai area small businesses including restaurants, bars, tour operators, spa service providers, coffee shops. Since the tragic loss of businesses in Lahaina town, Honokowai business are covering those losses with support from visitors to Papakea.
9. We as owners have a community of friends we have developed over the 24 years we have owned at Papakea, whose businesses and the Catholic Church we support when we visit throughout the year in the off season..

For the reasons stated herein I OPPOSE SB2919, SD1 and urge the committee to defer it.

Respectfully,
Diane & Bill Waring
Owners Papakea

SB-2919-SD-1

Submitted on: 2/29/2024 8:44:56 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

SUPPORT COUNTY HOME RULE.

MAHALO.

SB-2919-SD-1

Submitted on: 2/29/2024 8:47:42 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jennifer Weis	Individual	Oppose	Written Testimony Only

Comments:

I have been coming other Maui all my life. It is my second home and a place I dream of one day relocating to. I invested in a condo and rent it out between my family's visits so that we can one day live that dream. Lots of families, like my own, choose short term rentals instead of hotels because of their value and practicality when traveling with kids. Through our condo, we've been able to introduce more people to the unique magic that is Maui. When we visit we work to give back to the community and encourage our visitors to do likewise. I absolutely understand the need for affordable housing for all and a big component of that is having a sustainable economy. At present, tourism and hospitality is the primary economy in West Maui and curtailing short term rentals would dramatically impact the local economy without a clear replacement. I believe there is a path towards housing for all and key to that is to leverage what is working to reinvest in the community.

SB-2919-SD-1

Submitted on: 2/29/2024 8:51:58 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Tonia Marie Gebers	Individual	Oppose	Written Testimony Only

Comments:

Aloha!

I've been on Maui for over 37 years. I'm concerned about the way this bill is written. I support affordable housing but I'm not sure this is the way to go about it.

If this bill moves forward, we could see a devastation in our housing market. With that said, with a huge downturn in the market, we would see investors (local and mainland) purchasing these properties. Some of the condos are not suited for long term rentals or owner occupied. They have very high HOA dues (\$800 a month on up to over \$2500 a month). That is NOT affordable housing. My daughters, who were born and raised on Maui, would not be able to afford to purchase one of these condos, make the mortgage payment AND the HOA dues. Some of these condos are not set up with any type of storage or any additional parking for 2nd vehicles. Please take a strong look at the housing situation and consider other options.

One option would be to follow suit with what Aspen, Colorado has done with their workforce housing. They have APCHA ([APCHA, CO | Official Website](#)) in control of the workforce housing. They offer stable and affordable places to rent for folks that qualify for the housing and they offer the owners of the property a tax break (like Maui County already has in place for the 12 mos or longer leases). They also have deed restricted properties that they own as well as deed restricted properties that workforce can purchase with a limited increase in future sales price. I would love to be on a committee for this if the county is willing to go this route.

Thank you for your time and consideration.

Tonia M (Johnson) Gebers

808-870-5674

SB-2919-SD-1

Submitted on: 2/29/2024 8:55:28 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Allyson Goldman	Individual	Support	Written Testimony Only

Comments:

Please support SB2919. We need housing for residents.

Thank you,

Allyson Goldman

Dear Representatives and Members of the Committee:

I oppose Bill SB2919 for some of the following reasons:

1) We own a short term rental condo in Maui and it supports many local individuals. Most of these individuals would lose their jobs if this wasn't a short term rental property.

- The resort employs many local resident employees.
- As owners we also support a local management company, housekeepers and contractors.
- Guests support many local small businesses and their employees on Maui including restaurants, tour operators, shops and local businesses.
- Guests also support employees at the airport, car rental companies, national parks, and state parks.

2) Our development was never an owner occupied complex. It has always been a vacation rental property. It isn't a desirable property for permanent residents, our unit and many of the other units are only one bedroom.

3) The complexes short term renters support the State of Hawaii and County of Maui through payment of property taxes (many at the short term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax. Short term rentals provide 40% of the real property tax revenue for the county, tax revenue for the state and county would significantly decline if there wasn't a short term rental market.

4) We are currently working with FEMA and they are currently housing a local couple in our unit who are displaced by the horrible Lahaina Fire. These local individuals would likely be unable to find temporary, furnished housing if the short term rental market was eliminated.

SB-2919-SD-1

Submitted on: 2/29/2024 9:00:47 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jim Hori	Individual	Oppose	Written Testimony Only

Comments:

We are long-time owners of a short-term rental in Maui. Over the years we have used our unit for many family vacations. These vacations have been priceless for us and created wonderful memories. We also get these same sentiments from our renters. The use of our rental allows them to bring their families, and create memories. For many of them they are able to bring their families because of the use of a kitchen, 2 baths, 2 bedrooms, a beautiful common area, and all within a very close walk to the beach and public park. The cost to them is less than a hotel room in most cases not even 50% of the cost of a single bed, one bath hotel room. This is on top of the landscapers for the property, our cleaners, the local property management company, maintenance crew who have gainful employment. There a number of restaurants within walking distance that we keep information handy for our renters to frequent if they choose. I would say most of these restaurants would go out of business. By passing this bill you will benefit large hotel resort chains from the mainland whose profits will go back towards other resorts they manage throughout the world. Please do not pass a bill where you are taking money out of the local economy and creating unnecessary job loss and hardship. Without the property tax income from short-term rentals many government services and jobs will also be impacted. When considering the long-term effects of this bill you should come to the conclusion that opposing this bill will help Hawaii much more than passing it will. Thank you for your time.

Jim and Kari Hori

February 28, 2024

Regarding SB 2919,

I am a citizen that owns a property in Hawaii and I want to express my deepest concerns on the proposal^[L]_[SEP] to phase out short term vacation rentals. This is a direct assault on our Property Rights as Americans and

this must not be allowed in any way by the Legislature. Please act accordingly and REJECT this Bill SB 2919.

Sincerely, Jim Copeland

SB-2919-SD-1

Submitted on: 2/29/2024 9:05:08 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Penny Lee	Individual	Oppose	Written Testimony Only

Comments:

This bill has nothing to do with the Maui fires, nor does it help the people of Maui or anybody living in Hawaii. This bill is coming from the Hotel/Resort industry and their many years of influence peddling. When you read this bill you understand this is corruption. They are using zoning, taxation and regulation as a weapon to support a corporate monopoly of the transient accommodation market and destroy local small business competition. They are using flawed data spread by Blackstone RE Hotel and Resorts, Hawaii Hotel Alliance and the American Hotel and Lodging Association (AHLA) to the governor, legislature and the media to rile up the public against vacation rentals. Who needs sound data or economic impact analysis before destroying thousands of resident's livelihood and associated state and county tax revenues? Offshore corporate profits over Hawaii residents livelihood. This enables modern day colonialism, extracting maximum profits from Hawaii.

By amending HRS 46-4 they are trying to legislatively weasel themselves out of judgements they already lost. The district judge already stated that the existing law is very clear on protecting property rights. But they actually think they can just change that very law and undermine the judge's ruling and any future challenges by people like you and me, the people who own property in this state. They are trying to take away our fundamental property ownership rights and hand the tourism accommodation market exclusively to large corporate hotels and resorts. In the process they are trying all kinds of angles like raising our TAT taxes to 25% (why not 99% or 125%?) or trying to classify stays in private homes under 180 days as non-residential uses. Further expanding the zoning power of counties with well "something" that is completely vague, overreaching and bizarre. Adding a phase out clause to HRS 46-4 is completely unacceptable and undermines our property rights.

Unfortunately those over the top careless regulations have real damaging effects on local residents trying to make a living in this state. On the Big Island the resort and commercial zoning is very limited (< 2%) and concentrated in very few areas and very much in corporate developers ownership. Several districts on the Big Island, the largest island, have no resort zoning and also no hotels. This means that almost every locally owned vacation rental requires a NUC to operate and are the only visitor accommodations in those areas. This is clearly a violation of fair government practices and discriminatory. This would remove essential economic activity out of large areas and greatly harm our little towns, markets, restaurants and shops and every job dependent on vacation rentals.

When owners purchased real estate fee simple in Hawaii State, they entered a contract purchasing a bundle of property rights protected by the laws of the State of Hawaii and the United States. These are not rights that can easily be reneged on later and taken away. The number one economy in Hawaii is tourism. Owners purchased Real Estate in Hawaii at a premium, with the expectation to participate in the tourism economy in Hawaii and have been relying on the financial income for many years. The legislators can not just rewrite select property rights out of the existing laws. The current laws are very clear on protecting those very same property rights. The legislature is trying to pretend that vacation rental owners do not have any property rights.

We the People need short term rentals! The proposed bill does not make any sense to the owners, tourists and all local people who have a job and stability because of the short term rentals.

As an owner I don't feel comfortable that this bill is trying to take my flexibility on what I can or can not do with my own place. I worked so hard to be able to purchase my condo on Maui.

I gave work to so many local people thanks to my condo. The cleaning crew, maintenance , front desk people, pool people , drivers, restaurants, renting places, local shops not to mention the humongous amount of taxes that we all pay. There are so many people who need tourists and us.

I hope that we are still a free country and We PEOPLE count!

Why does this bother you? What is the point of your plan? Why not support local people??? In the end Is in it all about helping each other and spreading the Aloha???

SB-2919-SD-1

Submitted on: 2/29/2024 9:14:53 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Dr Aaron J Strehlow	Individual	Oppose	Written Testimony Only

Comments:

1228 N La Cienega Blvd., #102

West Hollywood, CA 90069

213-220-4176

Dear legislators:

I am writing to you asking you to oppose passage of SB 2919. I am testifying as an individual citizen and part time resident. I am a Hawaii licensed, Registered Nurse/Nurse Practitioner. I have used short term rentals for several weeks to months on end to allow me to volunteer with homeless agencies and to assist with volunteer efforts due to the Lahaina Fires. I have owned a short-term rental for 6 years and through this rental I have employed Maui residents who manage my property per Hawaii law, housekeeping staff that clean and maintain the property and numerous handypeople, contractors, electricians, and plumbers to keep the property up to current standards. I am appalled that you are considering phasing out short-term rentals. This will impact the Maui residents I employ, and my ability to volunteer my services.

Mid and short-term rentals accommodate displaced residents, newly housed resident, residents in transition, inter-island resident coming for medical treatment or family visits, traveling nurses as myself, emergency contractors, temporary military & students, our family, and friends. Passing this bill will impact this greatly.

Maui's short-term rentals provide 40% of the real property tax revenue for the county as well as being the top funding source for affordable housing for Maui. The short-term property tax revenue represents 18% of the county's 1.7-billion-dollar budget and the County cannot survive without those funds.

In addition, demanding short term rentals participate in the FEMA housing programs for displaced Lahaina residents is not the answer. There are still so many that are participants in that program but are yet to be rented. I have tried writing, emailing, and calling the FEMA property managers for Maui and yet no one ever returned calls. Punishing short term rental owners by

increasing property taxes for not participating is not fair and it is more harmful to Maui residents and the county.

Please do not support the passage of SB 2919. It is not good for the people of Maui and Hawaii.

Best Regards,

Dr. Aaron J Strehlow, RN, FNP

Short term rental owner and user.

SB-2919-SD-1

Submitted on: 2/29/2024 9:16:52 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Almida Ubarre	Individual	Oppose	Written Testimony Only

Comments:

To whom it may concern,

Please allow the shortterm /vacation rental to be eligible in Hawaii. I'm a mother of three working in the industry for over 10 years and this help me to pay my bills. If this will ban the short-term rental will make me un employed , and can't pay my mortgage. Please help us.

Almida Ubarre- 808 6404150

P.o.box 437378 kamuela hi. 96743

SB-2919-SD-1

Submitted on: 2/29/2024 9:17:17 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Lily Swan	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

My name is Lily Swan, and I am a local resident of Hawaii. I am writing to oppose SB2919. My husband and I manage a vacation rental in Hāna. I do housekeeping, and he does groundskeeping and maintenance on the property. This work allows us to continue contributing to the economy through our senior years, where otherwise we may not be able to find work at our age.

I realize there is a housing crisis here, especially since the Lahaina and Kula fires tragically displaced so many people. But targeting short-term vacation rentals is not a solution. You will only displace more workers like my husband and myself. My own son and his family were displaced a few years ago because long-term rental housing on Maui became too expensive for him to afford. Now, it costs hundreds of dollars for me to go visit my grandchildren. The cost of living impacts everyone here, especially low income workers living paycheck to paycheck.

We contribute so much every month in taxes from our rental income. The vacation rental we manage has been permitted for years. We would love to see our taxes go to affordable housing instead of unfinished rail lines and stadiums. Please consider capping long-term rental costs. It shouldn't cost \$1,200 for a 500 sq. ft. living space. Please don't target local workers.

If short term rentals were prohibited, the tourism we all rely on would drop drastically. You would have to build more hotels. People like my husband and myself would be displaced, unhoused. Please consider the long-term ramifications of this short sighted solution.

Mahalo,

Lily Swan

SB-2919-SD-1

Submitted on: 2/29/2024 9:20:05 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
sandi ioakimi	Individual	Support	Written Testimony Only

Comments:

I support SB 2919

SB-2919-SD-1

Submitted on: 2/29/2024 9:21:47 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Heather Loughridge-Buono	Individual	Oppose	Written Testimony Only

Comments:

Aloha to All Concerned,

I am testifying against SB2919.

My name is Heather Loughridge-Buono. I am the owner of Grace Vacation Rentals Maui (GVR). I have lived on Maui for 30+ years and began GVR as an answer to the need for a small, ethical property management company that caters to the owner and guest. I currently manage 14 properties on Maui, for 10 different owners. All but 1 of those properties are used as a short term rental. My clients (the owners) are a very diverse group of people, some raised their family on the west side, most are at or near retirement age and all purchased their home or are keeping their home as a long term retirement investment. This is a very normal thing to do in our society, and certainly allowed by the laws current when their purchase was made.

Of the Maui properties my clients own in Honokowai, 13 of the properties are all on properties that were built for and have always been primarily used for short term vacation rentals. They are not built or comfortable for long term rentals, and in any case, they will never be affordable long term rentals. They are on oceanfront property, most are leasehold properties, and the maintenance fees alone are between \$800 and \$1500 per month. Insurance has necessitated increasing fees significantly because of the fires. This does not include the cost of maintaining oceanfront property that the owner must bear beyond the monthly dues.

GVR supports 8 families. We pay a living wage to our cleaners (\$35-\$50 per hour) and our other vendors. None of my clients are making a huge profit. Unlike what has recently been reported in the news, the net income runs roughly between \$500.00 to \$2000.00 per month, and during the last 3 years that income has been pretty iffy due to COVID and the fires. No one is getting wealthy off the STR rents, and most of the money brought in stays right here, on Maui. If they are forced to sell, they will still not be affordable.

Conversely, resorts are mostly owned by foreign corp's. and mainland companies that do not pay cleaners and maint. workers a living wage. Most of the profit leaves the island.

Maui County STR make up 18% of the county budget. These properties account for 40% of the property taxes collected. They contribute more than any other industry on Maui to funding affordable housing, infrastructure and the job market. How will Maui county replace those dollars?

My guests stay in STR because they want to be a part of the community, for even a short stay. They want to learn about the rich culture beyond a luau. They want to volunteer and shop local. Resorts do all they can to keep guests on property and from spending their \$ in the local community.

HB1838 is a job killer and will do nothing to add to the affordable housing market. It will add to the problem of visitor dollars not being spent locally. HB1838 is short sighted economically, in short it is akin to stepping over a dollar to pick up a dime.

Aloha Chair, Vice Chair and Committee,

My name is Scott Jordan, and I live on the Island of Maui.

I am the owner of Maui Life Realty, a small real estate and short-term rental management company located in West Maui. Today, I stand before you to express my strong opposition to Bill SB 2919, a legislation that, if passed, will have devastating consequences not only for my business and family but also for the broader Maui community. This bill will threaten my ability to make a living along with the other cleaners, electricians, maintenance workers, and other small businesses like me who live and work in my community.

My company is a source of livelihood for my family of seven. This business is our only means of income, supporting not just my immediate family but also employing a dozen community members in West Maui. These are hardworking individuals who depend on our business for their survival, and if this bill were to pass, they, along with my family, would face the grim prospect of unemployment, and the wide array of issues that come with unemployment including, possible relocation. Our business allows us to work with in a close proximity to where we live reducing our commute time and improving our quality of life.

For over 9 years our business has operated legally and compliant with local laws. Our rentals are properly zoned and follows all local laws. It also helps the local economy. We always pay our General Excise and Transient Accommodation taxes. We are contributing members to our community that supports us. But, if Bill SB 2919 passes, it would harm this good relationship, taking away our ability to make a living and causing wider economic problems.

It is crucial to understand the broader implications of this bill. On Maui, short-term rentals (STRs) are not merely a business; they are a vital component of our economy and community. STRs, including those managed by my company, account for 40% of the real property tax revenue for the county, a significant contribution to Maui's \$1.7 billion budget. This revenue is indispensable, especially considering its role as the top funding source for affordable housing on the island. If we eliminate or severely restrict STRs, the question remains: where will this revenue come from?

Furthermore, short and mid-term rentals serve a critical role in accommodating residents in various transitional states - whether displaced by natural disasters, such as the tragic Lahaina Fire, or those in need of temporary housing for medical treatment, family visits, or educational purposes. Our rentals offer a home away from home for

those in need, a service that will be greatly missed if our industry faces further restrictions or elimination.

In light of these points, I urge you to consider the far-reaching impacts of Bill SB 2919. Its passage threatens not just my business and those employed by it but the very fabric of our community in Maui. We risk losing a significant source of county revenue, essential services for residents and visitors alike, and, most importantly, the livelihoods of countless individuals who depend on the STR industry.

I respectfully request that you oppose Bill SB 2919 and consider the broader implications of this legislation on our community and economy. Please consider how this bill will hurt me and many individuals like me, putting at risk our ability to pay for our own housing and bills.

Let the counties enforce the laws that they already have.

Thank you for your time and consideration.

Sincerely,

Scott Jordan

SB-2919-SD-1

Submitted on: 2/29/2024 9:23:58 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
William minikel	Individual	Oppose	Written Testimony Only

Comments:

My STR is currently with FEMA awaiting a fire survivor family.

I purchased this place to live in and did so for six years until post Covid. I am 65 and retired, and this STR is my retirement income and nest egg. If all STRs are eliminated, my retirement is gutted and I will need to return to work in an employment environment hostile to older folks.

I purchased my STR in a development specifically built for vacation rentals. It is not a special exemption. I bought it to use for its intended purpose, legally. STR owners are not responsible for the housing shortage that's existed before the Lahaina fire or since. As stated, I am enrolled with FEMA. I am seeing Gov Green parrot incorrect statistics from hotel lobbyists that are easily disproven. What is the hidden agenda here? I own one STR only.

mahalo

SB2919

Good Afternoon,

I am a local Hawaii Island native.

5th generation Hilo wahine.

I've lived and contributed to the Maui community for over 45 years. Had a landmark small business on our island for 35 years. I worked hard. It afforded me to buy my home. My business ended abruptly due to the financial meltdown in 2010.

That was incredibly disappointing that I couldn't sell it as planned for my retirement savings. And an extreme hardship to suddenly be broke and ... broken.

This is my RETIREMENT business. I started it while living with my mother recovering from this life changing trauma. I cared for her until her passing.

If bill SB2919 is passed I will no longer be able to continue to keep my property in Haiku.

It is my only source of income.

I'm very involved and love what I do! My guests are always very happy.

I employ several people in my immediate neighborhood. Cleaners, Landscapers and maintenance guys to maintain the grounds. Handyman, Appliance repair man, Electrician and Plumber. Most of my people are semiretired at this point in their lives and love working so close to home. They work for other owners who I have recommended them to.

I also employ builders who maintain and update as well as cement workers who work on projects to help save the property from the climate change of more storms and rain in Haiku and improve/maintain my home.

So much of my INCOME goes into the Haiku/Maui COMMUNITY .

And TAXES.

Taxes paid by the Vacation Rentals are a SIGNIFICANT percentage of the total tax REVENUE for the State and County Governments. We NEED this MONEY now MORE than ever!

The governor asked for housing for the Lahaina Fire Survivors. MVRA members in every community stepped up.

Housing was also needed for the FEMA, Salvation Army, EPA and other agencies that came to assist with this traumatic disaster. Where would these crews be staying if we didn't have these short term homes?

Think about that.

There is an undeniable need for this type of housing for our current Lahaina Fire situation as well as for families to visit with each other on our island of Maui. Many people prefer a home with a kitchen to be able to maintain their diets, have breakfast before exploring and cook favorite foods for each other!

Maui HOTELS are SHOCKINGLY EXPENSIVE for ROOMS and FOOD.

This has become KNOWN to the world.

Other destinations are LESS expensive and attracting our visitors.

I have a good number of guests every year from the other islands who come for weddings, work and reunions. And now that Hawaiian Home Lands has opened lands, I've been contacted by many who will plan to come to finally build their homes!!

I have HOSTED CREWS that built and regularly maintain the Safeway gas station, NASA Scientists, Boeing and US Department of Defense working on Haleakala, Engineers working with MECO for alternative energy projects, Cell Tower Companies, Solar Power Maintenance Co., Rockfall Mitigation Contractor and crew for Hana Hwy, Doctors, many Nurses. And so many more company crews ESSENTIAL for Maui over the years.

There is CLEARLY a need for short term homes.

We have gone through the arduous process of creating the licensing terms.

We have limited the number in each community.

Rules and regulations are in place and are effective.

We PROVIDE a very PERSONAL EXPERIENCE for our guests.

We are local and living here.

It's our source of income!

The "grandfathered" CONDO ZONES have BUILT IN short term rental that allow them to rent without any process.

Entirely different.

NOT PERSONALLY INVOLVED.

These are the UNITS that are NEEDED right away for our Lahaina Fire Survivors. And I don't understand why they won't STEP UP.

PLEASE DON'T PUNISH ALL FOR THE ERRORS of the MAINLAND OWNERS that DON'T GET IT!

We need to preserve and PROTECT our PROPERTY RIGHTS of RESIDENTS.

Our local government is DISCRIMINATING against Maui's Vacation Rental industry FOR NO REASON.

The PROBLEM with housing is NOT the fact that there are Vacation Rentals or VACANT HOMES owned by RICH people. It's really due to the lack of truly affordable housing. KAHOMA Village, built by West Maui Land and pushed through as the new "WORKFORCE HOUSING" BUT I have SEVERAL friends who moved to Maui after PURCHASING brand NEW homes THERE ... by LOTTERY!

Open to the world.

And the COST of BUILDING housing MAKES it more PROFITABLE for developers to build for the people who really CAN AFFORD it.

The focus must be on building temporary housing neighborhoods on the West Side for the Lahaina Fire survivors. There were several construction companies that came to Maui, attended County Council meetings to offer temporary modular and pop up housing.

Hopefully our government is in talks with them and the land owners who have stepped up on on the West Side.

The real ISSUE is that we are NOT building ENOUGH housing as the population grows. It's an issue that isn't just happening in Hawaii but EVERYWHERE in the United States.

Please DO NOT PASS this unfair discriminatory bill.
SB2919 TAKES AWAY the RIGHTS OF PROPERTY OWNERS.
This is UNFAIR AND UNLAWFUL.

This will also cause ILLEGAL short term RENTALS to increase and that's where the real PROBLEM will arise. NOT GOVERNED by any rules, regulations or laws ...
OR PAY TAXES.

I WORKED hard TO BUY MY HOME and provide a very personal Maui experience for guests. No additional fees or parking.

Please DO NOT PASS SB2919.

Respectfully,

Holly Vierra
Owner

Michael Manthey
Landscape maintenance

Devi Singer
Cleaning

Damien Castro
Yard man/ tree trimmer

Keith Brown
Appliance Man

Jeff's Plumbing

John Roberson
Painting

SB-2919-SD-1

Submitted on: 2/29/2024 9:27:12 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Heather Smith	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I am writing to express my strong opposition to SB 2919. As drafted, this legislation allows far too much latitude for counties, and could result in the elimination of nearly 14,000 legal short term rental properties on Maui alone. If passed, the bill will (1) vastly decrease tax revenue (both property tax and GET/TAT), (2) cripple tourism on Maui and create hardships for the significant number of Hawaiians who depend on the industry for work, (3) crush property values AND lead to a spike in foreclosures among owners who can no longer afford their properties without STR income, (4) decrease the inventory of furnished housing available to locals as lowered property value will allow more mainlanders to purchase retirement and/or second homes on the island, and (5) lead to years of costly litigation for the state and counties.

These outcomes are not mere speculation – this exact scenario is currently playing out in South Lake Tahoe, Palm Springs, and other areas that have outlawed STR in recent years. The common denominator is a crippled economy with no increase in affordable housing for locals. Please don't lead Hawai'i down this same path.

Mahalo for your attention to my concerns,

Heather Smith

SB-2919-SD-1

Submitted on: 2/29/2024 9:34:04 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Mr Gary Passon	Individual	Oppose	Written Testimony Only

Comments:

Aloha, I wish to Oppose SB2329.

My wife and I are retired and she was raised in Maui. We have a couple CondoTEL units we have acquired over the years and they represent a significant portion of our retirement income and the generational wealth we wish to pass onto future generations. We run the business from our home and help employ a number of maui kama'ania to help maintain, clean and support our small enterprise. PLEASE don't hurt us because the state and county have not provided the support needed to create sufficient number of affordable housing. We truly feel for the many locals that find affordable living in Hawaii a challenge and for the many families (hopefully) temporarily displaced by the (IMHO) preventable fires in Lahina. Hurting Paul to help Peter is not Pono. PLEASE leave the CondoTEL units (designed for short term stays) as TVRs.

Mahalo.

SB-2919-SD-1

Submitted on: 2/29/2024 9:39:43 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Amir Tavakkol	Individual	Oppose	Written Testimony Only

Comments:

Dear members of the Judicisry and Ways and Means Committees:

Aloha, I am testifying to respectfully object to consideration and passage of SB 2919.

This legislation, if passed, will have a devastating effect on my livelihood. I am a retired professor and almost all of my life savings are invested in a condo in Kihei (760 S Kihei Rd. #422). It provides a small but decent monthly income which supplements my social security income, after paying various taxes to the State and Maui County. If this legislation passes, I will lose this income and furthermore, I believe, the value of my property will, undoubtedly, depreciate. In that case, my ability to support myself financially in the future will be significantly diminished. This will clearly impose an unexpted hardship in my life.

Please vote **NO** on SB2919.

Mahalo,

Amir Tavakkol

785-341-1130

SB-2919-SD-1

Submitted on: 2/29/2024 9:39:51 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Vera	Individual	Oppose	Written Testimony Only

Comments:

I own a Vacation Rental property, and it allows me to live and work as a Substitute Teacher in Hawaii. I am also hoping that I can retire at some point, and the income I receive from my room is enough that this may be possible.

If you raise the taxes to 25%, it will unfairly impact me and anyone wanting to come to Hawaii to experience our beautiful islands.

The hotels will not be impacted by this change in the rules, and that is unfair.

I think YOU ARE TRYING TO SOLVE THE WRONG PROBLEM.

The problem is NOT local people renting out a room when the kid(s) have left for college, or to try and keep their home in retirement, but outsiders (mainland and foreign INVESTORS) coming in to buy up Hawaii real estate to create mini hotel businesses, driving up the cost of real estate and contributing to the ridiculously high cost of housing (and rentals).

I know older residents trying to keep their homes in retirement, trying to help their kids pay for college, and trying to keep up with their bills and taxes should NOT be treated as the problem.

The problem is people who buy local houses, NOT TO LIVE IN, BUT TO EXPLOIT HAWAII, and especially those who own several homes for primary use as short-term rentals.

We need to stop outsiders from taking property off the market to try to exploit Hawaii to make a quick buck. These people contribute NOTHING, they are TAKERS, and they are SPOILING our neighborhoods.

Outsiders / non-residents should NOT be able to own more than one home for primary use as a vacation rental, or to convert homes to mini-hotels outside of a resort-zoned area.

Please do not sell out to the hotel interests just because they contribute to your campaign.

We need to keep housing as affordable as possible for Hawaii RESIDENTS.

Local people want to keep their homes in retirement, and to have a room available for their children (and relatives) when they come back from college or come to visit for Christmas or return for summers, etc.

Please support Hawaii RESIDENTS and RETIREES who are being driven out by high taxes, increasing inflation, and off-shore investors. Please do not throw them under the bus for a quick buck. Keep this little bit of rental income in the state, supporting us residents, and NOT going off-shore.

We will remember your Aloha, or your betrayal at the polls. Please stand on the side of the residents, the people, not the hotel interests, and the mainland and foreign investors.

March 1, 2024

The Honorable Donovan Dela Cruz, Chair
and Committee Members
Committee on Ways and Means

The Honorable Karl Rhoads, Chair
and Committee Members
Committee on Judiciary

State Senate
State of Hawaii
415 S. Beretania Street, Rm. 211
Honolulu, HI 96813

RE: SB 2919 Relating to Property

Dear Chairs, Dela Cruz and Rhoads, and Committee Members

I testify today as a homeowner, full-time resident of Hawaii Island, permitted STVR owner AND long-term rental owner. I employ 4 part time regular vendors, pay all my taxes, have great relationships with my neighbors and volunteer in the community. I strongly oppose Senate Bill 2919 because it threatens to destroy my way of life and will force yet one more family to have to leave Hawaii.

Legislature Specifically Excluded Authority to Amortize Residential Use

In 1968, the Hawaii Revised Statutes was enacted. Section 46-4 at that time gave broad zoning powers to the county along with the ability to zone out non-conforming uses as they were discontinued. 22 years later, the legislature revised that section of code to allow for the amortization or phasing out of non-conforming uses – but it explicitly excluded from that authority, the amortization or phasing out of residential uses in agricultural or residential zones. This action was not taken lightly. In fact, S.B. 1003 was introduced in 1970 and didn't pass until 3 revisions later in 1980 after, “. . .full and free discussion . . .” (Conference Committee Report No. 54-80, April 15, 1980.)

Since being given the authority to zone, all counties have struggled to maintain a reasonable balance between growth and sustainable housing, while leaning into the tourism industry to finance the economy. All counties have **failed to build sufficient housing** in volume or density to keep up with the demand for local housing needs – not just recently, but for decades. Additionally, many counties have also faced scandal when **bribery, fraud and corruption have been exposed** in the planning and building departments or in the enforcement of various ordinances. Finally, despite heavy regulation of the Short and Mid Term rental industry which has all but eliminated most illegal rentals in Kauai, Maui and Oahu (See recent articles quoting Rep. Evslyn and Rep. Hashimoto), regulation of these rentals has not solved the housing crises. Further, the counties have a hard time enforcing the laws that are on the books already. This action will just be a **tool used by counties to bypass enforcement failures**. These failures do not suffuse trust among the residents that granting additional powers to the counties to further take away housing (of whatever type they decide is out of favor at any time) will result in anything

good. Rather, residents have repeatedly been forced to litigate against the counties just to maintain their rights granted by the HRS. *See Hawaii Legal Short-Term Rental Alliance v. City and County of Honolulu*, Civ. No. 1:22-cv-00247-DKW-RT, and *Rosehill et al. vs State of Hawaii Land Use Commission and Hawaii County*.

It seems the concerns of the legislature in 1980 to protect residential use were not without merit. Counties have failed to adequately enforce existing laws, develop balanced zoning and housing, and manage fair and transparent processes in their own government departments for a long time. Giving them more authority will not improve this record.

STRs offer Valid and Necessary Housing Options

As inflation and living costs have continued to climb, residents have been resourceful and found that hosting guests (both local and from afar) in their own homes, could help keep up with the rising cost of living. This participation in the tourism economy is both mutually beneficial for the residents and vendors working in the industry (\$2.4B in household income created; 49,000 jobs in areas near community resources; and invaluable flexibility) as well as the government in terms of taxes (\$740Million in state and county tax revenue) and diversification of direct tourism spending (\$4.8B) in areas where more income stays local. For most residents, hosting a rental isn't a choice but a necessity, as wages and opportunities for employment lag the increased costs of living.

The temporary nature of these short and mid-term housing options makes these units ideal for traveling locals needing only temporary housing, whether for work, seeking medical services, shelter after a disaster or even visiting family on neighboring islands. It is also good solution for residents occupants as well, allowing them to earn extra income yet regulate when and how their property is shared with strangers. Eliminating this flexibility by allowing counties to prohibit anything but long-term rentals (and the overwhelming rhetoric from the TOP-down states exactly this) reduces a local homeowner's ability to control their own home and have it available for their own families and exclusive use when they desire.

I am one of these residents. I need this income to survive and would not convert our short-term rental to long-term housing because our four children would have nowhere to stay when they visited. I also do not believe our counties have proven to be reliable in making the best long-term decisions or listening to stakeholders or holding powerful departments and people accountable for appropriate spending of government funds.

Please do not allow counties the authority to create reactionary and short-sighted regulations that erode private property rights. Please continue to protect residential housing – in all its forms – and force the Counties to develop real and sustainable solutions to the issues we face within their existing powers.

For these reasons, I respectfully request that this Committee not pass this bill.

Thank you for the opportunity to testify.
Respectfully submitted,

Jennifer Wilkinson

SB-2919-SD-1

Submitted on: 2/29/2024 9:40:21 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Rebecca Frechette	Individual	Oppose	Written Testimony Only

Comments:

Hello,

My name is Rebecca Frechette, and I am a part-time resident in Maui. When I am off the island, I legally rent out my short-term vacation rental unit. This opportunity has allowed me to support the local community by employing staff to watch over and maintain the property. The potential impact of SB2919 on my ability to continue renting out my property while I am away is deeply concerning. If this bill proceeds, it would be detrimental not only to my financial stability but also to the well-being of the community I support.

Events like the Red Hill Crisis and Marco Polo fires displaced thousands of residents, and short-term rentals have played a crucial role in providing temporary, furnished housing for displaced and transitioning residents, inter-island visitors seeking medical treatment or family visits, traveling nurses, emergency contractors, temporary military and students, as well as family and friends. The reduction of legal short-term rentals, as seen on Oahu, has not led to a noticeable decrease in housing prices or an increase in available local housing, despite significant effects on the vacation rental industry and the livelihoods of local families.

The proposed regulations in SB2919, such as pre-approval for all listings, heavy fines for non-compliance, and mandated property inspections, pose an undue burden on property owners and infringe on economic rights. The bill's provisions are out of step with the stated objectives and fail to address the housing needs of the local community.

I urge you to consider the real consequences of SB2919 on individuals like myself, as well as the broader impact on local residents, including those who are employed in the vacation rental industry. Let us work together to find solutions that balance the needs of the community while preserving opportunities for citizens to participate in Hawaii's tourism industry, ensuring economic stability for families like mine.

Mahalo for your attention to this matter.

Sincerely,

Rebecca Frechette

SB-2919-SD-1

Submitted on: 2/29/2024 9:40:54 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Keesler	Individual	Oppose	Written Testimony Only

Comments:

OPPOSE SB2919, SD1 for the following reasons:

<Here are a few talking points>

<<Papakea was built in 1978 and has operated as vacation rentals for almost fifty years>>

<<Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles>>

<<Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming>>

<<Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue>>

<<Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors; highlighting any specifics about service providers that you rely on>>

<<Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax.>>

<<Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops>>

<<Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community>>

For the reasons stated herein I OPPOSE SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

Michael Keesler

Local resident in Lahaina

SB-2919-SD-1

Submitted on: 2/29/2024 9:43:41 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
yun shang	Individual	Oppose	Written Testimony Only

Comments:

This will have large economic impacts: Maui's STRs provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui, represents 18% of the county's \$1.7 billion dollar budget. Also over 40,000 jobs are supported by the short-term rental statewide. Restricting this sector could have far-reaching consequences on employment.

Aloha Chair, Vice Chair, and Committee Members,

My name is Diondra Jordan, and I live on the island of Maui. My husband and I own Maui Life Realty, a small real estate and short-term rental business in West Maui. Our business supports our family and others. Bill SB 2919 threatens our main source of income, which allows me to homeschool our five kids and be part of our community.

Our business doesn't just support us; it also provides jobs for local workers. If this bill passes, it could mean economic hardship for many families, possibly leading to job loss and relocation.

Short-term rentals are a big part of Maui's economy, especially for the county's budget and housing. The proposed restrictions could hurt not only business owners like us but also the entire community, including people needing temporary housing.

Please consider the impact of Bill SB 2919 on families and businesses. We ask you to oppose this bill and let the counties enforce existing laws instead.

Thank you for your time and consideration.

Sincerely,

Diondra Jordan

SB-2919-SD-1

Submitted on: 2/29/2024 9:43:45 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
heidi kreul	Individual	Support	Written Testimony Only

Comments:

Thank you for taking steps to protect residential zones by allowing the counties to adjust the minimum rental times to a longer period of time.

I have seen too many long term residents forced to move to the continental US as tourism spread into our neighborhoods.

mahalo nui loa,

Heidi

SB-2919-SD-1

Submitted on: 2/29/2024 9:44:12 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jill Fletcher	Individual	Oppose	Written Testimony Only

Comments:

Aloha, I wholeheartedly oppose this bill. I am currently housing a displaced family in my condo, a family that lost a total of three homes. Our building was built in the 1970s and we are currently spending many thousands of dollars to replace old plumbing pipes and still waiting on a permit to replace our seawall. This results in our homeowners fees increasing annually with no exception; I'm currently paying about \$2000 a month just in homeowners fees, on top of the mortgage, insurance, and I'm getting new air-conditioning installed for this family at a cost of tens of thousands of dollars. I just don't find my condo viable for permanent housing because of the exorbitant fees, the lack of parking, and the lack of any storage. There just has to be a better solution that gives the Maui residents the stable, affordable housing they deserve. I also would like to keep employing my property manager, and his crew of housekeepers, whereas that employment will go away with the decimation of a short term rental industry. On a more personal note, I am the primary caregiver for my relative with brain cancer, and I am relying on the income from my condos to support me while I am with him and caring for him. Thank you for listening, Jill Fletcher.

SB-2919-SD-1

Submitted on: 2/29/2024 9:46:39 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Shiloh Swanson	Individual	Oppose	Written Testimony Only

Comments:

I'm testifying in opposition to SB 2919. I understand the intent of this bill, but I don't think those outcomes will be realized. Instead, there will be many unintended consequences that could hurt many of us who live here, from loss of work and employment to lengthy and costly lawsuits.

I ask that you vote against passing this bill.

SB-2919-SD-1

Submitted on: 2/29/2024 9:48:27 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Collier	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

My wife and I have been coming to Maui for decades. On every trip, we chose to stay in a short term rental, because it offered a more authentic Hawaiian experience than staying in a resort or hotel. Even on a short trip, staying in a short term rental enabled us to experience a sense of community and respect; a sense that we were living in Maui than simply visiting as typical tourists. Quite frankly, we would not have made more than one trip to Maui if the only option were to stay in a hotel or resort. Being able to stay in short term rentals turned Maui into a “home away from home” for us. We truly feel like a part of our souls are on the island, even when we are not.

After many years of dreaming about buying our own part time home on Maui, we finally committed to doing so. This involved selling a very solid real estate investment, a duplex with a steady flow of long term rental income. This property was on the mainland, in our home town. We loved Maui so much that we decided to risk buying a condo on the island. The only way buying a Maui condo would be viable would be if we could rent it out as a short term rental. Our plan was to spend some of our retirement living on Maui, and renting the place on a short term basis when we were not there.

Because of the high costs of ownership (HOA dues, property taxes, maintenance, etc.), and our desire to spend time there ourselves, renting the condo on a long term basis was not viable. When purchasing, we were very careful to make sure that the property we bought would be legitimately rentable on a short term basis. Per all local regulations at the time we purchased (and every day since we purchased it) our place checked all the boxes as a legal, short term rental: fully compliant.

It is important to note that we could have elected to buy a property zoned only as a long term rental, and that we could have purchased a long term rental at about half the price. We paid a premium for the short term rental, (hundreds of thousands more than a long term rental) and we pay property taxes at a much higher rate. The reason we bought the short term rental was to have a place we could occasionally call home on Maui. This was not motivated by greed, and in fact, from a purely financial perspective, we would have done better by keeping our duplex on the mainland.

Our condo is managed by a well established, Maui based company. They assure that all taxes are paid and that all regulations are complied with. Our ownership has spanned 2 years. During this time, we have only had a few short visits ourselves, so it has generated significant revenues for the local economy, via taxes, and via the spending by our guests on meals, activities, shopping, etc. Our condo generates much more tax revenue than a long term rental of equivalent size and

quality. Our condo also brings in a steady stream of income for the Maui locals involved in managing it. Their employment creates a positive ripple effect in the local economy, as they spend their income on goods and services locally. Our condo also contributes a steady flow of revenue to local business establishments, such as grocery stores, restaurants, and companies that provide shopping and recreational activities. On a macro scale, the economic contributions of the thousands of short term rentals is a significant foundation of Maui's economy. The ripple effects benefit everyone in the local economy.

I oppose SB2919 for numerous reasons. Some of these reasons relate to the personal losses that I will sustain if we lose our rights to rent our condo on a short term basis. We would be forced to sell in a market with crashing values, caused by a sudden flood of supply (many others will be forced into selling at the same time). We stand to lose hundreds of thousands of dollars. This is an enormously unfair way to be treated as someone whose investment contributes to the Maui economy.

Even if our condo were somehow spared the fate of losing its ability to continue as a short term rental, I oppose SB2919 generally. The only winners if it passes will be the corporations that own the resorts and hotels. It seems to me like the figurative equivalent of turning one's back to the ocean to look at a rainbow while there's a heavy shore break. More harm than good will come from SB2919. Please do not pass this legislation. This is a win / lose scenario. Certainly there is a win / win solution to the problems that SB2919 aims to solve.

Mahalo for your consideration.

Aloha,

My name is Emily Headley, and I am the owner of a short-term rental (STR) condo in Ka'anapali. I am deeply concerned about the potential impact of HB1838 on the vital STR industry in Maui. My son and his wife are local residents of Maui, and I have witnessed firsthand the significant role that STRs play in supporting the local economy and community.

Maui's STRs provide 40% of the real property tax revenue for the county, making them the top funding source for affordable housing. This STR property tax revenue represents a substantial 18% of the county's \$1.7 billion budget. The question arises: If STRs are curtailed, where will the equivalent revenue come from? The potential consequences of curtailing STRs are far-reaching and deeply concerning.

Additionally, if all STRs are restricted, tourists will have no option beyond a hotel room. This means they will not have the option to stay in a unit with a kitchen, which is typically a better option for families. Restricting STRs could significantly limit the choices available to tourists, especially families, when visiting Maui.

I urge you to consider the detrimental impact that HB1838 could have on the livelihoods of local residents and the overall economy of Maui. Instead of imposing restrictive measures on STRs, let us work together to find balanced solutions that prioritize the needs of the community while preserving opportunities for residents to participate in Hawaii's tourism industry. This is vital for ensuring the economic stability and well-being of families like mine and many others who rely on the STR industry.

Mahalo for your consideration,

Emily Headley

SB-2919-SD-1

Submitted on: 2/29/2024 9:50:55 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Xinyi Wang	Individual	Oppose	Written Testimony Only

Comments:

As an Airbnb host in this beautiful island paradise, I feel compelled to speak out against the proposed bill aiming to phase out short-term rentals in all zoning areas of Maui. This bill not only threatens the livelihoods of hosts like myself but also poses significant risks to our local economy and the unique character of our community.

First and foremost, short-term rentals play a vital role in our local economy. For many residents, including myself, hosting on platforms like Airbnb provides an essential source of income that supports our families and allows us to make ends meet in an increasingly expensive area. By eliminating short-term rentals, this bill would directly harm the financial stability of countless families across Maui.

Furthermore, short-term rentals contribute to the vibrant tapestry of our community. Visitors who choose to stay in vacation rentals often seek an authentic and immersive experience, preferring to live like locals rather than in impersonal hotels. By opening our homes to these visitors, we foster cultural exchange and create lasting connections that benefit both residents and guests.

In conclusion, I urge our community leaders to reconsider the proposed bill to phase out short-term rentals in Maui. Rather than taking a one-size-fits-all approach, let's work together to develop solutions that support responsible hosting practices while preserving the unique character and economic vitality of our island home.

SB 2919 Testimony
Declan Levin

Aloha Chair and honorable committee members for this opportunity to testify against SB 2919. My name is Declan Levin, I am a 21 year old Maui resident, and I am the son of a bed and breakfast operator on Maui. I have had the privilege to not just have a home, but to have one that welcomes others into it. Our family's bed and breakfast is not a big operation but my mother employs a number of different people in our community who all started at \$35-40 an hour, including myself.

This bill would eliminate these jobs, including my own. Taking jobs away from young people who grew up here will only worsen the trend of us leaving the state. A [recent study](#) found that each year, 10% of people in our state ages 18-24 leave Hawai'i; 7.9% of people ages 25-34 leave each year as well. Many young people like me already have to leave the state to find good work, and this bill will only leave us with fewer opportunities to stay or to come back.

I currently study Sustainable Tourism at the University of Utah. It is my dream to bring new ideas and tools for our state's communities to better navigate our dependence on tourism. This bill undermines my future and those of young people like me who grew up here and want to continue their family's role in a tourism industry otherwise dominated by large corporations. This bill only serves to benefit corporate hospitality at the expense of their smaller, locally owned competitors.

Moreover, this bill will exacerbate rather than improve the housing affordability crisis in our state. Closing 13,000 small businesses and eliminating the jobs associated with them will drive away more residents who have fewer jobs, fewer opportunities to build or grow small businesses, and less economic mobility. Young people and economically disadvantaged, who often work as professional cleaners and in other jobs that depend on short term rentals as clients, will suffer most under these short-sighted policies. For the business owners who rely on their short term rental revenue to stay in their homes, the closure of their businesses will exacerbate unaffordability in the state and could leave them susceptible to out of state buyers. This bill leaves our state worse off— not better.

Our communities will suffer more broadly because we will be left with less tax revenue— in the case of Maui, 18% of the county's budget. With all of the challenges facing Maui today, destroying local businesses, jobs, and sources of tax revenue will weaken our county, not help it.

I encourage the committee to see through the short-sighted policies at the heart of SB 2919 and vote NO.

Mahalo for the consideration of my comments.

SB-2919-SD-1

Submitted on: 2/29/2024 9:51:46 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
William P Lamkin	Individual	Oppose	Written Testimony Only

Comments:

I am a retired veteran living on Maui and I strongly oppose SB2919. I have a vacation rental that provides me income that allows me to maintain an acceptable quality of life, If I lost this income it would be a big problem for me.

Also, since vacation rentals provide 40% of the real property tax revenue and also are the top source of funding for affordable housing on Maui, it would be irresponsible to pass a bill that would reduce income, especially with the current financial situation on Maui.

Thank you for your time and consideration.

Bill Lamkin

SB-2919-SD-1

Submitted on: 2/29/2024 9:56:06 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Wenqi Zhu	Individual	Oppose	Written Testimony Only

Comments:

Short-term rentals (STRs) in Maui contribute significantly to the county's finances, accounting for 40% of its real property tax revenue and serving as the primary financial resource for affordable housing initiatives. These rentals represent 18% of Maui's \$1.7 billion budget. Consequently, there's a pressing question: if restrictions are placed on STRs, how will the county compensate for the loss of this essential revenue stream?

SB-2919-SD-1

Submitted on: 2/29/2024 9:56:41 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Lois Crozer	Individual	Oppose	Written Testimony Only

Comments:

I don't agree with giving more power to control zoning to the counties only because they are too beholden to lobbyists and big business. This is evidenced by the close association between the HTA heads, the hotel industry and the ol' boy network. We residents need the protection of the State so that we can thrive and not be bullied by those who run in those circles. I therefore wholeheartedly oppose this Bill.

On the other hand, I totally agree with the intent of this bill which is to allow the counties the ability to guide our future development with a more equitable outcome for all. I feel instead of a broad brush to blatantly strip owners' rights, we should work with common sense so that those residents who live in their homes are able to host visitors and contribute to the economy as long as they are respectful of their neighbors, following building codes and pay their fair taxes due. Unfortunately, I don't feel the counties will do this fairly. There are too many people beholden to those with power for them to listen to the lone homeowner who just wants to be able to live without fear of losing their home. It's for this reason I reject SB2919.

SB-2919-SD-1

Submitted on: 2/29/2024 10:00:42 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Catherine R Collier	Individual	Oppose	Written Testimony Only

Comments:

I oppose SB2919. I am sharing a testimony that my husband wrote as he eloquently expresses my views as well....

Aloha,

My wife and I have been coming to Maui for decades. On every trip, we chose to stay in a short term rental, because it offered a more authentic Hawaiian experience than staying in a resort or hotel. Even on a short trip, staying in a short term rental enabled us to experience a sense of community and respect; a sense that we were living in Maui than simply visiting as typical tourists. Quite frankly, we would not have made more than one trip to Maui if the only option were to stay in a hotel or resort. Being able to stay in short term rentals turned Maui into a “home away from home” for us. We truly feel like a part of our souls are on the island, even when we are not.

After many years of dreaming about buying our own part time home on Maui, we finally committed to doing so. This involved selling a very solid real estate investment, a duplex with a steady flow of long term rental income. This property was on the mainland, in our home town. We loved Maui so much that we decided to risk buying a condo on the island. The only way buying a Maui condo would be viable would be if we could rent it out as a short term rental. Our plan was to spend some of our retirement living on Maui, and renting the place on a short term basis when we were not there.

Because of the high costs of ownership (HOA dues, property taxes, maintenance, etc.), and our desire to spend time there ourselves, renting the condo on a long term basis was not viable. When purchasing, we were very careful to make sure that the property we bought would be legitimately rentable on a short term basis. Per all local regulations at the time we purchased (and every day since we purchased it) our place checked all the boxes as a legal, short term rental: fully compliant.

It is important to note that we could have elected to buy a property zoned only as a long term rental, and that we could have purchased a long term rental at about half the price. We paid a premium for the short term rental, (hundreds of thousands more than a long term rental) and we pay property taxes at a much higher rate. The reason we bought the short term rental was to have a place we could occasionally call home on Maui. This was not motivated by greed, and in fact,

from a purely financial perspective, we would have done better by keeping our duplex on the mainland.

Our condo is managed by a well established, Maui based company. They assure that all taxes are paid and that all regulations are complied with. Our ownership has spanned 2 years. During this time, we have only had a few short visits ourselves, so it has generated significant revenues for the local economy, via taxes, and via the spending by our guests on meals, activities, shopping, etc. Our condo generates much more tax revenue than a long term rental of equivalent size and quality. Our condo also brings in a steady stream of income for the Maui locals involved in managing it. Their employment creates a positive ripple effect in the local economy, as they spend their income on goods and services locally. Our condo also contributes a steady flow of revenue to local business establishments, such as grocery stores, restaurants, and companies that provide shopping and recreational activities. On a macro scale, the economic contributions of the thousands of short term rentals is a significant foundation of Maui's economy. The ripple effects benefit everyone in the local economy.

I oppose SB2919 for numerous reasons. Some of these reasons relate to the personal losses that I will sustain if we lose our rights to rent our condo on a short term basis. We would be forced to sell in a market with crashing values, caused by a sudden flood of supply (many others will be forced into selling at the same time). We stand to lose hundreds of thousands of dollars. This is an enormously unfair way to be treated as someone whose investment contributes to the Maui economy.

Even if our condo were somehow spared the fate of losing its ability to continue as a short term rental, I oppose SB2919 generally. The only winners if it passes will be the corporations that own the resorts and hotels. It seems to me like the figurative equivalent of turning one's back to the ocean to look at a rainbow while there's a heavy shore break. More harm than good will come from SB2919. Please do not pass this legislation. This is a win / lose scenario. Certainly there is a win / win solution to the problems that SB2919 aims to solve.

Mahalo for your consideration.

Catherine Rahn Collier

SB-2919-SD-1

Submitted on: 2/29/2024 10:03:53 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jason de Bruyn	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I am writing this testimony in strong OPPOSITION to SB2919. As the owner/operator of a hosted short term rental in the lower side of Puna on The Big Island for the last 5 1/2 years, I shake my head and wonder what in the hell is really going on?

Currently -and for over a year now- here on the Big Island we have already been fighting the passage of Bill 121 which threatens our family business and ability to financially survive, and now this, a bill that would grant the power to do just that, even if we stop Bill 121.

We have barely financially survived a volcanic eruption. We have barely financially survived a lengthy lockdown on travel/tourism. We have barely financially survived inflation and 5 dollar+ gas prices...and now we battle these bills that will simply grant the ability to finish what all those other hardships could not. That will be the legacy of SB2919. It will be the final nail in my young family's ability to survive in already difficult times. And why? What is it we have done? We invite traveller's onto our property and share the spirit of aloha for a fee that is far more affordable than any greedy, parasitic hotel can offer.

Do we try to shut down the hotels? No. Why? Because we believe in a free market. We do not believe that anyone has the right to the entire pie and/or control the laws of the land via buying votes and pushing hard working people off of their land via bias legislation.

How can anyone that believes the slightest in democracy, or the right to have a fair shake at making it as a small business, or just property rights in general, even consider for a moment to make it law that an entire industry can be shut down with the stroke of a pen?

We keep hearing that vacation rentals are somehow heavily impacting the housing crisis. I can only speak from our experience here on the Big Island, but I have not seen this in action even once, nor have a ever seen a document proving this to be the case. I can also guarantee you that our rental will never become a long term rental. First off, it is not equipped for long term tenants, and secondly I would never risk a squatter situation on the land my small children live on.

Maybe you who are reading this now doesn't quite understand the realities of running a hosted vacation rental, but let me tell you that it is not easy money. Not only that, but it isn't even a lot of money. Besides the heavy taxation that is already taken from our modest earnings, we are

constantly fielding bookings, answering the questions of travelers, keeping the rental clean and working, and dealing with the ever present threat of a bad review affecting our business. Do you really think we need another blade to our necks?

Besides the fact that here on the Big Island Bill 121 might shut us down, SB2919 would simply hang a guillotine over our security to do business in the future. We have put everything we have into this. Our blood, sweat, tears, and finances. Do you really think we could continue moving in such a direction in good faith knowing full well that our right to do business could be taken away at any moment? I have 2 nine year old children. I cannot gamble on their future like that.

If SB2919 passes, the housing crisis will not be solved. If SB2919 passes, the hotels will not be satisfied. If SB2919 passes, jobs will not be created. Rather, if SB2919 passes, tens of thousands of people across the entire state will lose their income and be faced with incredibly hard choices.

We pay our taxes. We do not receive complaints. Our rental does not force anyone to live on the street. We earn enough to survive and we reinvest it back into the island. Our renters spend their money at local restaurants, at local markets, at local gas stations and local grocery stores. Not only that, we spend our money there too. How can anyone think this bill would do any good for the people of Hawaii, not just those operating short term rentals, but rather a ripple effect within communities that need tourism the most to keep a web of small businesses and others afloat? There are no hotels where we live. There is no possible way for tourists to spend the night in our area without businesses like ours.

Please use your hearts as well as your minds when making your decision on SB2919. Please act with the highest law of the land. Please act with Aloha.

Sincerely,

J. de Bruyn

SB-2919-SD-1

Submitted on: 2/29/2024 10:05:14 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Wesley H Burmark	Individual	Oppose	Written Testimony Only

Comments:

I oppose SB2919. By renting out our condo, Papakea G407 we have provided income for a variety of businesses. This has been a win-win for everyone and has provided us with a modest amount of retirement income. Changing the law to allow rentals of only 180 days or longer would put us out of business and cost the county of Maui an estimated \$100,000 per year in taxes and business income.

Thank you for your consideration.

Sincerely,

Wesley H. Burmark

Papakea G407

Wes@burmark.net

SB-2919-SD-1

Submitted on: 2/29/2024 10:08:33 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Guthrie de Bruyn	Individual	Oppose	Written Testimony Only

Comments:

2/29/24

Testimony in Opposition of SB2919

To Whom It May Concern,

I am sick to my stomach writing this testimony. I am in extreme OPPOSITION of SB2919. Not only am I concerned with my family's future if this bill passes, but I can't imagine the thousands of other families and individuals this will greatly impact and potentially put out of business or even onto the street. You may think Hawaii has a housing crisis now, well if this bill passes, hold on to your hats! As the owner/operator of a hosted short term rental in the lower side of Puna on The Big Island for the last 5 1/2 years, I shake my head and wonder what in the hell is really going on? You cannot use Maui as an example because our state is paying \$15,000 a month for one hotel room to house one Maui fire survivor. Shame on any system that gives so much to businesses that already have too much while pointing the finger at real people and small businesses that barely make ends meet. If this bill passes, you will give the hotels more money and power by removing any competition they have, and look how much they are already willing to bloat prices and take advantage of such a horrific event.

Currently -and for over a year now- here on the Big Island we have already been fighting the passage of Bill 121 which threatens our family business and ability to financially survive, and now this, a bill that would grant the power to do just that, even if we stop Bill 121.

We have barely financially survived a volcanic eruption. We have barely financially survived a lengthy lockdown on travel/tourism. We have barely financially survived inflation and 5 dollar+ gas prices...and now we battle these bills that will simply grant the ability to finish what all those other hardships could not. That will be the legacy of SB2919. It will be the final nail in my young family's ability to survive in already difficult times. And why? What is it we have done? We invite traveller's onto our property and share the spirit of aloha for a fee that is far more affordable than any greedy, parasitic hotel can offer.

Do we try to shut down the hotels? No. Why? Because we believe in a free market. We do not believe that anyone has the right to the entire pie and/or control the laws of the land via buying votes and pushing hard working people off of their land via bias legislation.

How can anyone that believes the slightest in democracy, or the right to have a fair shake at making it as a small business, or just property rights in general, even consider for a moment to make it law that an entire industry can be shut down with the stroke of a pen?

We keep hearing that vacation rentals are somehow heavily impacting the housing crisis. I can only speak from our experience here on the Big Island, but I have not seen this in action even once, nor have I ever seen a document proving this to be the case. I can also guarantee you that our rental will never become a long term rental. First off, it is not equipped for long term tenants, and secondly I would never risk a squatter situation on the land my small children live on.

Maybe you who are reading this now doesn't quite understand the realities of running a hosted vacation rental, but let me tell you that it is not easy money. Not only that, but it isn't even a lot of money. Besides the heavy taxation that is already taken from our modest earnings, we are constantly fielding bookings, answering the questions of travelers, keeping the rental clean and working, and dealing with the ever present threat of a bad review affecting our business. Do you really think we need another blade to our necks?

Besides the fact that here on the Big Island Bill 121 might shut us down, SB2919 would simply hang a guillotine over our security to do business in the future. We have put everything we have into this. Our blood, sweat, tears, and finances. Do you really think we could continue moving in such a direction in good faith knowing full well that our right to do business could be taken away at any moment? I have 2 nine year old children. I cannot gamble on their future like that.

If SB2919 passes, the housing crisis will not be solved. If SB2919 passes, the hotels will not be satisfied. If SB2919 passes, jobs will not be created. Rather, if SB2919 passes, tens of thousands of people across the entire state will lose their income and be faced with incredibly hard choices.

We pay our taxes. We do not receive complaints. Our rental does not force anyone to live on the street. We earn enough to survive and we reinvest it back into the island. Our renters spend their money at local restaurants, at local markets, at local gas stations and local grocery stores. Not only that, but we spend our money there too. How can anyone think this bill would do any good for the people of Hawaii, not just those operating short term rentals, but rather a ripple effect within communities that need tourism the most to keep a web of small businesses and others afloat? There are no hotels where we live. There is no possible way for tourists to spend the night in our area without businesses like ours.

Please use your hearts as well as your minds when making your decision on SB2919. Please act with the highest law of the land. Please act with Aloha.

Sincerely,

G. de Bruyn

SB-2919-SD-1

Submitted on: 2/29/2024 10:09:34 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
John Yakubik	Individual	Oppose	Written Testimony Only

Comments:

Aloha Honorable Committee Members,

I am writing to express my strong opposition to Senate Bill 2919. As someone who owns a vacation rental in Maui, this Bill threatens to significantly financially impact me.

My family uses this property in the summer as a second home. The vacation rents offset that cost. My family cannot afford a second mortgage. This bill threatens the legacy I am trying to leave behind for my kids.

The potential imposition of a 90 or 180-day minimum on non-registered, non-hotel rentals directly contradicts the existing legal framework. I, and many others rely upon that framework. This legislation would not only hurt my family but also affect the families of the cleaners and contractors I employ to help me.

The reduction of legal short-term rentals will harm Maui's tourism industry and taxes which I contribute to. Expensive hotel stays—diminishes the affordability of Maui as a destination for many.

I request the committee to consider the broader implications of SB2919. I ask the committee to oppose this Bill. Let us find a balanced approach that respects the needs of both the local community and property owners like myself.

Mahalo,

John Yakubik

SB-2919-SD-1

Submitted on: 2/29/2024 10:09:55 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Giovanni Reola	Individual	Support	Written Testimony Only

Comments:

I support SB 2919 as Presented

February 29, 2024

To Whom It May Concern,

I am writing to you today to voice my stance and **opposition** to SB2919, as it relates to zoning and phasing out short term rental properties.

Legal and legitimate short term rental properties provide a substantial amount of revenue to the island due to the higher property tax rate. It allows many displaced locals, business travelers, inter-island travelers, emergency personnel not to mention friends, family and vacation visitors to utilize this affordable way of housing. The people above are not looking for a resort hotel or long-term accommodation and phasing out short term rentals will put additional stress on the island.

In addition, short term rentals are ideal for the displaced victims of the Lahaina fire. Those who have lost homes can rely on short term rentals since they are furnished, affordable and available. We have offered a substantial discount to fire victims for this purpose.....to help assist these citizens in finding a secure shelter for their family. The access of a short term property allows them to make adjustments to their living situation without having to commit to a long term or more lengthy/expensive commitment.

I have been traveling to Hawaii since I was a toddler when my parents would take trips twice a year to Oahu and the Waikiki area. They were both employees of Pan Am Airlines and my father was stationed in Honolulu for years. Later in life, I was afforded the opportunity to be a member of my friend's wedding party that took place in South Maui. My girlfriend (wife of 15 years currently) and I fell in love with the island. We returned on a family cruise that stopped at the 4 major islands and we found that the island of Maui had the most to offer.

My mother passed away a few years ago. We wanted to honor her and find somewhere to invest her inheritance and the natural and obvious decision was a property in Maui. Now, my children are experiencing all that the island has to offer, and we make yearly visits to a place that is truly our second home. If this bill passes, it will severely impact the opportunity to be a part of Maui and all that the island has provided us.

In addition to the emotional and family impacts this change would cause, it would also drastically impact my family financially. The ability for a short term rental property to legally generate enough revenue to offset mortgage and HOA fee was part of the allure of owning on Maui. To not be able to have access to that supplemental revenue would force us to potentially sell our property and leave our island home behind. The island benefits from the many short term rentals generating GET and TAT taxes.

Please consider my position, as well as many others, as this will have a negative impact on short term rental property owners, their families as well as local economy. We consider Maui our second home and if SB2919 passes, it will change the island and it's residents for many years to come.

Sincerely,

Kentah Hartman

Owner at Kihei Garden Estates

SB-2919-SD-1

Submitted on: 2/29/2024 10:19:28 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ka-Ngo Leung	Individual	Oppose	Written Testimony Only

Comments:

Testimony Against the SB2919 Bill

My wife and I owned a two bedroom condo in Keihi. We oppose Bill “SB2919” because it will substantially reduce our rental income which will in turn reduce our payment to many local business including house cleaning, rental service, car rentals, restaurants etc. etc. Under this SB2919 bill, the state and county will also collect less tax revenue. This will bring a lot of damage to the local economy in Maui. For this reason, we strongly oppose the SB2919.

Ka-Ngo and Betty Leung

SB-2919-SD-1

Submitted on: 2/29/2024 10:20:32 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Daniel Jacob Steimel	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I am writing to express my strong opposition to SB2919. As drafted, this legislation allows far too much latitude for counties, and could result in the elimination of nearly 14,000 legal short term rental properties on Maui alone. If passed, the bill will (1) vastly decrease tax revenue (both property tax and GET/TAT), (2) cripple tourism on Maui and create hardships for the significant number of Hawaiians who depend on the industry for work, (3) crush property values AND lead to a spike in foreclosures among owners who can no longer afford their properties without STR income, (4) decrease the inventory of furnished housing available to locals as lowered property value will allow more mainlanders to purchase retirement and/or second homes on the island, and (5) lead to years of costly litigation for the state and counties.

These outcomes are not mere speculation – this exact scenario is currently playing out in South Lake Tahoe, Palm Springs, and other areas that have outlawed STR in recent years. The common denominator is a crippled economy with no increase in affordable housing for locals. Please don't lead Hawai'i down this same path.

Mahalo for your attention to my concerns

SB-2919-SD-1

Submitted on: 2/29/2024 10:21:59 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jackie Keefe	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs, Vice Chairs, and Members of the Committees on Judiciary and Ways and Means.

First, I'd like to mahalo you for scheduling a decision making hearing on SB2919 SD1.

My name is Jackie Keefe, and I am a resident of Lahaina. I am writing in strong support of this bill with a request. The request is that the effective date be changed to the soonest date possible.

This bill takes an important step towards allowing actual regulation of short-term rentals (STRs). On Maui, and in Lahaina specifically, each year we lose more working class housing to buyers who can afford far more than the people of our islands. Did you know that the 2020 census showed that more Native Hawaiians are living on the continent than in Hawai'i? This number will continue to grow after the August 2023 wildfires and the slow response to provide interim housing for people.

Condos being owned mostly by those who do not understand our culture. land, or water problems contribute to our shoreline erosion because the HOAs make decisions to build sea walls rather than plant dunes. Condos and private neighborhoods alike often have access to private water, so their landscaping plans prioritize decorative rather than native plants and they have sprawling lawns.

STRs also negatively impact our local economy in multiple ways. While STR owners will argue that they inject monet directly into our local economy, at what cost do those dollars come?

I'd argue that continual removal of affordable housing from the grasp of our working class is a significant cost to our people. What is Hawai'i without aloha? Many of those who understand that aloha is an energy and far more than just a word are having to make the difficult decision to leave the islands. The more people who stay in a STR, the less people who are interacting with a concierge. These jobs are important as they not only educate our visitors about the dangers of our oceans but also sell tours for local companies. We've seen an increase in ocean incidents as well as a decrease in tours.

STRs also do not offer shuttles, so they contribute to more cars on the road. Lahaina will have only **one, one lane access road** in and out for the foreseeable future. We cannot continue to let every tourist who comes here rent one or two cars per family! We do not have highways on

Maui, and we already have a population of people who now have to commute to a job in Lahaina from other parts of the island.

Another problem that we are experiencing from STRs is a challenge to the restaurant economy. Many of those who choose to dine out while staying at a STR do so at only food trucks or fast food restaurants, or they'll have *one* nice dinner. Restaurants already operate on very low margins, and most of those who stay in a STR do so because it is cheaper than hotels and they have access to a kitchen. If restaurants cannot count on tourist business, this makes it so that they cannot offer deals to the local people. Somewhere like Lahaina, people rely on these discounts to be able to patronize their favorite restaurants because the cost of living is outrageous.

We do not need unbridled tourism where everyone can afford to come to the islands of Hawai'i but a model of tourism in which those who come here choose to learn about the culture and visit our local restaurants and take tours. If we do not stand up against short-term rentals, Hawai'i will continue to drift further from the aloha state as we lose more 'ohanas. This bill gives each island the opportunity to do as they wish, and Maui desperately needs this power.

Thank you for your consideration.

Jackie Keefe

SB-2919-SD-1

Submitted on: 2/29/2024 10:24:58 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Peter Webb	Individual	Oppose	Written Testimony Only

Comments:

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

I OPPOSE SB2919, SD1 for the following reasons:

Papakea was built in 1978 and has operated as vacation rentals for almost fifty years.

Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles.

Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming.

Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue.

Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors; highlighting any specifics about service providers that you rely on.

Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax.

Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops.

Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community.

For the reasons stated herein I OPPOSE SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,
Peter and Vickie Webb

SB-2919-SD-1

Submitted on: 2/29/2024 10:25:30 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Marianne Fisher	Individual	Support	Written Testimony Only

Comments:

Aloha,

I am writing in **STRONG** support of SB 2919, giving counties the authority to phase out short term vacation rentals. The housing crisis on Maui is out of control and measures need to be taken ASAP.

Mahalo for your consideration.

Sincerely, Marianne Fisher Maui

SB-2919-SD-1

Submitted on: 2/29/2024 10:26:40 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Gary Hipp	Individual	Oppose	Written Testimony Only

Comments:

The TA tax is already too burdensome without expanding it any more. Putting a law on the books 16 years before it is effective is not planning, it's guessing.

SB-2919-SD-1

Submitted on: 2/29/2024 10:27:28 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jamie Satterfield	Individual	Oppose	Written Testimony Only

Comments:

You will be hurting a lot of local Maui residents who have invested in vacation rentals and who work in vacation rentals. Please take this into consideration. Many condos are not affordable to rent out long term. A wave of foreclosures will not help our local economy. This is not the solution to our affordable housing crisis. Why not invest in community land trusts and have affordable housing in perpetuity?

SB-2919-SD-1

Submitted on: 2/29/2024 10:27:47 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Deb Price	Individual	Oppose	Written Testimony Only

Comments:

I am writing to express my strong opposition to HB 1838. This legislation could result in the elimination of LEGAL short term rental properties here on Maui that have LONG supported and operated for years here on MAUI! We've done business here over 20 years, management companies take 25% of rents..we're not rich..that 25% of rents support local business who also pay rents and employ hundreds of people! If passed, this bill will create a housing crisis that will immediately stop bank financing, followed by foreclosures. This is Maui NOT Oahu.

These properties were not built like apartments, the high condo dues alone will make it hard for residents to afford. As an example a one-bedroom condo with a mortgage of \$400,000 would result in a mortgage payment of \$5,000 a month PITI including condo dues. this is by no means affordable housing, the high cost of living and maintenance costs increase the condo dues yearly.

These condo's come with bylaws, which were put in place when they were built, and are governed by each condo's declarations and bylaws, which can't be changed. Most do not allow a surfboard nor bike be stored on a lanai, or a towel on a rail, nor pets, These buildings weren't intended for long term use, many are older buildings with small square footage, high maintenance costs, no parking, high condo dues, no washers & dryers in the condo's, no fire water sprinkler systems, thin walls, no elevators, no ADA compliant doorways and walkways, many stairs, that don't afford wheel chair access, along with no storage areas.

People/owners of these condos who come to visit yearly and support the economy here, will no longer be able to come here, nor afford their properties without STR income, and can't/won't afford a \$1,000 a night stay at a hotel, plus costly meals. Lower prices will also attract more out of state purchasers as well competing for those properties for second homes.

A suffering Real Estate Market also will cripple tourism on Maui and create hardships for the significant number of residents who depend on the industry for work, shops and businesses can not survive without tourism;

Decrease the inventory of housing available to locals as lowered property value will allow more out of state people to purchase retirement and/or second homes on the island, and

People who own and rent condos pay a management fee of 25% or more on the rents, they are not netting as much income as you think. High loan amounts and large mortgage payments, condo dues and property taxes eat up most of their rental income. Many who purchase these properties are looking to spend time here on Maui and the short-term rental helps contribute to the costs of owning their home here. The 25% fees go to the management companies here on Maui.

Who will pay the high costs here on Maui of a \$25 hamburger at the local fast-food places? or a \$15 - \$20 libation and a \$200-\$300 cost of a meal at the local restaurants? Not us residents – Hotels have a captive audience and want people eating at their establishments which increases that cost to \$450+ a night for a dinner, hotels don't care about local restaurants going under... . People that come here have poured hundreds of thousands of dollars not only into the economy here, but also to support the Lahaina survivors because they love Maui! **DO NOT SEND THEM AND THEIR SUPPORT AWAY.** Do not make us a crippled economy with no increase in affordable housing for locals. Please don't lead Hawai'i down this path. It's becoming clear that its the State that's trying to buy Maui.. one step at a time,

Mahalo for your attention to my concerns.”

SB-2919-SD-1

Submitted on: 2/29/2024 10:28:56 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Raymond Romano	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I am a 25 year owner of Leasehold properties in Laie, Hawaii. We support 3 families who need our paychecks to pay rent, pay for daily housing needs, and food by living Kahuku & Waiahole. I strongly oppose this bill SB2919 as it would create a challenging hardship to the support staff's families as well as myself and our family to meet the monthly leasehold rent payments on our three leasehold lots. We provide an excellent service and product for our community visiting and visiting families.

Thank you for your leadership and consideration

Raymond Romano

Tiki Moon Villas

SB-2919-SD-1

Submitted on: 2/29/2024 10:32:05 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
William E Armstrong	Individual	Oppose	Written Testimony Only

Comments:

My name is William Armstrong, and my wife and I own a Vacation Rental at 2495 South Kihei Building 4 , Unit 223. We have owned this unit since 2004, and it's a large part of our income. We are 72 & 75.years old.We own our home,and live in North Kihei.

It is of great importance that we as Vaction Rental owners continue to be able to give the Tourists who travel from all over the world an affordable place to stay as opposed to the high cost of a hotel room, which ranges from the line below.

Question ? How much does it cost to stay at Waldorf Astoria in Maui?

The cheapest price a room at Grand Wailea Maui, A Waldorf Astoria Resort was booked for on KAYAK in the last 2 weeks was \$984, while the most expensive was \$1,501.

Maui needs Tourism . Without the tourist Maui would not continue to prosper . Travelers already pay a hefty price flying over, not to mention the cost of dining out, which most people do when they are staying at one of the larger hotels. Vacation rentals are essential for keeping Maui going in a profitable direction.. Tourists, while staying at a Vaction Rental, have the option to cook all of their meals at the condo, or dine out if they wish.

We need Maui to continue and invite travelers from all walks of life and to meet the needs of all the people who want to come here, not just the wealthy who can afford the higher nightly fees.Common Sense, Please don't make a rash decision that will end up back firing on us all.

William Armstrong

SB-2919-SD-1

Submitted on: 2/29/2024 10:33:19 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Greg bruce	Individual	Oppose	Written Testimony Only

Comments:

Please do not go forward with this idea. My wife and I are retired, we worked hard to afford our small condo in this beautiful state, and we cannot afford the property tax load and the association dues without the support of rental income. Our condo is listed as a "hotel" property, I cannot understand how you could take this away from us. Please reconsider this bill - we love this state, we are not an enemy.

SB-2919-SD-1

Submitted on: 2/29/2024 10:39:16 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Deborah Richards	Individual	Oppose	Written Testimony Only

Comments:

Thank you for hearing my thoughts. My family has been visiting Maui for nearly 30 years. In 2021 we were finally able to purchase a small condominium in Maalaea fulfilling our long time dream of a part-time home on Maui. We spend 3 to 6 months in our island home and have become active members in our community. I am fearful that this bill limiting short term rentals will end our dream. We rely on the income we earn to help subsidize our costs. I believe this bill is short sighted, favoring large hotel interests and putting at risk the ability of people with average incomes to enjoy Maui. Tourism is the mainstay of Maui's income. This bill jeopardizes jobs across the board! How do you intend to replace the jobs that will be lost when tourists can no longer afford to visit?

SB-2919-SD-1

Submitted on: 2/29/2024 10:41:26 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Chris Surprenant	Individual	Oppose	Written Testimony Only

Comments:

SB2919 could result in the phasing out of 13,744 legally permitted short-term rentals on Maui.

Maui's STRs provide revenue to the State & County via Transient Accommodation Taxes. Phasing out STRs will result in a loss of tax revenue.

SB-2919-SD-1

Submitted on: 2/29/2024 10:41:47 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Jon Chaudhari	Individual	Oppose	Written Testimony Only

Comments:

We vehemently oppose SB2919. We purchased a property on Maui in 2017 and conduct short-term rentals, a permitted use under the zoning classification. While we appreciate and understand Hawaii, like many markets worldwide, is looking for solutions to a housing affordability crisis, we believe SB2919 is counter intuitive as it would remove many of the economic drivers for the state and county (primarily the taxes generated but also the many jobs that include rental property management, cleaning, maintenance & repair, etc). Instead we propose the state and county focus on proven long term solutions including the development of housing that is restricted to resident-occupied owners or renters, a model that has been successful in other markets worldwide, rather than clawing back zoning from owners like ourselves.

Aloha,

My name is Charles D. Graham. My wife Joyce and I moved to Maui in 1978. We plan to retire here so we purchased our Kamaole Sands Condo in 2004 in South Kihei. Our daughter lived there before she moved to the mainland, and our families come here to vacation and use the condo for pleasure. When available, the condo is rented to tourists or workers from outer islands or visiting local families. We also donated the condo rent-free to Lahaina fire victims for the month following the fire.

We will rely on the rental for our supplemental retirement income. The taxes we pay for the rental help “keep the light on” for our Maui County yearly budget, contributing 18% of the 1.7 billion dollar main budget.

The short-term rental provides a “financial bridge” for the average tourist and visitor who cannot afford the high-end hotel nightly charges. A great number of supplemental local businesses thrive supporting the short-term rental industry and thus provide income stream into the economic engine on Maui. Maui County cannot afford to lose this vital industry.

This “status quo” symbiotic relationship with the 13,744 legal short-term rentals begs to be nurtured and maintained, not subject to any special interest or lobbies at the local County level.

We ask that you please do not move this bill forward, for the betterment of the residents of Maui and its future generations.

Thank you for your time.

Charles and Joyce Graham

I am testifying to oppose Bill SB2919.

We have owned a condominium at Maui Kamaole in Kihei since 2000 with the understanding that it could be used as a short term rental unit. During the 24 years we rented the property the state of Hawaii and county of Maui have issued permits for its operation and collected taxes from revenue generated by this property. Which led us to believe that this was a lawful and sanctioned activity. We feel it is unfair to deny our ability to rent our condo on a short term basis after all this time.

Additionally, we have contributed to the economy of Maui by providing partial salaries for the property management company, condominium association employees, and cleaning staff. We have also supported a large number of businesses on Maui including several contractors, retail sales, and service establishments.

We feel that Maui has become like our home. We come to Maui every year to inspect and maintain the property then spending time enjoying all the island has to offer. We would be prevented from doing this if the condo was a long term rental. There are very few tenants willing to rent for 90 days. Without short term rental income to offset taxes and association fees we would be very hard pressed keep our condo and come to the island that we love.

Finally, we have tried our best to be good citizens of Maui. We contribute to several entities like Lahaina relief funds, worked as volunteers, and tried to respect the island, its people, and its history.

Thank you for your time,
Steve Kunitake
2777 S. Kihei Rd., K204

SB-2919-SD-1

Submitted on: 2/29/2024 11:00:20 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Linda C. Mitchell	Individual	Oppose	Written Testimony Only

Comments:

I oppose SB2919.

As a long time legal owner of a vacation rental on Maui, I do not want my bsiness to be altered by the state. Please do no pass a law that would restrict my legal business.

- Maui's STRs provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's 1.7 billion dollar budget. Where will that revenue come from?
- Mid and Short-term Rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.

Linda Mitchell

SB-2919-SD-1

Submitted on: 2/29/2024 11:01:30 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
John Ovak	Testifying for Papakea	Oppose	Written Testimony Only

Comments:

I **OPPOSE** SB2919, SD1 for the following reasons:

1. Papakea was built in 1978 and has operated as vacation rentals for almost fifty years.
2. Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles.
3. Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming.
4. Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue.
5. Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors; highlighting any specifics about service providers that you rely on.
6. Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Task, and Maui Transient Accommodations Tax.
7. Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops.
8. Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community.

For the reasons stated herein I **OPPOSE** SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,

John Ovak

SB-2919-SD-1

Submitted on: 2/29/2024 11:05:49 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Carrie Williams	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Committee,

I extend my warm greetings from the beautiful island of Maui. My name is Carrie Williams, and I've been a proud resident of this community for several years. I am reaching out to express my concerns regarding SB2919, as it poses a significant threat to my livelihood and that of many hardworking individuals in our community.

For the past 12 years, I have operated a charming bed and breakfast named Auntie Kali's Cottage. This endeavor has not only been a source of income but also a labor of love, allowing me to contribute positively to our local economy. As a small business owner, I understand the importance of fostering a thriving community that supports its residents and businesses alike.

Auntie Kali's Cottage has not only been a place for visitors to experience the true spirit of Maui but has also been a means for me to make a living. I take pride in the fact that my business provides employment opportunities for cleaners, electricians, maintenance workers, and other locals who rely on these jobs to sustain themselves and their families.

This proposed bill threatens the foundation of my business and jeopardizes the financial security of those who depend on it, including myself. The flexibility of my schedule and the proximity of my work to my residence have been vital aspects of my professional and personal life. SB2919, if passed, would disrupt this balance and put at risk my ability to meet essential financial obligations, such as housing and bills.

I urge you to consider the existing laws within our counties and allow them the authority to enforce regulations effectively. Moving forward with SB2919 could have severe consequences for the livelihoods of many individuals in our community, impacting not only businesses like mine but also the families and workers who depend on them.

I kindly request that you do not advance this bill any further, and I appreciate your time and consideration on this matter.

Mahalo, Carrie Williams Owner, Auntie Kali's Cottage Maui, Hawaii

SB-2919-SD-1

Submitted on: 2/29/2024 11:08:02 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kim Marie Lopez	Individual	Oppose	Written Testimony Only

Comments:

I am oppose this bill which is similar to HB1838. It will affect me, the residents of Maui and property owners by causing even more job loss and higher unemployment and depends long term. It will affect the county and state by less taxes collected. Residents will be forced to leave island to find jobs and homes. Prices of food, gas and everything else will be driven up to compensate making it unaffordable all around for all. This bill will destroy our economy and future. Please do not pass this bill.

SB-2919-SD-1

Submitted on: 2/29/2024 11:08:20 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Julie Coplon	Individual	Oppose	Written Testimony Only

Comments:

My name is Julie. I am a widow. With my husband's insurance money and a huge loan, I purchased my condo with the dream of moving to Maui after retirement in 5 years. Until that time, I planned to rent it LEGALLY on a short term basis to help me pay for my expenses while allowing me the flexibility to visit my Maui home throughout the year. Now, I hear that my dream will be taken away from me by SB2919 which disallows the short term rentals that I was relying on and the flexibility to visit my home in between shorter term STR stays.

Please OPPPOSE this bill.

THIS BILL IS A LOSE LOSE FOR HOMEOWNERS – It’s a huge takeaway for the almost 14,000 of us who purchased property that we were told could be LEGALLY rented on a short term basis. Many of us, including myself, will no longer be able to afford to keep our homes.

THIS BILL IS A LOSE LOSE FOR THE COUNTY - It’s also a huge takeaway for Maui which relies on these rentals for 40% of its property tax revenue. How will this revenue be replaced? It makes no sense to take away from us, as well as 18% of the county’s budget.

THIS BILL IS A LOSE LOSE FOR VACATIONING FAMILIES AND WILL LIMIT THEIR ABILITY TO VISIT MAUI – Short term rentals provide an alternative for families who can’t afford expensive hotel stays for their short term visits when the kids are out of school. Or displaced residents, or traveling nurses. Who will make up the revenue they spend in local restaurants, shops, etc. OR the taxes derived from their purchases?

FINALLY..... THIS BILL IS UNFAIR AND UNETHICAL TO EXISTING HOMEOWNERS WHO PURCHASED THEIR HOMES, RELYING ON THE ABILITY TO RENT SHORT TERM - It’s one thing to change the rules on STRs for property purchases MOVING FORWARD. It’s another thing to change the rules after the fact, and after people relied on rentals to help us keep our homes.

Please OPPPOSE this bill.

Please OPPPOSE this bill.

Please OPPPOSE this bill.

SB-2919-SD-1

Submitted on: 2/29/2024 11:18:58 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Thomas Mulvihill	Individual	Oppose	Written Testimony Only

Comments:

My name is Thomas Mulvihill and my wife and I are the owners of 9-19 Puamelia Pl #1, Lahaina HI 96761 and 475 Front Street Unit 301 Lahaina, HI 96761. We purchased these units as short term rentals, and both of these units, which are in the Lahaina fire loss zone, have been unoccupied since the August fire.

This proposed legislation is a source of incredible distress (on top of the incredible distress caused by the fire). We directly rely on the income from our short term rental on Maui (in our retirement), and many Hawaiian families (cleaners, service providers, small business owners, etc.) directly rely on this income. Make no mistake - this measure could destroy the very thing that my wife and I worked so hard for so many years to acquire and would undermine the economic future of so many families living on the islands.

I am sure you know that the short term rental industry as a whole overwhelmingly supports the economy on the islands. Our business allows ordinary people to visit the island (who might not otherwise be able to afford to come) and these visitors spend their hard earned money on our local businesses. Further, the short term rental industry pays property taxes (on values based on the short term rental income we produce) which adds up to nearly 40% of the property tax revenue on Maui. These taxes support innumerable essential public services, and this revenue would be devastated if this bill were ever to be enacted. In addition, the Maui short-term rental community is currently putting every effort into the economy since the devastating fire and this proposed legislation would severely undermine those efforts.

How could anyone think this is a good idea - especially under the current circumstances? Please, we beg the Legislature to consider the horrific impact (and great emotional distress) this bill would have on the people in the community and reject this proposed bill.

Thank you.

SB-2919-SD-1

Submitted on: 2/29/2024 11:20:04 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Carol Hatley	Individual	Oppose	Written Testimony Only

Comments:

As the owner of a STR on Maui, I strongly oppose SB2919 SDI.

We employ many Maui residents to maintain our unit. If STRs are banned, who will employ these people? Further, we will be paying property taxes in excess of \$16,000 this year. If STRs are banned we will sell our home, which would break our hearts. Over the nearly 20 years we have been owners at Papakea we have become part of the Maui Ohana and have many friends we love. Please reconsider this measure.

Carol and Mike Hatley

Owners, Papakea K404

SB-2919-SD-1

Submitted on: 2/29/2024 11:25:21 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Carol Peterson	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

My name is Carol Peterson, and I am a homeowner on the Big Island. I am writing to express my strong opposition to Bill SB 2919, which could expand the zoning powers of counties to allow the amortization or phaseout of transient accommodations in residential and agricultural zones. This bill threatens the livelihoods of those who earn income through renting and the ability of many of us to pay our bills and survive.

As a homeowner who relies on transient accommodations for additional income, the potential implementation of Bill SB 2919 would have hard consequences for me. If this bill is put into effect, it will significantly impact my ability to meet my financial obligations and maintain my household. Additionally, the proposed regulations included in the bill, such as pre-approval for all listings, heavy fines for non-compliance, and intrusive property inspections, are unnecessarily harsh and burdensome for property owners like myself. It is important to note that forbidding homeowners to use their property for short-term rental may raise constitutional issues related to property rights and economic freedoms.

The transient accommodation industry provides vital income for many working families in Hawaii and makes a significant economic contribution to the local economy. The potential loss of this industry would have far-reaching economic implications for the entire community.

Furthermore, transient accommodations play a crucial role in providing housing for displaced residents, traveling nurses, emergency contractors, and others in need of temporary, furnished housing. These accommodations serve as a vital resource during crises and emergencies, and their potential phaseout would leave many individuals and families without essential housing options.

I urge you to consider the hardworking families who rely on the transient accommodation industry for their livelihoods and the broader economic and housing implications, and to reject Bill SB 2919.

Mahalo for your attention to this matter.

With warm regards, Carol Peterson

SB-2919-SD-1

Submitted on: 2/29/2024 11:28:42 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Elizabeth Pomeroy-Theoret	Individual	Oppose	Written Testimony Only

Comments:

I am opposed to any bills negatively effecting STVRs in Hawaii.

My husband and I are full time Hawai'i County residents in our 60's. I am a State of Hawaii employee and my husband is a carpenter. We purchased our home in Kailua-Kona knowing we could vacation rent the extra bedroom in our private home in order to meet our mortgage and bills when we retire. Without our STVR income, we would not be able to afford to retire and may be forced to sell our home.

Long term renting is not an option for us. A permanent roommate is not something we would ever consider.

Our vacation unit is currently legal, we pay our TA and GE taxes monthly, my neighbors have never complained about our guests. We should be allowed to continue to use our private property for our best interests.

Eliminating STVR will not increase long term affordable housing opportunities. The state and county governments need to build affordable housing and stop approving housing developments which are unaffordable for the people who live in Hawaii.

Please vote no on this bill.

February 27, 2024

Subject: Opposition to Bill SB2917

Aloha Chair, Vice Chair and Committee,

My name is Jacqueline Sarfati. I am an owner of a one-bedroom condo at Maui Banyan in Kihei. We purchased this condo in 2021 after honeymooning in Maui earlier that year. We love the island and the people and love coming to visit every few months and for at least a month over the Christmas holidays. We love the restaurants and shops and love supporting the local economy. When we are not visiting, we rely on short-term rental income to help offset the cost of our condo.

I am writing in opposition of this bill because short-term rentals are important. It allows families and other visitors to have affordable options to hotels, providing more space and kitchen space that hotel rooms don't have. The short-term rental guests who stay at our condo love our place and are grateful to have condo options for their family travels. Having the space and kitchen allows them more flexibility on their vacation in Maui to spend more money to at rental shops, tours, etc. Short-term rentals bring a regular and steady stream of visitors that support the local economy. Short-term rentals provide jobs for small business owners in cleaning services, maintenance services and various other trades.

This bill will hurt me, other residents, business owners and important visitors that rely on short-term rentals. Please let the counties enforce the laws that they already have. I ask that you please do not move this bill forward.

Thank you for your time.

Sincerely,
Jacqueline Sarfati
2575 S Kihei Rd, H407
S Kihei, HI 96753

SB-2919-SD-1

Submitted on: 2/29/2024 11:45:06 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Brooke J Hill	Individual	Oppose	Written Testimony Only

Comments:

We oppose phasing out vacation rentals on Hawaii. Renting out our home allows families to experience authentic Hawaiian living in Puako instead of in a resort. We educate our guests about treating the island and the local Hawaiian people with respect. Additionally, we support four local families by employing a team to help keep our vacation rental running for guests.

SB-2919-SD-1

Submitted on: 2/29/2024 11:52:09 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Laura Roberts	Individual	Oppose	Written Testimony Only

Comments:

Please stop making it so difficult for the homeowner who is trying to survive. Please phase out the out of state owned rentals which make up 52% of STVR's. Make an easier path for locals to make a living and stay in Hawaii!

Aloha: We oppose SB2919 and similar proposed legislation that specifically and unfairly targets LEGAL TVR's, the owners and families of such, the visiting tourists who enjoy their use, and the Vacation Rental Industry as a whole. We request that you do the same.

* We have owned on Maui since 2000 and are law abiding citizens who have paid more than our fair share of taxes over the years. We, our family and guests have contributed to the economy on Maui by supporting businesses (large and small) and their employees. Don't penalize people like us who love our Maui Ohana, and in retirement are finally able to spend more time in our home. Changing zoning and forcing us to rent to long term tenants will prevent us (aging with health issues), from visiting family and friends, many who have lived and worked on Maui for over 40 years. Further, we need vacation rental income to help pay the mortgage and HOA fees. Please don't penalize us for that.

*It won't solve your employee housing crisis and the infrastructure problems that have existed for years. These issues are not the fault of legal TVR's.

*You also will be taking away great amounts of tax revenue provided by the Vacation Rental industry along with the jobs who support that industry. (Contractors, handypersons, housekeepers, etc.) What will they do for employment? You will unfairly be targeting them as well.

*These types of proposed legislation will support private equity and corporations who own hotels and more and take away enormous amounts of tax revenue and employment opportunities for many of the residents that you hope to house.

*This will also take away temporary housing for those in crisis, (and we have housed some in the past while also volunteering and giving to numerous charitable organizations both before after the fires.) And what about those who need short terms housing for medical care, contract workers, traveling health care workers and more as Maui rebuilds. You could end up devastating West Maui's economy while forcing many of your residents to leave and seek employment elsewhere.

* Most of us have friends and/or family members who lost everything from the fires, and it's absolutely shocking and devastating. However, much of this proposed legislation seems unethical and completely unfair. We don't think it will achieve your housing goals for the residents of Maui and will cause even more heartache and damage to many of those who you are trying to help.

Mahalo for listening. Maui is our Ohana, too, even if we need the financial support of the tourist industry to keep our second home which also happens to be a licensed vacation rental.

Please reconsider and oppose this bill and those like it. More research is needed to solve Maui's problems. These types of proposed bills are not the solution.

Be well and we sincerely hope that you will ponder all options carefully and thoughtfully. As the devastating fires have profoundly affected many, so will these far reaching and unfair legislative choices.

Barry Schmitt

*

SB-2919-SD-1

Submitted on: 2/29/2024 11:55:51 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Chris Gale	Individual	Oppose	Written Testimony Only

Comments:

I have lived in my condo for 34 years. Without renting a room, short-term, I would have to sell. My complex was build for short-term rentals and I did rent this way for over 20 years. With rising costs of EVERYTHING, I had to make some tough decisions. I have been renting short-term for 10 years now.

I enjoy entertaining and helping our tourists and locals to see and experience Maui without the exorbitnate hotel pricing. I spend a lot of time educating them on being a conscience and respectful tourist.

I am registered with the state and county and gladly pay the taxes due to keep the island afloat.

Chris Gale

SB-2919-SD-1

Submitted on: 2/29/2024 12:24:47 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ray Blasing	Individual	Oppose	Written Testimony Only

Comments:

Dear Committee Members,

I am writing to express my strong opposition to SB2919 SD1. As a longtime property owner and short-term rental (STR) landlord in Lahaina, I am deeply concerned about the potential ramifications of this Bill on our rights and livelihoods.

SB2919 SD1 represents yet another challenge to our ability as property owners to secure renters, sustain ownership of our Hawaiian investment properties, and earn a reasonable living. It is one of many initiatives seemingly driven by hoteliers, with the support of certain officials and entrenched benefactors, that target our community. The proposed Bill unfairly singles out STR property owners, undermining our legal and constitutional property rights, while benefiting another class of business owners.

This one-sided approach, devoid of meaningful dialogue with STR property owners, lacks transparency and fails to consider the interests of all stakeholders, including owners, tenants, tourists, and the hospitality industry. Such targeted attacks not only infringe upon our property rights but also threatens the economic vitality of our community.

Moreover, the elimination of our ability to offer our property as an STR would impose a financial hardship that could lead to the sale of our property at a reduced market value, resulting in material financial harm.

I urge you to reject SB2919 SD1, for the following reasons:

1. **Economic Impact:** Short-term rentals play a vital role in driving tourism, job creation, and local business revenue. Suppressing, eliminating, or phasing out STRs could deter tourists, and undermine our ability to recover and thrive following recent economic and societal challenges, such as the Lahaina fire.
2. **Property Rights:** Property owners should have the freedom to utilize their properties within existing regulations without facing persistent threats, or unethically-motivated restrictions. It seems that as soon as one STR-impacting measure or bill gets shelved or defeated, several more are released from hot-backup. This harassment must stop.

3. Regulation and Compliance: Targeted threats to STRs undermine the regulatory framework governing short-term rentals, and hinders responsible landlords from operating legally and sustainably.

4. Consistency and Equity: STRs should not be targeted, but instead treated equally and equitably. Our industry, housing, and societal challenges are many and complex - we should be treated as partners and stakeholders, not as hapless bystanders ripe for disadvantaging.

Rather than perpetuating one-sided attacks on STR property owners, I urge you to consider a collaborative approach that engages all stakeholders. By fostering transparent dialogue and cooperation, we can address the complexities of our hospitality industry while ensuring that the interests of all parties are balanced and respected. This is not a zero-sum game, and STR owners should not bear the brunt of policies, laws, and regulations designed to surreptitiously benefit others.

Thank you for considering my perspective on this important issue. I am hopeful that together, we can find solutions that promote fairness, sustainability, and prosperity for our community.

SB-2919-SD-1

Submitted on: 2/29/2024 12:26:09 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Eileen Ryan	Individual	Oppose	Written Testimony Only

Comments:

STR in Hawaii provides taxes, employment and affordable housing to visiting nurses, temporary contractors, veterans, vacationing families and friends - all essential for the state of Hawaii. It is important that the STR market continues in the state.

I would propose a higher tax to investors with 3 or more STR properties. Do time share properties fall into STR? These are owned by corporate investors whereas STR properties with small and middle income owners have only one or two properties.

I oppose this legislation.

Thank you,

Eileen Ryan

SB-2919-SD-1

Submitted on: 2/29/2024 12:29:22 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Victoria Bianchetti	Individual	Oppose	Written Testimony Only

Comments:

We are Maui residents, we have lived here since 1980. We prepared our retirement little by little by investing in short term rentals. One in lahaina shores that is unusable for the time being and the other 2 we entered them in the FEma Program.

We completely disagree in Phasing out the short term rentals beacuse:

Maui's STRs provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's 1.7 billion dollar budget.

Also is a big chain of work to all the people who live on Maui. From the hospital to the cleaners, to the gardeners and plumbers and restaurants and Hawaian practitiones and whatever you can find in the middle.

Maui economy is first a turism economy.

Sincerely

SB-2919-SD-1

Submitted on: 2/29/2024 12:32:41 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Shailendra K Goel	Individual	Oppose	Written Testimony Only

Comments:

This bill is not good for growth and prosperity of Hawaii.

SB-2919-SD-1

Submitted on: 2/29/2024 12:35:12 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Denise & William Michels	Individual	Oppose	Written Testimony Only

Comments:

We oppose SB2919 for the following reasons:

Papakea was built in 1978 and has operated as vacation rentals for almost fifty years. There is minimal storage for personal items, no outdoor storage.

Papakea currently employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles.

Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming. These are on a continual basis, channeling well needed funds into local businesses. Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors. In an effort to continually keep stay on top of maintenance of my rental I source all my supplies on island, using local businesses and contractors for all work. Without the use of short term rentals I would not be able to utilize regular maintenance schedules with local businesses.

Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue. Without the rentals the maintenance dues would be staggering.

Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors. I use an on island agent (My Perfect Stays) which is providing employment for booking agents, housekeepers, handymen. They have managed to keep their employees retained, eliminating short term rentals would essentially eliminate their jobs and the established on-island agent business. If STR are eliminated or phased out where is the Maui community going to be gainfully employed. How are they going to be able to continue to support themselves and their families.

Papakea guests support many small businesses on the island included restaurants, food trucks, tour operators, car rentals, state parks, the national park, and shops. Without their support of the small businesses on the island those businesses would die off. Making it even harder for employment on the islands.

Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community. They understand the importance of spending their money on island to support the local businesses.

Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax.

For the reasons stated herein we oppose SB1919 and urge the committee to defer it.

Respectfully submitted,

William & Denise Michels

Owners B101

Papakea Resort

SB-2919-SD-1

Submitted on: 2/29/2024 12:37:11 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
LAURIE ROCHE	Individual	Oppose	Written Testimony Only

Comments:

ALOHA CHAIR, VICE CHAIR AND COMMITTEE,

MY NAME IS LAURIE ROCHE. I CANNOT VACATION IN ANY LOCATION OTHER THAN SHORT-TERM RENTALS BECAUSE I WORK FOR A LIVING AND I DON'T HAVE THE LUXURY FOR 6 - 9 MONTHS FOR VACATIONING. I AM A SCHOOL TEACHER AND LOOK FORWARD TO FINDING AFFORDABLE SHORT-TERM RENTALS TO ACCOMMODATE MY FAMILY WITH ALL OF THE AMMENITIES THAT A CONDOMINIUM OFFERS SUCH AS KITCHENS, LAUNDRY ROOMS, AND BEING COMPLETELY FURNISHED. MY UNDERSTANDING IS THAT SHORT-TERM RENTALS BRING IN A TREMENDOUS AMOUNT OF TOURISM DOLLARS SUPPORTING THE ISLAND OF MAUI AND ALL OF ITS WORKING RESIDENTS TO REBUILD AND ESTABLISH LAHAINA ONCE AGAIN AS A THRIVING HUB TO THE WEST SIDE OF MAUI. TO ELIMINATE SHORT-TERM RENTALS IS DEVASTATING. SO MANY PEOPLE WOULD BE AFFECTED BY LOSING THEIR EXISTING JOBS AND NEEDING TO GO ON STATE SUPPORT IN ORDER TO MAINTAIN THEIR LIFESTYLE SUPPORTING THEIR FAMILIES. IF YOU SUPPORT THIS BILL, IT WOULD HURT SO MANY PEOPLE THAT HAVE ALREADY BEEN DEVASTATED BY LAST YEAR'S WILD FIRES. I CAN'T SEE THIS BEING A COURSE OF ACTION TO SUPPORT THE OHANA WAY! SO MANY PEOPLE ON THE ISLAND RELY ON TOURISM AND SHORT-TERM RENTALS TO KEEP THEIR BUSINESSES OPERATING IN A PROFITABLE MANNER.

LET THE COUNTIES ENFORCE THE LAWS THAT THEY ALREADY HAVE. WE ASK THAT YOU PLEASE DO NOT MOVE THIS BILL FORWARD.

THANK YOU FOR YOUR TIME.

SB-2919-SD-1

Submitted on: 2/29/2024 12:48:58 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
ANDREW G CHURCH	Individual	Oppose	Written Testimony Only

Comments:

My name is Andrew Church, and I am a local resident of Hawaii.

I am writing this message to voice my opposition to **SB2919 SD1**.

The entire income for our family is dependent on our short term rentals! This income is vital to our livelihood and survival as a local family living on Maui.

I am now 60 years and need the monthly income to support my family.

I follow ALL the rules and laws established by the State of Hawaii and the County of Maui. I always pay my GE, TA and MCTA taxes on time, as well the income taxes due from this revenue.

Thank you to the Committee for giving me the opportunity to speak.

Aloha,

Andrew Church

SB-2919-SD-1

Submitted on: 2/29/2024 12:53:26 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Anthony S. Ravnik	Individual	Oppose	Written Testimony Only

Comments:

I have been a property owner and taxpayer in Maui since 1999. I am currently retired and rely on the income from my property rental for my daily expenses. If this bill passes, I will lose my source of income and be forced to sell my property. This will also be a great personal loss, as I have cherished spending time with my family on Maui, and supporting the local economy since 1972. If I sell my property, I will no longer be able to visit. This will also cause great financial harm to the wonderful local service providers, who I have employed for many years, to assist in managing the renting and upkeep of my property. I hope you will consider the financial consequences of this bill for everyone involved. Thank you for your time and consideration in this matter.

Sincerely,

Anthony Ravnik

SB-2919-SD-1

Submitted on: 2/29/2024 1:01:01 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Portia Igarashi	Individual	Oppose	Written Testimony Only

Comments:

Please do not take away my livelihood. I am in a zoned vacation rental subdivision. My property value will plummet. Vacation rentals are needed as an alternative to hotels. Do not let the hotels be the only choice!!!

Dear Representative

I **OPPOSE SB2919** for the following reasons:

Maui has been a part of me for more than 50 years. I first came to Maui as a child with my parents. We spent several months of the year in Maui from when I was age 5 forward. I attended King Kamehameha III school in Lahaina for 6th grade.

While I have never been a full time resident, Maui is still a home for me.

A few years ago we purchased a unit at Papakea. We (myself, husband, children and grandchildren) spend as much time as we can there, and rent it out the rest of the time as a short term rental. We purchased at Papakea because it was the right mix of local restaurants and shops nearby and nicely set up as a vacation rental property. Using it as a short term rental while we cannot be on the island is the only way we can afford to own this property. Please do not take this part of us away.

Papakea was built in 1978 and has operated as a vacation rental for almost 50 years. They employ many local residents and support a wide variety of local trade professionals. These current personnel will only be able to be employed with the high AHOA dues we currently pay and the nightly resort fee collected by Papakea from short term renters. I also directly employ a cleaning crew and maintenance workers to help me with our home in Papakea. If you disallow short term rentals many people will lose their jobs and the high amount of taxes I and other STR hosts help contribute to Maui will no longer be paid. I worry about Maui and the harm this will cause.

For the reasons stated herein I OPPOSE SB2919 and urge the committee to defer it.

Respectfully submitted,
Kim Snorsky

SB-2919-SD-1

Submitted on: 2/29/2024 1:06:09 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
sydney smith	Individual	Oppose	Written Testimony Only

Comments:

Oppose!

My husband and I are kupuna with 20 acres of coffee and avocados on the island of Maui. We have two very small cottages on our farm and have offered farm stays since 2012 when we got out STRH license from the County of Maui. it was not an easy process to navigate. One of our cottages is nearly 100 years old. We hire many local people to help us and pay them a very good wage. Our farm stay business allows us to do so. We have archeology and natural springs here we steward with hard work and love.

We have worked hard to always work within the law. I've never even had a parking ticket. But this legislation will just punish those of us who went about things legally. Farm stays are an allowable accessory use for Bona Fide farms in HRS 205! Why do we have to continually fight for our rights? Why?

Our two cottages will never be in the long term rental pool. They were empty for over ten years prior to getting our license because our friends and family stay there when they come visit us from the mainland. Most are here to visit their Maui homeland having been priced out or regulated out of their island home. We are some of the last holdouts.

AgTourism is encouraged all over the world. The USDA offers support and loans to farmers and ranchers that want to offer AgTourism and farm stays. But here in Hawaii, one of the most expensive places in the world to farm or do anything discourages entrepreneurship and continually does everything it can to encourage those of us who are from here to move away.

What will Hawaii be without its people?

Why does Hawaii have to be the most difficult place to do business in the whole country or the world?

We need the state to protect us from County overreach.

Please do not pass this bill!

If you pass it this will just be another farm sold to a billionaire who will put up a fence and a gate and bar the local people from the cultural treasures and resources our family has been protecting for generations.

I agree affordable housing is an issue here. But that's because it takes years to get a permit. Generations to get a water meter and it's an impossible place to build an affordable house. It just is.

This bill will not fix that problem.

Sydney Smith

Makawao, Maui

SB-2919-SD-1

Submitted on: 2/29/2024 1:14:13 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Henry Carrasco	Individual	Oppose	Written Testimony Only

Comments:

Good afternoon and Aloha,. Henry and Anna Maria Carrasco have owned The Palms at Wailea unit 1207 since 2003. We have paid taxes. HOA's for over 20 years in a timely manner and have maintained our unit by upgrading over the years as time and income has permitted. By improving our unit both inside and out we have contributed to the employment of local contractors, from plumbers, carpenters , handyman/women, cleaning people and purchased all our needs from locals vendors, thus contributing to the economy of the County of Maui. I am opposed to bill SB2919 to phase out vacation rentals due to the fact that by passing this bill it would affect the lively hood of many local workers when Maui people need all the work they can attain. My wife and I love Maui and its hard working people who work at The Palms at Wailea and throughout Maui. Lets keep our people working.

Henry Carrasco

Nutrien Agricultural Solutions/ California

Certified Crop Advisor

SB-2919-SD-1

Submitted on: 2/29/2024 1:49:28 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ralph Rutherford	Individual	Oppose	Written Testimony Only

Comments:

If this is passed it will hurt tax paying citizens like myself. This will cause me to leave taking my investment capital with. Ask Gavin Newsom if I'm serious.

Stephen W. French
Condo owner at the Papakea since 1993
P.O. Box 190009
Boise, ID 83719

February 28, 2024

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair,
Senator Gabbard, Vice Chair and Members of the Committee:

I **OPPOSE** SB2919, SD1 for the following reasons:

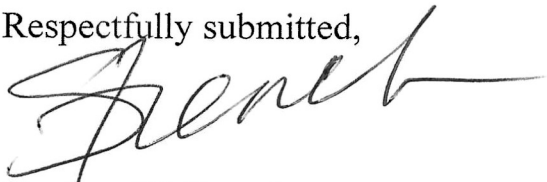
1. Papakea was built in 1978 and has operated as vacation rentals for almost fifty years!
2. I and my late wife purchased our condo at the Papakea in 1993. Our family has spent our spring break vacation with our two children since they were each one-year-old tikes. Now they are 35 and 30 years old!
3. We have so many special memories of wonderful family vacations at our condo at the Papakea on Maui.
4. To destroy our ability to rent our unit when we are not visiting would have been and will be extremely damaging to our family's ability to afford our condo.
5. County property taxes this year were over \$6,800.00! and all the other monthly maintenance fees would make it extremely difficult for us to retain our condo.
6. About five years ago we spent over \$100,000.00 remodeling our condo in hopes of keeping it relevant in the condo rental market and this year our AOA will spend over 33 Million dollars completely upgrading all the plumbing in all 365 condos!
7. Is your proposed bill a government taking of private property without justification?
8. Papakea employs approximately 35 local resident employees; some have worked at the property for over 15 years; some started in entry-level positions and worked into supervisory roles.

Stephen W. French
Email: swf650@gmail.com
PO Box 190009 Boise, Idaho 83719

9. Papakea supports a wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, and tree trimming.
10. Papakea can only support the current personnel and operational maintenance levels with high maintenance dues which rely on short-term rental revenue.
11. Papakea STRs support a number of small businesses in the Maui community including housekeepers, handymen, on-island agents, and contractors.
12. Papakea STRs support the State of Hawaii and County of Maui through payment of property taxes (many at the short-term rental rate), Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax.
13. Papakea guests support many small businesses on the island including restaurants, food trucks, tour operators, state parks, the national park, and shops.
14. Papakea has a high number of returning guests that have been visiting Maui for years and have deep connections with the community.

For the above reasons stated herein I OPPOSE SB2919, SD1 and urge the committee to defer it.

Respectfully submitted,



Stephen W. French

Stephen W. French
Email: swf650@gmail.com
PO Box 190009 Boise, Idaho 83719

SB-2919-SD-1

Submitted on: 2/29/2024 2:30:45 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Roberto Aquilini	Individual	Oppose	Written Testimony Only

Comments:

- This Bill could result in the phasing out of 13,744 **LEGAL** short term rentals on Maui.
- Maui's STRs provide 40% of the real property tax revenue for the county, as well as being the top funding source for affordable housing for Maui. This STR property tax revenue represents 18% of the county's 1.7 billion dollar budget.
- Mid and Short-term Rentals accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students, our family & friends.
- Events like the Lahaina Fire displaced thousands of residents. Where will residents find temporary, furnished housing if our industry is further decimated?

SB-2919-SD-1

Submitted on: 2/29/2024 2:41:33 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
sat mahajan	Individual	Oppose	Written Testimony Only

Comments:

We are owners in kaanapali alii. Our unit is 353.please donot stop vacation rental. We will not be able to afford mortgage and taxes.We will have to sell unit . Alii provides employment to many local people.These people will not have job and will burden your system. I am sure that there are 250 like kaanapali alii.We are going through hell because of fires last yr and please donot do this to increase stress .

SB-2919-SD-1

Submitted on: 2/29/2024 2:48:18 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
John and Lynn Lamon	Individual	Oppose	Written Testimony Only

Comments:

As a property owner in Maui, we oppose SB2919 and the potential elimination of short term rental properties. This would have a detrimental effect on the tourism industry which is key to a thriving hawaiian economy.

SB-2919-SD-1

Submitted on: 2/29/2024 2:55:32 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Steven and Colleen Lamon	Individual	Oppose	Written Testimony Only

Comments:

Steven and I are homeowners on Maui and we oppose SB2919 measure. We feel it would have a very negative impact on the local residence, community and economy on Maui.

Opposition of Maui Property Owner to SB2919

My wife and I own a two bedroom condo in Wailea Maui and have for 11 years rented to vacationers when we are not there.

The property is zoned hotel / resort and we have paid all property taxes, at the highest rate, and all TVR taxes on all rentals. We hire only local vendors to manage and maintain it — In this way we have contributed greatly to Maui's economy – a successful TVR industry that contributes at least 40% of all tax revenue for Maui, and provides 18% of the County's total annual budget. We also make substantial annual donation to Maui Food Bank.

This bill, if it passes and in any way curtails our freedom to rent our property, would severely negatively impact our family business and investment in this island economy as we are retired and counting on continued ability to rent to vacation guests.

This bill cynically would punish law abiding property owners who both collect and pay substantial TVR related taxes and fees – and benefit illegal TVR owners/managers who would continue to rent short term and profit regardless of what any laws say, without paying a dime into local public coffers. A far better and logical solution would be to spend government funds to enforce existing laws – returning thousands of illegal TVR / STR vacation rentals – in residential only areas - back to long term and workforce housing. Doing so would free up more than enough quality housing to meet current and foreseeable long term rental demand – including housing for those displaced by the fires.

By punishing only those who play by the rules and actually contribute to Maui's economic success, you will only create an economic disaster on this island by driving away small businesses that actually care about long term prosperity- for everyone in the community. Thank You

Phil and Jennifer T.

SB-2919-SD-1

Submitted on: 2/29/2024 2:58:57 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Maureen Levin	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair and honorable committee members. I am an owner of a BB in Wailuku. I am privileged to own my home and run my business for the last 23 yrs. We see many guests from many walks of life including many from our neighbors on other islands. Many stay with us seeking affordability and are happy to find us. Many of them come for medical appointments, visits with their ohana and sadly even funerals. We house traveling healthcare workers and contractors coming to work in Maui County and who need budget accommodations. I currently employ 4-5 people including housekeepers, a gardener, handymen all the time, including my son who manages website and reservation systems. I pay real wages that include \$50 an hour to my best. Both housekeepers own homes and are able to pay mortgages with real wages. This SB 2919 bill will increase the housing crisis on Maui and will not improve it.

By closing 13,000 small businesses like mine will have a ripple down effect that will be seen in all areas of our communities. Restaurants, stores, activities you name it; it will have an affect in an adverse way. It could close other small businesses as well. Quite possibly adding 30K plus to unemployment. Meaning more and more local families with be forced to move off island. Maui county STR'S provide 40% of the real property tax revenue for the county. It's also the top funding source for affordable housing. It also represents a whopping 18% of the counties 1.7 Billion dollar budget. In short, this bill leaves the state in a worse position not a better one. I am encouraging this committee to see the negative impact many sectors of our economy will experience if this SB 2919 bill is passed. I encourage the committee to stand behind its hard working class citizens and vote NO on SB 2919.

Mahalo for your time today. It's greatly appreciated.

Maureen Levin

The Wailuku Guesthouse

SB-2919-SD-1

Submitted on: 2/29/2024 3:09:10 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Tiana-Malia Kelelii Kawaihoa-Marquez	Individual	Support	Written Testimony Only

Comments:

I support this bill.

SB-2919-SD-1

Submitted on: 2/29/2024 3:18:51 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Tina Marshall	Individual	Oppose	Written Testimony Only

Comments:

Aloha e Mr/Ms Chair and Committee Members -

I know you have a full docket and I want to thank you for taking the time to read my testimony.

I OPPOSE SB2919. This bill will impact me personally in a major way if passed.

My husband and I love and live on the West Side. We have had two small businesses on the West Side of Maui for 30 years and for 12 years, where we employ two of our daughters, neighbors, and extended o'hana. These include local island housekeepers, pool cleaners, carpet cleaners, landscapers, and property inspectors, all of whom have families that are supported from income by legal STR's. Both of our businesses are totally dependent on visitors coming to our beautiful island. We manage 8 properties that are legally permitted short term rentals. Through the years, we have seen many illegal rentals come and go. These illegal STR's do not pay TAT, GET, or MTAT taxes. But Maui's legal STR's provide 40% of the real property tax revenue for the County, as well as being the top funding source for affordable housing on Maui. This STR property tax revenue represents 18% of the County's 1.7 billion dollar budget. That is HUGE REVENUE.

Mid and STR's accommodate displaced residents, newly housed residents, residents in transition, inter-island residents coming for medical treatment and visits with o'hana, travelling nurses, emergency contractors, temporary military, students, and our o'hana and friends.

Events like the Lahaina Fire displaced thousands of residents. Where will residents find temporary, furnished housing, if our industry is further decimated?

For all of the above reasons and many more, I strongly urge you to vote in OPPOSITION to SB2919.

Malama pono and Much Mahalo,

Tina Marshall

1003 Bishop Street, Suite 1600
Honolulu, Hawaii 96813-6452
Telephone (808) 531-8031
Facsimile (808) 533-2242
E-Mail: gwk@hawaiilawyer.com
www.hawaiilawyer.com

February 29, 2024

Senate Committee on Judiciary
Sen. Karl Rhoads, Chair and Mike Gabbard, Vice-Chair

Senate Committee on Ways and Means
Sen. Donovan Dela Cruz, Chair and Sharon Moriwaki, Vice-Chair

Re: Testimony in Opposition to SB 2919
Hearing: Friday, March 1, 2024

Dear Chairs Rhoads and Dela Cruz, Vice-Chairs Moriwaki and Gabbard, and
Committee Members:

We represent Hawaii Legal Short Term Rental Alliance (“HILSTRA”), a Hawaii not-for-profit corporation whose purpose is to create a sustainable business environment for legal property rentals in Hawaii. HILSTRA’s members are numerous property owners and property managers who engage in the perfectly legal practice of renting residential properties throughout the State of Hawaii. HILSTRA strongly opposes SB2919 for the reasons stated below.

HILSTRA recently prevailed in a federal lawsuit in the United States District Court, District of Hawaii – *Hawaii Legal Short-Term Rental Alliance v. City and County of Honolulu*, Civ. No. 1:22-cv-00247-DKW-RT – in which the District Court held that HRS 46-4 prevented the City and County of Honolulu from amending its zoning ordinance to prohibit previously lawful rentals of residential property of 30 to 89 days.¹ The District Court found that the rental of property for ordinary living activities is a “residential use” protected by the express prohibition of HRS 46-4 against using zoning laws to eliminate lawful residential uses of property in Hawaii. *Id.* Bill 2919 is nothing but an attempted end-run around the District Court’s opinion and well-settled constitutional principles upon which HRS 46-4 is premised.

1. Lawful Residential Rentals Are Constitutionally Protected Vested Rights.

HRS 46-4 was initially adopted by the Legislature in 1957 by Act 234. In granting Hawaii’s counties the power to enact zoning ordinances, the Legislature specifically prohibited the adoption or amendment of zoning ordinances which would prohibit the continuance of the “lawful use of any building or premises for any trade, industry, residential, agricultural or other purpose for which such building or

¹ *Haw. Legal Short-Term Rental All. v. City and County of Honolulu*, 2023 U.S. Dist. LEXIS 227895 (D. Haw., Dec. 21, 2023).

David H. Abitbol
Kira-Nariese K. Brown
Nicholas K. Ernst
Matthew T. Evans
Tred R. Eyerly
B. Matthew Gozun
Clint K. Hamada
Diane D. Hastert
Daniel J. Koller
Christine A. Kubota
Gregory W. Kugle
Kenneth R. Kupchak
Na Lan
Megan L.M. Lim
Jonathan N. Marchuk
David P. McCauley
Casey T. Miyashiro
Mark M. Murakami
Anna H. Oshiro
Christopher H. Pang
Katie T. Pham
Douglas C. Smith
Ross Uehara-Tilton
Toren K. Yamamoto
Michael A. Yoshida
Madeleine M.V. Young

Of Counsel
Jed Kurzban

Denise C.H. Leong
(1942-2023)
R. Charles Bocken
(1921-2020)
C. F. Damon, Jr.
(1926-2017)
Charles W. Key
(1929-2008)



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premises is used at the time this act or such ordinance takes effect.”² Preexisting lawful uses could only be eliminated as the use was discontinued by the owner. *Id.*

The statutory protection of prior lawful uses is simply a codification of underlying constitutional principles. As has been repeatedly noted by Hawaii’s appellate courts: “The statutory protection of lawfully existing uses and structures ‘prior to the effective date of a zoning restriction is grounded in constitutional law.’”³ “Such uses are vested rights that zoning ordinances may not abrogate.” *Id.*

When the Legislature amended HRS 46-4 in 1980 to introduce “amortization or phasing out of non-conforming uses”, it made crystal clear that the counties could not use their zoning powers to amortize or phase out uses in residentially zoned districts by stating that a zoning ordinance may provide “for amortization or phasing out of nonconforming uses or signs over a reasonable period of time in commercial, industrial, resort, and apartment zoned areas only.”⁴ The Legislature removed any doubt when it added “In no event shall such amortization or phasing out of nonconforming uses apply to any existing building or premises used for residential (single-family or duplex) or agricultural uses.” *Id.* The Legislature’s intent was to make sacrosanct residential and agricultural uses in Hawaii.⁵

While the counties have long pushed for an amendment – like SB 2919 – to remove this restriction on certain residential uses in residential districts, such a statutory change will be ineffective. That is because HRS 46-4’s limitations on zoning are simply a codification of underlying constitutional protections embedded in the Hawaii and United States Constitutions, which both explicitly protect private property and due process. “The statutory protection of lawfully existing uses and structures ‘prior to the effective date of a zoning restriction is grounded in constitutional law.’”⁶ Thus, the constitutional protections will remain a legal

² Act 234, Hawai‘i Session Laws 1957, § 9.

³ *Ferris Trust v. Planning Comm’n of Kauai*, 138 Hawaii 307, 312 (Ct. App. 2016) (holding that HRS 46-4 and constitutional due process protect the owner of property used as a transient vacation rental when Kauai amended its zoning code to restrict such use); *Waikiki Marketplace Inv. Co. v. Chair of Zoning Bd. of Appeals*, 86 Hawaii 343, 353 (Ct. App. 1997) (noting HRS 46-4’s protection of lawful uses of property was grounded in constitutional law).

⁴ Haw. Rev. Stat. § 46-4(a) (emphasis added).

⁵ 1980 Hawaii House Journal (Standing Committee Reports) at 1176-77.

⁶ *Ferris Trust v. Planning Comm’n of Kauai*, 138 Hawaii 307, 312 (Ct. App. 2016) (holding that HRS 46-4 and constitutional due process protect the owner of property used as a transient vacation rental

Senate Committee on Judiciary
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protection against any effort to amortize or phase out certain politically disfavored residential uses. Although the HILSTRA litigation included claims that Honolulu's Ordinance 22-7 – which attempted to eliminate lawful residential uses of rentals less than 90 days – violated the Hawaii and United States Constitutions' protections of private property and due process, the District Court of Hawaii did not need to decide those constitutional claims. Enactment of a bill like SB 2919 will still run head long into the constitutional protections.

2. Legal “Short-Term” Rentals Are Used By Hawaii Residents.

Contrary to the false narrative that short/shorter term rentals are only used by tourists, they are essential to Hawaii residents. As noted by the District Court in the HILSTA litigation, restricting the ability of homeowners to legally rent properties on a month-to-month basis impairs “(1) service members’ ability to easily transition to or from on-base military housing; (2) traveling medical practitioners’ ability to provide contracted care at O’ahu health care facilities; (3) local residents’ ability to transition between homes; (4) contractors’ abilities to perform work on O’ahu; (5) displaced residents’ ability to find housing following natural and man-made disasters, including the Red Hill fuel leak, fire and flood; (6) neighbor island residents’ ability to travel to O’ahu for medical care or events; and (7) other individuals’ ability to travel as they prefer.”⁷ This is no less true for hula halau travelling to Hilo for Merrie Monarch, or canoe clubs competing inter-island. There are many Hawaii residents who cannot or do not need to enter year-long rental arrangements as their housing, employment or travel needs require.

3. Legal “Short-Term” Rental Generate Millions In Tax Revenue For Hawaii.

Studies have shown that alternative accommodations like “short-term rentals” provide significant benefits to Hawaii’s economy. According to the Department of Business, Economic Development & Tourism’s Vacation Rental Performance Report (2022), the total state and county revenue from short-term rentals in 2022 was

when Kauai amended its zoning code to restrict such use); *Waikiki Marketplace Inv. Co. v. Chair of Zoning Bd. of Appeals*, 86 Hawaii 343, 353 (1997) (noting HRS 46-4’s protection of lawful uses of property was grounded in constitutional law).

⁷ *Haw. Legal Short-Term Rental All. v. City and County of Honolulu*, 2023 U.S. Dist. LEXIS 227895 (D. Haw., Dec. 21, 2023).

Senate Committee on Judiciary
Sen. Karl Rhoads, Chair and Mike Gabbard, Vice-Chair

Senate Committee on Ways and Means
Sen. Donovan Dela Cruz, Chair and Sharon Moriwaki, Vice-Chair

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\$740,000,000! In 2023, the total direct visitor expenditures from short-term rentals was \$4.8 billion, the total sales generated was \$8.9 billion, the household income generated was \$2.4 billion and the number of direct and indirect jobs supported was 48,639.⁸ This is a direct and substantial economic benefit to Hawaii's economy, which would be dramatically impaired by legislation like S2919.

4. The Legislature Intentionally Protected Residential Use In Hawaii.

As was observed in 1604 by Sir Edward Coke, “the house of every one is to him as his Castle and Fortress”. This was equally evident to Hawaii's legislature in 1980 when it placed residential uses above all others by amending HRS 46-4 to enact the prohibition on zoning away residential uses.⁹ The Legislature should not begin to erode those protections, which allow Hawaii residents to use their homes to meet their living and income needs.

5. The Legislature Has Wisely Refused Previous Efforts To Amend HRS 46-4.

SB 2919 is only the latest attempt by Hawaii's counties to amend HRS 46-4 in this fashion. As the District Court observed “the State Legislature has been lobbied by the DPP and other counties since at least 2014” to amend HRS 46-4 to grant counties the power to amortize or phase out nonconforming or otherwise allowed short-term rentals.¹⁰ Year after year, the Legislature has declined the counties' invitation to water down the protections afforded for residential uses by HRS 46-4.

The counties already have the power to eliminate short-term or transient accommodations if they desire. The Legislature has granted each county with the power of eminent domain. HRS 46-61. Thus, each county already has the power to take private property for public purposes, upon the payment of just compensation to the owner. Should the counties wish to eliminate lawful residential uses of property quicker than the already permissible means of discontinuance, then each already has the power of condemnation, which is the constitutionally permissible way to take private property rights.

⁸ HTA Economic Impact Model.

⁹ 1980 Hawaii House Journal (Standing Committee Reports) at 1176-1177.

¹⁰ *Haw. Legal Short-Term Rental All. v. City & Cnty. Of Honolulu*, 2022 U.S. Dist. LEXIS 187189 n. 19 (D. Haw., Oct. 13, 2022).

Senate Committee on Judiciary
Sen. Karl Rhoads, Chair and Mike Gabbard, Vice-Chair

Senate Committee on Ways and Means
Sen. Donovan Dela Cruz, Chair and Sharon Moriwaki, Vice-Chair

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6. Passage of SB 2919 Will Generate Litigation.

Courts in other jurisdictions have ruled that amortization as a means to eliminate private property rights is an unconstitutional taking of private property without compensation.¹¹ The Georgia Supreme Court, interpreting its constitutional protection against private property being “taken or damaged” – the same language found in Hawaii’s Constitution – held that the uncompensated amortization of nonconforming signs was an unconstitutional taking of private property.¹² The Missouri Supreme Court held that “zoning zealots” used the amortization technique to eliminate preexisting lawful uses and that such elimination was unconstitutional.¹³ Thus, the counties’ invitation to the Legislature to grant them an arguably unconstitutional power may well invite litigation against the State. And, if SB 2919 is passed and zoning laws are amended to amortize certain disfavored residential uses, the counties themselves will surely be sued.

For all of the foregoing reasons, the House should decline to advance SB 2919.

Very truly yours,

DAMON KEY LEONG KUPCHAK HASTERT



Gregory W. Kugle

GWK:rp
84673

¹¹ *Lamar Adver. of S. Ga. v. Albany*, 389 S.E.2d 216 (Ga. 1990); *Hoffman v. Kinealy*, 389 S.W.2d 745 (Mo. 1965).

¹² *Lamar Adver. Of S. Ga. v. Albany*, 389 S.E.2d 216 (Ga. 1990).

¹³ *Hoffman v. Kinealy*, 389 S.W.2d 745, 750 (Mo. 1965).

Opposition Testimony to Bill SB2919

29 February 2024

I write to express my strong opposition to Bill SB2919, a legislative proposal that significantly impacts the fabric of our community by altering the dynamics of short-term rentals (STRs) in Hawaii. As a recently retired Army veteran, my transition to civilian life in Hawaii has been anchored by the supplemental income provided through an STR. The bill's intent to phase out STRs overlooks the vital economic ecosystem these rentals support, including employment for cleaners, property managers, and maintenance workers, among others.

Bill SB2919, while aiming to regulate zoning and transient accommodations, fails to present a comprehensive plan for the aftermath of such regulations. It ignores the critical question: if all STRs are converted into long-term rentals, how does that address the core issues of housing affordability and availability? Historical data indicates that housing shortages in Hawaii have been a concern since the 1990s, well before the advent of platforms like Airbnb in 2008. Thus, attributing these long-standing problems solely to the rise of STRs is not only inaccurate but also an oversimplification of the complex housing market dynamics in our state.

Moreover, the bill's provisions seem to cater to the interests of the hotel industry, potentially at the expense of local homeowners who rely on STR income. It is crucial to consider the broader implications of such legislation on the local economy and the ability of residents to sustain a livelihood in Hawaii. The narrative of locals being "priced out of paradise" will only be exacerbated by measures that restrict flexible housing options without offering viable alternatives.

As a member of this community, who has served our country and seeks to contribute positively to our local economy, I urge the committee to reconsider the implications of Bill SB2919. A more balanced approach, one that genuinely addresses housing shortages without undermining the economic contributions and livelihoods supported by STRs, is necessary.

I stand ready to engage in constructive dialogue on this matter and advocate for solutions that benefit all stakeholders involved.

Sincerely,

Neil Daugherty

SB-2919-SD-1

Submitted on: 2/29/2024 4:19:34 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Liz Lees	Individual	Oppose	Written Testimony Only

Comments:

Subject: HB1838

I am a full time Hawaii County resident and retiree. I need the income I receive from sharing part of my home as a short term rental to help pay the bills and afford my home. Residential use is congruent with short term stays.

My husband works in Maui and we also own resort zoned condo that he uses during the week while he is at work, then he rents it out on the weekend to help make ends meet. I am very concerned that the state could take away a resort zoned allowance with this bill and seriously depress the real estate market.

I oppose this bill and it reeks of hotel lobby influence. Allowing residents to participate in the tourism economy keeps earnings local and not just going to the big off island corporations. If affordable housing is the issue, the state and counties should work to strengthen landlord protections, provide tax incentives to rent long term and create streamlined permitting process to help build affordable housing. The state is trying to shift the burden of affordable long term housing to private residents due to the state's past failures to create new affordable housing.

Local owned short term rentals create local income and jobs. If there is no income and there are no jobs, no one will need affordable housing.

Testimony in Opposition to SB 2919, SB 1

In reading through the above referenced Bills currently proposed, they seek to eventually phase out ALL short term rentals in Hawaii. This would include those homes owned by long-time residents, such as myself, who have been contributing taxes and income to the Hawaiian economy for many years.

Shouldn't it be every American's constitutional right to use your property in the manner YOU decide (NOT as demanded by the state government)? Do we really want the government to dictate how we can or can't use the homes we have cared for and paid dearly for?

In my case, as with hundreds of other Hawaii resident owners, STR owners are retirees who have a limited fixed income and their rentals provide income which allows them to continue living here. It also provides us the opportunity to house, family and friends when they need arises. Such as during the pandemic, when my daughter was able to come from California to continue working remotely from Hawaii. If I was forced to have a long-term renter, as these bills would require, I wouldn't have had that option to meet the needs of my own family.

I believe Governor Green and the legislature are being very shortsighted on this issue. They are failing to look ahead to all the ramifications of these bills. Please consider the following:

1. Owners of STR pay a large amount of taxes (GET, State and County TAT). How will these funds be replaced if we no longer have this tax base available to you? Most likely it will be in raising taxes for all Hawaiian residents.
2. And what of all the local companies and sole proprietors (cleaners, gardeners, etc) currently providing services at these properties who would now be out of a job?
3. How will it affect Hawaii's tourism economy when visitors who can't afford the high hotel/resort prices, have no other more affordable lodging options available? They will most likely have to stop coming and we will become a destination for only the very wealthy. Is that what you want Hawaii to be?

I do sympathize with the Maui fire victims. In fact, I am a volunteer with the Red Cross and have worked in the shelters in Lahaina. I've seen firsthand that these victims need to have a permanent home. But there has to be a better way than to take away the rights of homeowners who are living in Hawaii and have been paying taxes and supporting the economy and Hawaiian government for many years.

As a compromise, could these bills be amended to include an exemption for resident homeowners? Those of us who are living in Hawaii and our STR property is our primary residence. I strongly believe that resident homeowners should be allowed to use their property as their individual family needs and financial needs dictate. Not as the government dictates to us.

I hope that you will seriously consider my comments and not allow these Bills to pass.



Lori Porter

SB-2919-SD-1

Submitted on: 2/29/2024 4:24:14 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Donnq Hansen	Individual	Oppose	Written Testimony Only

Comments:

I am against SB2919 as it provides Governor Green, Maui's Mayor Bissen and the Maui Council to change zoning which many of our local owners are dependent upon as well as many of our local service companies. It is known that the Governor disrespects/hates STR owners and stated "We have too many individuals on the mainland that owned STR and it is B.S. (he used the full word) Our people deserve housing". Bissen told an elderly man at a Council Meeting who depends on a BnB "so you loose income". The reason we don't have housing is because Maui's Mayors and Council have made it financially impossible over the years to build affordable housing but they don't take responsibility and want to fault those who love and support Maui and many services that provide income not only to themselves but to the government. Also note Hotels (mostly owned by foreigners) will be the ones that profit as the government hurts the locals. Also note that the fires (caused by Government negligence) have also hurt those not physically touched by fire with up to 600% insurance costs to HOA and AOA, additional taxation by the government to make locals pay for government's negligence.

SB-2919-SD-1

Submitted on: 2/29/2024 5:23:40 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Kilty Highfill	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Committee,

We are writing in opposition of this bill because of how it will affect all our lives. My husband and I worked hard planning for retirement. We love Maui and we purchased a short term rental to not only use part of the year but also to rent to supplement our retirement income. Our guests enjoy Maui and come from all over the world to take in a little bit of paradise. We pay taxes to support our beautiful island. We provide jobs for maintenance workers and housekeepers. Our guests fill our local restaurants and buy goods in our local shops.

We again urge you to vote no as it impacts so many lives.

Thank you,

Tom and Kilty Highfill

SB-2919-SD-1

Submitted on: 2/29/2024 5:30:49 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Heather Quesada	Individual	Oppose	Written Testimony Only

Comments:

As a mortgage broker on Maui, part-time, resident, and STVR owner I strongly oppose bill SB2919 and this is why. The majority of vacation rentals on Maui are close to the water and with one bedroom condos having the average price of \$1,000,000.00 plus. Then factor in a 20% down payment being \$200,000, interest rates being between 7-9% on top of a monthly HOA payments of roughly \$1000. That would but the payment at \$6800 a month + the HOA.

No local resident is going to be able to afford that for a one bedroom even if the price was cut in half.

The idea of bill SB2919 is if you strip the owners property rights away to be able to STR their home that will decrease the value of the home to make it more affordable to full time residence. That simply will not be the case. STVR owners like myself who live part time on Maui for work. Who purchased so they would have a place to stay while on island and that need to offset the costs by STR them while off island are being made out to be the bad guys and we are not. The truth is STVR owner fuel the Maui economy in many ways. To included supplying many jobs to full residents such as, cleaners, handymen, property managers. This is ON TOP of paying 18% of the income we make off the revenue from our STVR going directly to Maui county. If bill SB2919 goes into effect and you take away the property owners rights they will sell. Even at a lower price it will not be to a local resident. They won't be able to afford it anyway. What will happen is it will make them more affordable to other part time residents that can afford not to use it as a STVR while they are off island. So the majority will end up sitting vacant. Not employing the cleaners, the handymen and the property managers. Not allowing for tourists to come and fuel Maui's economy. On top of no longer paying Maui county 18% of its income.

to put this into perspective if this bill passes and I am stripped of my ability to short term rent my condo. I will quit my job here on Maui and return to full time work on the mainland. I will sell my place to one of my guests that has been wanting to purchase it since they stayed there. They will use it from January till march and it will stay vacant the other 8 months. It won't help the current local housing issues. Maui will have 5-7 less family's visiting a month. Our local cleaners/handyman and property managers will all have one less account. And Maui county will have \$60,270 less tax dollars coming in. \$60,270 is the exact amount that I have collect and remitted of GE and TAT taxes from my hundreds of guests since I purchased in 2019. That is off of just one condo. Imagine how much money Maui will lose if you vote to get rid of 13,000 LEGAL STVR's

SB-2919-SD-1

Submitted on: 2/29/2024 5:38:12 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Thomas leigh	Individual	Oppose	Written Testimony Only

Comments:

My wife and I purchased our Maui home in 2018. Our dream is to retire on Maui. We searched for five long years for the perfect place that we could see ourselves spending our golden years in.

We already were living on Maui in rentals for between 3-6 months a year for work. We owned a scuba diving buiness that unfortunately we were forced to close due to the fires and sudden drop in tourism. We put our entire life savings into the purchase of our dream home that we wouldn't ever be able to afford without being able to short term rent it while we were not on island. Which now as a result of the closure of our scuba diving business is now our only source of income. If this bill were to pass we will have no choice but to sell and find another location to retire.

One thing we have learned through Covid and now the fires is Maui's economy is almost completely depended on tourism. I am convinced Bill SB2919 will not only hurt tourism that Maui so desperately depends on but will truly hurt its economy without the 18% of Maui county's annual budget that comes from STVR's. I also believe you will also see a huge influx of business owners and part time residents pulling out and selling to invest their money elsewhere. I strongly believe Bill SB2919 will cause much more damage to our already struggling Maui. Less STVR mean less visitors means less money being contributed to Mauis economy

SB-2919-SD-1

Submitted on: 2/29/2024 6:11:55 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Edward Lea Crump	Individual	Oppose	Written Testimony Only

Comments:

My husband and I protest Bill SB2919 as unfair, if not illegal, restriction on our previous freedom. We are homeowners at a condominium resort on Maui on the Minatoya list. As property owners, we are shocked that you would close down entire condominium resorts.

After the great Lahaina fire tragedy, the Ka'anapali Ali'i Resort family raised a large fund to support people who lost their homes. My family donated our units at no cost and with no compensation, costing us a great deal of money with HOA fees and taxes.

We purchased our two units three years ago to retire and house our large family when they visit us. When we are not in residence, we rent our units to cover the upkeep, HOA fees and very high state and local taxes when we are not here.

The state is in shock as we all are, but **consider us individuals as well as your tax losses which will result from the drastic reduction in tourist dollars when condominium resorts are forced to close.**

Like many people, much of our retirement nest egg is in the property. If you pass the Bill SB2919 SD1 the financial loss in value could seem catastrophic. No insurance would cover any of the loss.

Sincerely

Melanie Crump

SB-2919-SD-1

Submitted on: 2/29/2024 6:15:05 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Scott Williams	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill because I believe it takes away some of our freedoms as citizens of Hawaii

SB-2919-SD-1

Submitted on: 2/29/2024 7:21:43 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Cynthia Rubinstein	Individual	Oppose	Written Testimony Only

Comments:

This is a copy of my testimony for HB1838 with additions at the bottom. This entire issue of rental other than long term or people in hotels is much much more complicated than these current bills portray. Please read All of this Very Carefully. I have been at the helm of trying to see this entire field be Enforced since 1989 when the Honolulu City Council asked me to create a list of all of the people I had housed that year and who they were. At that time they were all friends and family of Kailua residents except for 2. One was an older couple who somehow found out about a cottage that later got a NUC Certificate but they had no family in Kailua. The other was the City of Honolulu, who rented a short term home for workers hired to sandbag the ditch in Waimanalo and they didn't want to have to come from Waikiki early every morning.

Years later, Mayor Caldwell asked me to sit on his Vacation Rental Task Force because he knew that i was still active in 2019 and had been since 1989. When we went around the table, to introduce ourselves and explain how we ended up around that table, I made it clear that we Would Be finding a solution because I had been legal 30 day minimum since losing the last NUC and was finding that my homes were ALWAYS at the bottom of the maybe 30 pages of Kailua Vacation Rentals because I only advertised 30 day minimum and those who were advertising illegally rose to the top because they had more actual activity. And I made it clear that if we did NOT come up with a solution, that I would have no other choice but to sue the City for not enforcing their own laws, 'Unfair Competetion In Business', which then cost me a lot of lost income. Bill 89, which was my idea when they asked me what we could do, which merely forced people to advertise legal 30 day, was working and thousands of illegals dropped out, until the Court set a Stipulation that negated the entire intent of Bill 89 and now we are all still singing the same song. So read my thoughts carefully as I've been involved with this issue Way Too Long!

This issue before this body is mainly due to non enforcement of illegal offenders. Had the law worked as it was supposed to, there would not have been thousands of these short term rentals and rents for the then limited long term rentals would not have escalated to the degree they have. The answer to this problem IS ENFORCEMENT! There are those who have stuck to the letter of the law, and for instance, on Oahu, only done 30 day minimum rentals, like myself (there are very few like me, following the letter of the law) with no abrasion to the surrounding neighborhoods. Keep in Mind, that it is the ILLEGAL Rentals that have created this problem. The other serious problem on Oahu is the Residential A tax bracket, which covers, essentially ALL OF OUR LONG TERM RENTALS, as those with home exemption are the homes that owners live in, leaving those without the home exemption to be the Long Term Rental Homes. The tax is close to what the hotels are paying and raise every year, causing the owners

to have to raise the monthly rates. What I am saying here is that it is The City and The State have caused us to come to this point. Try ENFORCING THE LAW to free up places for people to live rather than cutting off a very viable income producing field (Pricey Beachfront Homes that would Still be pricey even if they were Long Term Rentals for instance). The people who stay in these homes, are not people who would be willing to stay in hotels and so what you are creating is an exodus of Millions of Dollars of funds spent by visitors. And this genre of visitor typically spends way more than those that stay in hotel rooms and they stay for 30 days at a time, not a week. If you continue with this reckless action, they will merely go elsewhere. They Will NOT Cave to Hotel Dwelling. Think Before You Jump! You have already chased away many of our host culture by not Enforcing these laws since that is what is responsible for the high cost of housing here and we have recently been talking about how much income loss that has created. Now you are looking to toss more. It's Insanity. And all you have to do to stop this merry go round, is Enforce What Exists instead of creating more laws that you won't be able to enforce. "Not enough manpower.....the Hotels are not full like before the pandemic...." Think Before You Jump Off The Cliff!!! Many don't want to be in dense housing like hotels BECAUSE of things like Pandemics. Where are our Intelligent Minds? We Need Them NOW.

So many moving parts to this issue that more needs to be said. One of the Most Important Issues is VESTED PROPERTY RIGHTS. I am truly embarassed to have to remind you that the City Attorneys allowed Bill 41 to be passed into law. When testifiers like myself tried to say it was illegal, Not One Person Asked WHY. It was the Federal Judge who explained the Why...Vested Property Rights and then had to tell the City of Honolulu that They Would Be "Held In Contempt of Court" if they enforced that law! And if you push forward with this bill, it also will be contested and now the State of Hawaii will, more than likely, be told the same thing. Apparently the local barristers don't have a great handle on the Federal law.

Lastly, it was appalling to hear people say that some of us had no concept of the real pain of the people of Lahaina. Had they listened more carefully, what was said was that the people of Maui Deserve Preferential Treatment to deal with their pain of loss and homelessness. They should not be tossed into this massive battle that has raged on for decades! If you want to force all of the non resident owners on Maui to hand over their homes, then figure that out, but Do Not Make Them The Mohai, or Sacrificial Lambs to this Enormous Situation. They Deserve Better!!! My children were born in one of Maui's sacred Valleys. That island holds deep deep significance for me and I cannot stand the thought of Mother Maui being dragged on the coat tails of an issue that lawmakers have been trying to fulfill to assist the hotels because they have lost their over full, over stuffed status they had before the pandemic. The fiasco around Bill 41 made that situation crystal clear, especially after the court's decision when someone from the Hotel Association stood up and said "We Really Tried". We all Know exactly what that means when you are talking about hotels trying to push thru something that only benefits them and you also Know how that gets bartered. It's Time to take responsibility and Enforce what is law now. Stop stuffing the pig of housing until the homes break apart from rents that are prohibitive to any of our local culture. Stop pushing the locals out. You are killing the golden goose of Hawaii which is Nature and the local people who sailed from Tahiti under the Makali'i. This is your #1 attraction. The people and their aloha, which we are now, except in small pockets, standing by

and watching the death of the very commodity that brought all of your tourism here in the first place. Don't turn Hawaii Nei into the mainland US. My over 50 years here tells me there's only a shade of a veil of difference with the exodus of our local, true local, culture. It's time to Do The Right Thing before you lose the mystique of these islands.

Dear Senator Dela Cruz, Chair, Senator Moriwaki, Vice Chair, Senator Rhoads, Chair, Senator Gabbard, Vice Chair and Members of the Committee:

As a long-time property owner in Maui, I submit my testimony to OPPOSE SB2919, SD1. For over 25 years I have been an owner at the Papakea resort, which was built in 1978 and has operated as a vacation rental condominium property for nearly fifty years.

Not only is the Papakea a beloved and special place to me, my family and friends, but the property supports the economy and the local residents of west Maui. A wide variety of local trade professionals including pest control, HVAC, plumbing, electrical, tree trimming, and others are all regularly employed at the property. As well as many small business owners – housekeepers, handymen, on-island agents, contractors, plumbers, etc. I personally hire and rely on the services of many small business professionals on a weekly to monthly basis to maintain our condo.

The Papakea also employs approximately 35 local resident employees on site. Many of which, I have gotten to know and have had the privilege to see work from entry-level positions into supervisory roles.

The Papakea support the State of Hawaii and County of Maui through payment of property taxes, such as Transient Accommodations Tax, General Excise Tax, and Maui Transient Accommodations Tax.

Many guests at the Papakea have been returning guests for years. They come back year after year to share it with their growing families, as I have. And while the Papakea is a visitor destination, it allows guests to explore and enjoy the true, quaint beauty of Maui – without the hustle and bustle you might find at a hotel. Visitors seek the solace that the Papakea provides.

Furthermore, the visitors of the Papakea support the many small businesses in the area, including local restaurants, shops, grocery markets, farmer markets, food trucks, tours, etc. our guests truly explore the area and support local businesses. We enjoy sharing our list of local family favorites with each of our guests and hearing about theirs.

For the reasons stated herein I OPPOSE SB2919, SD1 and urge the committee to defer it.

Respectfully,

Judy Guglielmana

SB-2919-SD-1

Submitted on: 2/29/2024 7:23:00 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Harry Cebon	Individual	Oppose	Written Testimony Only

Comments:

I am against the bill because our property is a luxury rental nwhich provides substantial tax revenue to the state. Only the ability to rent it enables us to own it. Should this bill pass many of us will have to sell thus depressing property values. This propeerty was purchased in good faith with the ubderstanding it could be rented to defray costs. It is also located in a resort which provides jobs and tax revenue. Both will be diminished by this act.

To Whom It May Concern:

February 29, 2024

Concerning Bill SB2919

My name is Alan Cummins. My family owns a unit at Kaanapali Beach which has been held by our family for over 20 years. We wish to make our concern known about SB2919, which if enacted may phase out short term rentals for our facility. This would result in our family having to sell our home because we would not be able to pay the monthly expenses. We are able to maintain our condo because we have a steady stream of short-term renters enjoying our home. With the passage of SB2919, our short-term stream of financial support would cease to exist.

It is clear to most that the short-term rental market is a primary source of financial support for businesses, condos, and hotels. Closing off this source would result in even deeper challenges for those who have survived the horrible wild fires. We do not understand the rationale that would further jeopardize Maui's recovery. If we can recall a short time in the past when we experienced COVID and closed down the tourist pathway for two years, we experienced first-hand, the damage done to the entire population. Closing down the short-term rental market would be our next disaster. Let's not repeat history.

These are difficult times with different challenges around every corner. Many have lost much. We also have much to lose, even our family home depending upon legislative action of SB2919. Our family respectfully requests that this bill not be forwarded, and another avenue be pursued. Thank You.

SB-2919-SD-1

Submitted on: 2/29/2024 8:01:56 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Carol Cebon	Individual	Oppose	Written Testimony Only

Comments:

I opposed SB2919. Tourism is the lifeblood of the Hawaiian economy and rental homes are a large part of the tourism sector. This bill would have a trickle down affect and lead to loss of jobs in all areas of tourism including car rentals, tours and guides, restaurants. In addition, there would be a substantial loss of taxes including property taxes, General Excise Taxes and Transient Accommodations Taxes.

My objection is to language in Section 2 of SB2919:

“[P]rovided that transient accommodations uses may be amortized or phased out in residential or agricultural zoned uses; provided further that residential uses do not include transient accommodations uses.”

I suggest that SB2919 be modified to add to the end of the Section 3 definition of “transient accommodations”:

“except that amortization or phasing out as provided in Section 2 shall not apply to any residential property that currently and in the future is used for accommodation by the owner of such property or his or her immediate family for at least 10 days in a calendar year.”

The intent behind my proposal, or any similar language, is to permit long time residents (now living elsewhere) to maintain a property (no more than one) that they can use when returning to the islands. Without being able to retain a property in Hawaii, a former resident who moves temporarily for a job, to serve in the military, or for any valid reason, will have few good housing options when returning annually to visit family and friends and also will lose the benefit of having retained a home for their return. These people who want to keep their residences will be harmed by the proposed legislation. The suggestion above will cause no loss of revenue to the State. When the property is used as a transient accommodation, it will be taxed at a higher rate and the owner will pay excise taxes. The exception would not apply to owners with more than one transient accommodation.

This type of provision also will allow nonresidents who were never Hawaii residents to own, use and short term rent a single property in Hawaii. Keep in mind, however, that those who buy a home for personal use become invested in non-financial ways in their Hawaii community. These individuals, who actually stay at their property want their Hawaii communities to succeed. They contribute to Hawaii charities, participate in community activities when they are in the islands, support their children who decide to move to the islands, and (like myself) opened their homes immediately to allow displaced Lahaina residents free places to stay last August. Their short term rentals create jobs for people in Hawaii as those visitors go to restaurants, spend dollars on activities, and need to have their units cleaned and maintained.

My grandparents immigrated to the Kingdom of Hawaii in the late 1800s. My grandfather served in the legislature when Hawaii was a territory. Both of my parents resided in and are buried in Hawaii. I am a 1970 graduate of a Honolulu high school and a Hawaii property owner since the early 1970s. I am a former resident trying to maintain connections with the islands. Owning property permits me to have a place to stay when visiting. Short-term renting with agents on the islands makes the arrangement workable. Through this legislation, do you want to exclude and make it more difficult to return for your own children who leave for school or work on the mainland? Have you thought about the long term consequences for those whose jobs take them out of Hawaii, but who want to return to their prior homes?

I encourage you to look at all possible solutions to address housing shortages – and not just one that takes rights from and targets a specific group of property owners. Politically and financially lynching property owners who have a single short-term rental is not a good long-term solution.



March 1, 2024

To: Honorable Senator Karl Rhoads
Chair, Senate Committee on Judiciary

And,

Honorable Senator Donovan Dela-Cruz
Chair, Senate Committee on Ways and Means

From: Kekoa McClellan, on behalf of The American Hotel and Lodging
Association (AHLA)

Regarding: **Support for SB2919 SD1 Relating to Property**

Aloha e Chair Rhoads and Chair Dela-Cruz

Please accept this testimony in **Support for SB2919 SD1 Relating to Property**. This important measure will help local families reclaim our communities from the explosive growth and harmful impacts of short-term rentals.

First and foremost, I want to thank the joint chairs for hearing this bill. This is about housing. Housing for our workforce, housing for our kūpuna, housing for our keiki, and housing for all of us who call Hawai'i home. We know that short-term rentals have driven up the cost of housing in Hawai'i. Whether that information is coming from community groups living through the nightmare of the explosive effects of illegal short-term rentals, from the raw statistics that show the exodus of local people leaving Hawai'i because they can't afford it anymore, or independent studies like those conducted by the Hawai'i Appleseed Center for Law and Economic Justice or the University of Hawai'i Economic Research Organization, the fact is that short-term rentals are a major factor in Hawai'i's housing crisis. Knowing the truth of this matter, the membership of the American Hotel and Lodging Association has worked in earnest to solve the problem that short-term rentals, both legal units and illegal units, have had on our island home.

Over the last seven years, we have worked in all four counties to change laws around regulation, around reporting, and around enforcement. We have partnered with labor unions, community advocates and affordable housing groups to bring forward change on this front. We have provided independent

information, resourced county administrators on enforcement, and promoted educational campaigns throughout our membership and our more than 110,000 member employees here in Hawai'i. Despite this incredible effort by so many people across our state, we have made negative progress on the number of total listings of short-term rentals that are robbing local families of critical housing supply and driving up the cost of living.

The numbers tell the truth, and according to a recent report from the independent short-term rental data mining platform "All The Rooms," there were more than 89,000 listings for short-term rentals in Hawai'i in the last 12 months alone. To put that in context, this is more than double our state's entire hotel room inventory. The only way to address affordability, housing insecurity, homelessness, and to promote regenerative tourism that locals so desperately deserve, we look to you to provide this enabling legislation that will allow the state and our counties to rein in short-term rentals. As written, SB2919 provides clear context and authority for our counties to make reasonable changes to their Land Use Ordinances that enable the phasing out of short-term rentals and further enables county regulation against illegal short term rentals.

In closing, I want to thank you on behalf of the membership at the American Hotel and Lodging Association. For over 100 years, we have advocated for our members, their employees, and the communities that we collectively serve. Despite record high wages and benefits, providing access to a thriving career right here in our state, and investing heavily in our workforce, if we cannot address the cost of housing, we cannot address the needs of our people. So, we look to you for help through the support of this measure.

Mahalo for your time and consideration of this testimony in support of SB2919 SD1.

Me ka ha'aha'a,



Kekoa McClellan for The American Hotel and Lodging Association
Principal
The McClellan Group, LLC
Kekoa.McClellan@gmail.com
1.808.393.7937



SB-2919-SD-1

Submitted on: 2/29/2024 9:49:10 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Nicki Tedesco	Individual	Support	Written Testimony Only

Comments:

Please pass SB 2919 to allow counties to phase out short-term rentals.



HAWAI'I LODGING & TOURISM
A S S O C I A T I O N

Testimony of Mufi Hannemann, President & CEO
Hawai'i Lodging & Tourism Association

Senate Committees on Judiciary/Ways and Means (JDC/WAM)
SB2919 SD1 RELATING TO PROPERTY
Friday, March 1, 2024
Position: SUPPORT

Chair Dela Cruz, Chair Rhoads, and members of the Committees,

On behalf of the Hawai'i Lodging & Tourism Association, the oldest and largest private sector tourism organization in the state, we express our full support for SB2919 SD1 RELATING TO PROPERTY. This bill would expand the zoning powers of counties granting them the authority to regulate by zoning ordinance the time, place, manner, and duration in which uses of land and structures may take place; and amortizing or phasing out transient accommodations uses in residential or agricultural zoned areas.

The Hawai'i Lodging & Tourism Association – the state's largest and oldest private sector visitor industry organization representing more than 50,000 hotel rooms and nearly 40,000 lodging workers – has long prioritized the regulation of short-term rentals (STRs) across our state.

Short-term rentals in neighborhoods bring several drawbacks, including disruption within communities due to frequent turnover of renters, increased noise levels, and other potential disturbances. These rentals also strain local infrastructure, pose regulatory challenges in enforcement, and raise safety concerns. Moreover, the conversion of properties into short-term rentals reduces the availability of housing for long-term residents, driving up rental and purchasing prices for local renters or buyers, and negatively impacting property values. This issue is particularly prevalent now, exacerbating the challenges of long-term housing in the overall recovery of West Maui.

We have always held the view that STRs should operate in appropriate areas such as hotel and resort districts where they are deemed legal, and can be held accountable to the same taxes, rules, and regulations that hotels and resorts are required to adhere to. As progress is made in reeling in short-term rentals within our residential neighborhoods, this clarification of jurisdiction will help strengthen our county governments' ability to enforce their rules and laws.

Mahalo for the opportunity to offer our testimony.

SB-2919-SD-1

Submitted on: 2/29/2024 10:06:34 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Teresa Nosack	Testifying for Wailea Ekahi Gardens 52D LLC	Oppose	Written Testimony Only

Comments:

Our family vacationed in Hawaiian Islands for 40 years before deciding to invest our retirement savings to create a family legacy for future generations. We purchased a condo at Wailea Ekahi Village June 2022 for both family use and investment short term rental to help pay Ekahi AOA, management, electric, phone, insurance, TAT/GET, Wailea Community Association, Registered Agent, DCCA fees, and Maui County Property Taxes which already increased from 10K/yr to \$14K/yr since property purchase. Our condo supports tourism, provides local jobs, and contributes to the Maui economy and government. Phasing out ability for condo owners to use properties as Short term rentals could result in owners needing to sell, as too expensive to keep without supplemental rental income. And, unit too costly to be used as long term rental or for FEMA Fire Survivor housing. Phasing out rentals will severely impact Maui economy, local jobs, tourism, and curtail family legacies to help support and be part of the beautiful Maui community.

We hope to be able to keep coming to Maui inow that we are retired, and have a home for our family and renter families for many years to come.

Sincerely,

Teresa and Tom Nosack

SB-2919-SD-1

Submitted on: 2/29/2024 10:27:03 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Laurie Zimmerman	Individual	Oppose	Written Testimony Only

Comments:

Against this bill. Too many unknowns for futlure of tourisn

SB-2919-SD-1

Submitted on: 2/29/2024 10:35:45 PM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Roger Dequina	Individual	Oppose	Written Testimony Only

Comments:

Issues with Changing Short Term Rental Zoning:

1. Significantly reducing available room inventory for tourists will negatively impact all tourism businesses, including activity companies, restaurants, airlines, Uber drivers, car rental companies, etc and will seriously decrease transient accommodation tax revenue for Maui. Affiliate property management companies, cleaning companies, maintenance companies, will be forced to go out of business as well. Maui does not have another primary industry to support its people besides tourism.
2. Most short term rental complexes were built with transient accommodations in mind and are of small studio, 1bd and 2bd floor plans that rarely have more than 1 parking space. Making them difficult for families to inhabit long term. They have amenities, insurance and operating costs that require high HOA's which will not make them affordable for locals.
3. Instead of creating more problems by trying to convert these complexes and take away rights from thousands of owners, our focus should be on fast tracking developments like Waikapu Country Town and incentivizing developers to build these affordable projects at scale. This will create jobs whereas rolling back short term rental condos will eliminate countless local businesses and result in thousands of lost jobs.
4. As a local who lives in Oahu and frequents our properties in Maui frequently it is clear that what may be useful in Oahu county, does not necessarily translate well to Maui county.
5. The majority of ohana's that have been displaced from Lahaina would like to stay in and near Lahaina. Blanketing a short term rental ban across the entire island does not make any economic sense.

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Director of Council Services
Traci N. T. Fujita, Esq.

Deputy Director of Council Services
David M. Raatz, Jr., Esq.

COUNTY COUNCIL
COUNTY OF MAUI
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WAILUKU, MAUI, HAWAII 96793
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February 29, 2024

SENATE COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair • Senator Sharon Y. Moriwaki, Vice Chair

SENATE COMMITTEE ON JUDICIARY

Senator Karl Rhoads, Chair • Senator Mike Gabbard, Vice Chair

Friday, March 1, 2024
10:31 AM

SUBJECT: STRONG SUPPORT OF SB2919, RELATING TO PROPERTY

Aloha e Chairs, Vice Chairs, and honorable committee members,

Mahalo for this opportunity to testify in *strong support* of SB2919, which expands the zoning powers of counties and the scope of the transient accommodations tax law to include certain shelters and vehicles with sleeping accommodations.

Another mahalo to the previous committees for the amendments in the SD1. The following are two additional amendments for your consideration to better clarify the legislature's intention regarding transient vacation rental units:

- 1) On page 6, line 15, please strike "single-family" to instead state "... a zoning ordinance may provide for the amortization or phasing out of nonconforming **single-family** transient vacation rental units over a reasonable period of time in an area of any zoning classification, **except hotel or resort zoned properties.**"
- 2) On page 6, line 19, please add "**Nonconforming transient vacation rental units will not be considered residential use as provided in the section.**"

There are over 2,200 units in Lahaina currently used as transient vacation rental units in the apartment zoned district alone. Many of which were once workforce and long-term housing units. Most of these are condos, not single-family dwellings. This is the issue my first amendment addresses.

I ask this committee for its help in clearing up the confusion over the term “residential use,” which my second amendment above seeks to accomplish. Transient vacation rental use is a commercial use. The federal court in *Hawai‘i Legal Short-Term Rental Alliance v. City and County of Honolulu* (2023), stated: “...such “residential use” includes rentals of 30 days or longer.” AirBnB’s attorney claimed that even if its lodging for one day, he considers that “residential use” and refers to this measure a taking.

Earlier today, prior to passing out HB1838, the House Committee on Judiciary & Hawaiian Affairs Chair, David Tarnas, reported to the Committee, the legal analysis he requested from the Office of the Attorney General regarding the constitutionality of that measure, which is similar to SB2919.

HB1838 allows the counties to provide for amortization of short-term rentals over a reasonable period of time. They did not find there to be a concern with the constitutionality of this bill.

They understand the testimony on this bill raised concerns regarding the potential for this bill to lead to unconstitutional situations. The potential for the county to exercise its regulatory ability unconstitutionally in the future does not, however, render the immediate bill unconstitutional.

Furthermore, the constitutionality of future ordinances will depend on the specific circumstances, but it is absolutely possible for the counties to enact constitutional ordinances phasing out short-term rentals. *See Levin Richmond Terminal Corp v. City of Richmond*. Legislation may validly provide for the eventual termination of non-conforming property uses without compensation, if it provides a reasonable amortization, commensurate with the investment involved. *Nekrilov v. City of Jersey City*, which affirm dismissal of claim that ordinance that curtail short-term rentals constituted a taking.

The testimony’s additional argument that the law could be subject to a challenge as a “special law,” in violation of Article 11, Section 5 of the constitution is incorrect. That provision only applies to legislative power over land “owned by or under the control of the

state and its political subdivisions.” *See Sierra Club v. Dept. of Transportation*, which determined that Act 2 was an exercise of legislative power over state land. Private property used to operate short-term rentals are not government property, nor under the control of the government, so that constitutional provision is in applicable.

While this legal analysis was not necessary for neither HB1838, nor this measure, it was helpful of Representative Tarnas to settle that issue. This measure would simply empower each county to determine what is in the public good for their respective county.

Mahalo again for your consideration. Please pass SB2919 today.

Mahalo,

A handwritten signature in black ink that reads "Keani Rawlins-Fernandez". The signature is written in a cursive, flowing style.

Keani Rawlins-Fernandez
Councilmember

SB-2919-SD-1

Submitted on: 3/1/2024 1:43:13 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Amy Stephens	Individual	Support	Written Testimony Only

Comments:

I support SB 2919



Housing Hawai'i's Future
PO Box 3043
Honolulu, HI 96802-3043

March 1, 2024

TO: Chair Keohokalole, Chair Dela Cruz, and members of the Hawai'i State House Judiciary and
Hawaiian Affairs and Ways and Means Committees
RE: HB 1838 RELATING TO ZONING

Dear Chair and Committee Members,

My name is Sterling Higa, and I serve as executive director of Housing Hawai'i's Future, a nonprofit creating opportunities for Hawai'i's next generation by ending the workforce housing shortage.

We support HB 1838.

STRs use our limited housing inventory for business purposes rather than meeting our long-term housing needs.

The counties should build more housing, and they should also have the authority to phase out the use of housing as STRs over time.

Thank you,

A handwritten signature in cursive script that reads "Sterling Higa".

Sterling Higa
Executive Director
Housing Hawai'i's Future
sterling@hawaiisfuture.org
+1 (808) 782-7868

SB-2919-SD-1

Submitted on: 3/1/2024 6:16:33 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
William Cebron	Individual	Oppose	Written Testimony Only

Comments:

My family has owned a home on Hawaii for the past 10 years, which we short term rent for additional income when we are gone, which helps with our mortgage. Hawaii is an incredibly special place that I love and I would hate to see SB2919 pass and take away this opportunity for my family and countless others. Removing short term rentals isn't the solution. The solution is building low cost affordable housing, not government intervention to depress the price of housing (which would have an impact on every Hawaiian who owns their home).

SB-2919-SD-1

Submitted on: 3/1/2024 6:25:25 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Christopher Bard	Individual	Oppose	Written Testimony Only

Comments:

To the Hawaii State Legislature/Senate

This note is in opposition to bill SB2919.

The potential loss of short term rentals in Maui county will be incredibly harsh on the entire community.

Simply put, in order to maintain the level of tourism that benefits industry across the island, suitable accommodations need to be made available. Currently there is nowhere near the required hotel capacity, especially in the Kihei area to support the tourist industry. Everyone from restaurant owners, shops, eco tours etc. depends on the influx of tourists for survival.

Of course, as a condo owner, I have placed a significant investment on the island to become part of the community. I offer an affordable, temporary rental. As a studio unit, it is not an ideal place to rent long term to a family, but an ideal unit to rent to the vacationer or short term worker. Of course, this helps offset the financial investment I made in the community. However, with the occupancy rate being well over 80% of the year, it is not an idle unit not providing benefit

By owning in Maui, our property directly contributes to the hiring of property managers, cleaners and handymen/contractors.

Also, annually, our unit contributes thousands of dollars to the tax base through GET and TAT collections, not to mention a higher rate of property tax. If done legally, short term rentals

provide an incredible boost to the governments ability to maintain island infrastructure. The loss of this revenue should give pause before the simple rezoning to exclude short term rentals.

As an owner, I hope that the opposition to this bill gives pause to what seems to be a rash, reactionary bill. From an outsider, but someone with a direct interest in how the State of Hawaii is managed, this bill seems nothing more than a catering to the hotel industry to give them an ultimate monopoly on the housing of the tourist industry.

Please reconsider and do not support the passing of this bill.

Christopher Bard

Maui Property Owner

Kihei Bay Surf

SB-2919-SD-1

Submitted on: 3/1/2024 6:35:04 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Vonda Smith	Individual	Oppose	Written Testimony Only

Comments:

With much respect for the people who lost their homes and are working to rebuild their future the choice to eliminate short term rental in Maui is not the solution. It only creates a larger obstacle for working residents to overcome. Local artists who depend on tourists to purchase their products, small business, rental car companies and the people that they employ, cleaning businesses for short term rental properties, tour companies and their employees will all be affected by the loss of these accommodations for travelers. Guests will choose to go to other islands or other destinations besides Hawaii and the costs of accommodations will escalate and become unaffordable for average families. The state transient tax, GET tax and property taxes are already creating a decline in travel to Maui. Unfortunately, many properties with short term rental occupancy will have units go into foreclosure also creating a less than desirable environment for choosing Maui for hard earned vacation time. There needs to be a balance and long-term plan to allow the residents to return to a normal lifestyle. In talking with our friends - housekeeping, maintenance and grounds keepers, office staff, etc. - there is big concern of losing jobs if owners convert to Long Term (LTR). We have made the choice to honor and continue to rent SHORT TERM. Most of the short-term rentals are not designed or appropriate for long term family living. The solution is to provide affordable housing and assistance in rebuilding the properties that families lost. Ending short term rentals will only create more challenges for the devastated residents. Recovery efforts as in hurricane Katrina and other natural disasters need to be implemented with volunteers and assistance organizations that are trained in rebuilding homes and businesses need to be allowed to come on island and begin construction with respect for the devastation as soon as possible and the county could greatly assist in expediting this permitting and processing.

Mahalo for considering this side of the effect that this legislation will impose on the people.

SB-2919-SD-1

Submitted on: 3/1/2024 6:49:01 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Ananda Stone	Individual	Support	Written Testimony Only

Comments:

There are too many short-term rentals in our neighborhoods, driving up the real estate market and taking away housing for the local community. This is not sustainable as we are seeing now with our unhoused population in Lahaina, while units are open for visitors.

SB-2919-SD-1

Submitted on: 3/1/2024 7:01:47 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Robert W Harms	Individual	Oppose	Written Testimony Only

Comments:

We purchased our condominium on Kaanapali Beach in 1991 as a family vacation residence. The ability to rent this property short term made it affordable for my family to own it. Over these many years we have contributed many hundreds of thousands of tax dollars to the Maui community. This bill will stop our ability to rent, even though we have been taxed as a condo/hotel for many years. Our property at 50 Nohea Kai Drive, Lahaina is in a designated hotel zone and as such is not a good fit for long term housing. We provide a needed benefit to Maui and oppose any bill that would take away our right to use our property as a short term rental.

SB-2919-SD-1

Submitted on: 3/1/2024 7:19:26 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
joe bonn	Individual	Oppose	Written Testimony Only

Comments:

My wife and I have been coming to Hawaii since 1978, and have been a home owner on Maui since 1994. My work takes me to the mainland, so I rent my condo unit to pay for it's costs, and to support my mainland costs. I am not able to rent for extended periods because I return several times per year for vacation and visiting friends. This proposed bill would be a burden on me. I would also add that Maui needs more family friendly houses in residential communities, not small condos in a resort area.

SB-2919-SD-1

Submitted on: 3/1/2024 7:20:16 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Louis Kocsis, Jr.	Individual	Oppose	Written Testimony Only

Comments:

I oppose SB2919 since it will negatively impact the Maui economy which supports the local residents. First, real estate values will decline resulting in lost wealth for current resident home owners and lower property tax revenues for local budgets. Second, tourism dollars will also decline lessening economic opportunities for permanent residents.

SB-2919-SD-1

Submitted on: 3/1/2024 7:47:24 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Judith E Harms	Individual	Oppose	Written Testimony Only

Comments:

My husband and I purchased our condominium at the Kaanpali Alii in 1991. Since that time our family has been able to spend considerable time on Maui and our children have come to consider it their second home. When we are not on island we have chosen to rent our condo through our onsite management. This has allowed us to pay our loan and remain current on the property taxes Maui charges part-time residents. The Alii is in a designated hotel zone and as such is not a good fit for long-term housing.

We provide a needed benefit to Maui in a well managed environment and ensure a constant work environment for the loyal employees who maintain our property. If you spoke with the people who work at the Alii, you would find they are extremely grateful for our presence. SB2919 will stop our ability to rent our Maui home and be the cause of many workers from all aspects of Maui losing their jobs and their livelihood. If this happens there will no longer be any ohana on Maui.

Please consider the devastating affect this will have on Maui as a whole.

Mahalo,

Judith E Harms

SB-2919-SD-1

Submitted on: 3/1/2024 8:18:44 AM

Testimony for JDC on 3/1/2024 10:31:00 AM

Submitted By	Organization	Testifier Position	Testify
Sarah Snow	Individual	Oppose	Written Testimony Only

Comments:

My family owns a home on Kauai. The only way we can keep this home and visit Kauai regularly with our young children is by renting our home out. My great grandparents came through Hawaii from Japan, and my family has been coming to Hawaii since I was a child - it is a special place for us and we have many local friends that we would call family. We are conscientious tourists and respect the beauty and nature of the island, as well as those who live there year-round.

I think this bill will have dire consequences to the tourism industry and lead to large financial losses for Hawaii, slashing tourism jobs and hurting locals even more. Almost everyone I know that is a family (not a couple) prefers to stay in short-term rentals when they come out for ease of being in same home/apt as children, grandparents, and having a kitchen. Many people will no longer visit Hawaii if they have to stay for 30 days - only the super rich can afford to rent a vacation house for longer than 30 days.