

DAVID Y. IGE
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SHAN TSUTSUI
LT. GOVERNOR



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DIRECTOR OF TAXATION

STATE OF HAWAII
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To: The Honorable Tom Brower, Chair
and Members of the House Committee on Tourism

Date: Wednesday, February 11, 2015
Time: 9:30 A.M.
Place: Conference Room 312, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: H.B. 803, Relating to Transient Accommodations

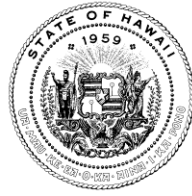
The Department of Taxation (Department) has concerns regarding H.B. 803 and provides the following information and comments for your consideration.

H.B. 803 amends Act 326, Session Laws of Hawaii 2012 (Act 326), by amending the penalty for associations who fail to report relevant information to the Department. This measure also changes the definition of "local contact" to "on-island agent," and changes the requirements such a person must meet. Finally, this measure repeals Act 326's sunset date.

The Department notes that the purpose clause of Act 326 states concerns regarding operators of transient accommodations failing to comply with applicable state and county laws. Compliance with general excise and transient accommodations tax law is only one part of the problem arising from transient accommodations. The Department notes that many of the other laws, such as those relating to land use, rental of real property, and other consumer protection laws, are outside the purview and expertise of the Department.

While the Department supports the Legislature's effort to address illegal transient accommodations, the Department believes that the provisions of Act 326 are insufficient to adequately address all issues raised by illegal transient accommodations, and therefore, Act 326 should not be made permanent. For example, the relevant data that the Department had been required to collect under Act 326 is not related to tax collection and has been of limited use for the Department. For these reasons, the Department supports a more comprehensive approach to addressing transient accommodations, such as the provisions set forth in H.B. 825.

Thank you for the opportunity to provide comments.



DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
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CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

PRESENTATION OF
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
REGULATED INDUSTRIES COMPLAINTS OFFICE

TO THE HOUSE COMMITTEE ON TOURISM

TWENTY-EIGHTH STATE LEGISLATURE
REGULAR SESSION, 2015

WEDNESDAY, FEBRUARY 11, 2015
9:30 A.M.

TESTIMONY ON HOUSE BILL NO. 803
RELATING TO TRANSIENT ACCOMMODATIONS

TO THE HONORABLE TOM BROWER, CHAIR,
AND TO THE HONORABLE TAKASHI OHNO, VICE CHAIR,
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on House Bill No. 803, Relating to Transient Accommodations. My name is Daria Loy-Goto, Complaints and Enforcement Officer for the Department's Regulated Industries Complaints Office ("RICO"). RICO has serious concerns with the bill.

House Bill No. 803 amends Act 326, Session Laws of Hawaii 2012, to substitute the term "on-island agent" for "local contact", define "on-island agent", clarify a nongovernmental entity's duty to report information to the Department of

Taxation, amend the penalties for failing to report information, and repeal the Act's sunset date.

As background, the definition of "local contact" has been an ongoing issue since the enactment of Act 326 in 2012. During the 2013 legislative session, the Real Estate Commission ("Commission"), RICO, and industry worked cooperatively, but unsuccessfully, on a bill to amend the definition and Senate Bill No. 41 S.D.1 was the result of that effort. RICO defers to the Commission on the policy issue of whether an "on-island agent" should be required to be licensed under Chapter 467, Hawaii Revised Statutes ("HRS"), but has the following serious concerns with the bill:

1. The presumption language on page 7, lines 9-14, is highly problematic. House Bill No. 803 requires that an on-island agent not licensed under Chapter 467, HRS, will be presumed to be acting as a custodian or caretaker. The presumption would render any enforcement of the definition of "on-island agent" meaningless because any "on-island agent" not licensed under Chapter 467, HRS, will be deemed to be a custodian or caretaker, and would, therefore, automatically comply with the definition of "on-island agent". It is not clear whether this circular language was intended. If this Committee intends to pass out House Bill No. 803, RICO requests that the presumption language be removed from the bill.

2. The bill's language regarding custodian or caretaker on page 7, lines 3-6, is confusing because it not only cites §467-1, HRS, for the definition of "custodian or caretaker", but it also unnecessarily references additional language from §467-1,

HRS. To the extent that the added language may not be entirely consistent with the current definition in §467-1, HRS, RICO would have difficulty enforcing contrary or unclear language. As a result, if this Committee intends to pass out this bill, RICO requests that the language on page 7, lines 4-6, be deleted, so that only the reference to §467-1, HRS, on line 3 remains.

3. In conjunction with the foregoing concerns about the reference to "custodian or caretaker", further clarification is needed in §467-1, HRS, if the bill passes out of this Committee. The following amendment to §467-1, HRS, would more explicitly define "custodian or caretaker" and, as a result, strengthen RICO's ability to enforce violations of Chapter 467, HRS, based on conduct proscribed in Chapter 237D, HRS.

"'Custodian or caretaker' means any individual, who for compensation or valuable consideration, is employed as an employee by a single owner and has the responsibility to manage or care for that real property left in the individual's trust; and for whom the single owner is required to provide workers' compensation insurance and to deduct Federal Insurance Contributions Act and withholding taxes as prescribed by law; provided that the term "custodian" or "caretaker" shall not include any individual who leases or offers to lease, or rents or offers to rent, any real estate for more than a single owner; provided further that a single owner shall not include an association of owners of a condominium, cooperative, or planned unit development."

4. House Bill No. 803 also contains language that RICO would ask the Committee to clarify, should it decide to move this measure forward in its current form. First, language on page 6, lines 1-3, regarding an operator's designation of an on-island agent, is inconsistent with prior language on page 3, lines 17-18.

RICO offers the following revision on page 6, lines 1-3, in order to help with this inconsistency:

information required under this subsection, or operator who fails to designate an on-island agent as required in this section,

Also, House Bill No. 803 repeats that an on-island agent must reside on the same island as the transient accommodation. For example, the requirement is contained in language on page 3, lines 16-19, but reiterated again on page 5, lines 18-20. RICO asks the Committee to consider deleting the second reference on page 5 because it appears to not be necessary.

In addition, language on page 4, line 18, is awkward and should read as follows:

relevant information[7] provided to it by its members,

Again, should the Committee decide to move this measure forward, RICO would ask that the clarifications listed above be given full consideration.

Thank you for the opportunity to testify on House Bill No. 803. I will be happy to answer any questions the members of the Committee may have.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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KIRK CALDWELL
MAYOR



GEORGE I. ATTA, FAICP
DIRECTOR

ARTHUR D. CHALLACOMBE
DEPUTY DIRECTOR

February 11, 2015

The Honorable Tom Brower, Chair
and Members of the Committee on Tourism
Hawaii House of Representatives
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Brower and Members:

Subject: House Bill No. 803
Relating to Transient Accommodation

The Department of Planning and Permitting (DPP) **supports** House Bill No. 803, which amends Act 326, Sessions of Law of Hawaii 2012 and replaces the term "local contact" with "on-island agent" and to require relevant information be reported to the State Department of Taxation (DOTAX) with imposed penalties for failure to report.

This Bill will provide an association or nongovernmental entity with the name, address and contact information of the "on-island agent," and will make available to regulatory agencies additional information that will add to the preponderance of evidence necessary for effective enforcement against the operators of illegal transient vacation rentals.

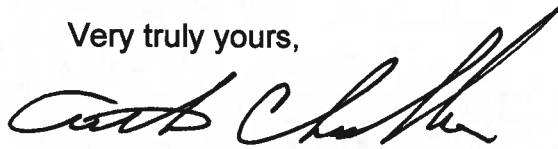
The DPP recommends amendments to two areas of the Bill to enhance its overall objectives:

1. The civil penalty for willfully failing to provide DOTAX with the required "on-island agent" information be assessed at a higher rate to leverage compliance; and
2. Delete subparagraph (h) (2) to Section 2 thereby limiting the "on-island agent" to a representative licensed or registered under Chapter 467.

The Honorable Tom Brower, Chair
and Members of the Committee on Tourism
Hawaii House of Representatives
Re: House Bill No. 803
February 11, 2015
Page 2

Thank you for this opportunity to testify on House Bill No. 803.

Very truly yours,

A handwritten signature in black ink, appearing to read "George I. Atta". The signature is fluid and cursive, with a long, sweeping line extending from the end.

George I. Atta, FAICP
Director

GIA:fmt
HB803-TransientAccommodations-mf



February 11, 2015

The Honorable Tom Brower, Chair
House Committee on Tourism State
Capitol, Room 312
Honolulu, Hawaii 96813

RE: H.B. 803, RELATING TO TRANSIENT ACCOMMODATIONS.

Aloha Chair Brower, Vice Chair Ohno, and Members of the Committee:

I am Dan Monck, here to testify on behalf of the Hawai'i Association of Vacation Rental Managers ("HAVRM").

This letter is written in **SUPPORT of HB 803.**

The Hawaii Association of Vacation Rental Managers, representing tourism professionals providing transient accommodations on Hawaii's four major islands, believes that the problem of illegal vacation rentals poses a serious challenge to the State's communities and its Tourism industry, and that this challenge needs to be meaningfully addressed.

HB 803 adroitly accomplishes this objective.

In the very early 1980's, in the interests of Hawaii's growing Tourism industry, consumer protection and public safety, the State of Hawaii mandated that vacation rental firms be licensed under Hawaii's Real Estate Code.

The objective of this decision was to insure the education, knowledge, and professional standards necessary to provide rental services to Hawaii visitors, and to the owners of the Hawaii rental properties existed. This specific knowledge and standards of conduct are only insured through the Real Estate licensing process, and the associated requirement of continuing education of this license. This decision also provided consumers and property owners the protection of the Real Estate Recovery Fund in the event of an unscrupulous licensee.

Over the past 35 years, this decision's wisdom has proven tremendously successful for the State of Hawaii and our Tourism industry.

The issue of illegal rentals is a serious problem, requiring a serious solution. **HB 803 delivers that serious solution by permitting the collective strengths of the State's departments to be brought to bear upon this serious problem in an orchestrated manner utilizing existing State organs and processes.**

Importantly, the DCCA's, Real Estate Commission's, and Counties' enforcement responsibilities are not confused or compromised by HB 803. Also, HB 803 assures the training, skill sets, and protections necessary for proper property rental activities exist in the State such as Fair Housing, that an appropriate on-island agent is in place to support Hawaii visitors when necessary, Trust Accounts exist and are respected for customer and property owner monies managed by a Fiduciary with the oversight of the DCCA, and visitor fraud protection is secured through the Real Estate Recovery Fund at no cost to the State. And in conjunction with these important protections, the correct rental revenue and tax identification are provided to the State **maximizing Hawaii Tax collection by HB 803**.

Adoption of this HB 803, will have significant positive effects upon our Tourism industry, public safety, consumer protection, Hawaii's supply of affordable housing, community tranquility, our Hotels, and our many Hawaii employees. We recommend HB 803 be **PASSED** by the Tourism Committee.

The committee may wish to consider two enhancements to HB 803.

- 1) ACT 326 required the Tax identification number to be displayed in any web advertisement of a Transient Accommodation. Requiring the On-Island Real Estate Brokerage or employee of the owner to be identified with contact information in the advertisement as well would assist neighbors and associations in knowing who to call in the event of an issue. It would also be very helpful to the Counties and State agencies in their regulatory efforts in knowing who to call in Hawaii directly from the advertisement.
- 2) We believe the most effective and efficient strategy to address the problem of illegal rentals is from the beginning of the regulatory process. Trying to subdue this problem with the State and Counties "chasing" thousands of suspects is inefficient and destined for failure.

We would suggest for consideration putting in place with the Department of Taxation a "report mechanism" where people who believe an illegal rental is taking place contrary to State Tax law, neighbor, association, or a professional organization, could identify this rental to the Department of Tax. Should the rental be found not to be in compliance with State Tax regulations, a "whistle blower" fee would be awarded to the identifier. The amount of Tax recovered by a program of this nature would dwarf any incremental cost the Department of Tax might realize due to this program.

While the illegal operators have demonstrated to date they have no fear of the State regulators, they would have grave concerns about being identified to the State by someone closely aware of, and perhaps impacted by, their illegal operations.

Mahalo,



Dan Monck
President
Hawaii Association of Vacation Rental Managers
www.HAVRM.org



Condominium Rentals HawaiiTM

I am writing in support of HB803.

Current Hawaii Law HRS 521-43(f) clearly states: “

Any owner or landlord who resides without the State or on another island from where the rental unit is located shall designate on the written rental agreement an agent residing on the same island where the unit is located to act in the owner's or landlord's behalf. In the case of an oral rental agreement, the information shall be supplied to the tenant, on demand, in a written statement.”

The only exception to the agent requirement is in HRS 467-1 which defines this unlicensed person, a Caretaker or Custodian, who must be an employee of the property owner, and may do this provide this service for one owner only.

HB803 sole intent is to clear up the misunderstanding many off island owners and landlords have that a “local contact” can be a replacement for this already existing Hawaii Law. By making the changes proposed in HB803 it will remove the conflict that currently exists due to ACT 326.

I have noted that many who are opposed to this Bill presume this will drive them out of business. I do not see this as being the case. I am aware in my company's particular market we have many property owners who procure their own bookings and are very actively involved in the management of their investment while using the services of a licensed property management company.

Fees of 20-50% are cited by those in the opposition to this bill. While these may be correct figures in cases where the management company provides expensive supplemental such as linen and daily maid services, most have management companies I am familiar with have set up programs for active owner renters that cost anywhere from \$25 per month up to 10%, depending on the level of service the property owner desires.

In the 33 years we have been providing Tourism lodging services, the laws articulated in HB 803 have been the guiding principles and statues our industry has been built upon.

Mahalo for the opportunity to provide testimony.

R. Allan Raikes

2/9/15



Dear Hawaii State Legislature,

I am the owner and President of South Kohala Management, a property management firm handling over 100 vacation rentals in the resort communities of the Kohala Coast since 1982. The tourism industry is a key industry in Hawaii and needs to be regulated effectively in order for our state to prosper. The industry is complex and dynamic and requires professionals who are trained, licensed, and monitored by the local agencies to work together to strengthen this industry. There is a lot of opportunity to increase occupancy at the local hotels and vacation rental properties across our island, but business is being siphoned away from these legal and professional tourism sectors to the growing landscape of illegal vacation rentals. The state cannot stand on the sidelines and allow the laws to be disregarded and broken any longer.

On the Big Island we have seen the economic landscape shift over the past 10 years as non-resident vacation homeowners have taken advantage of the states lack of enforcement and clarity when it comes to transient accommodations. From about 2008 and on, property management companies started to see an exodus of non-resident vacation homeowners who wanted to go the “self-managed” route. With new online marketing platforms, homeowners could now advertise and rent their property and organize housekeeping and other home maintenance from their computer at home. To compete against professionally managed properties, these vacation homeowners cut their prices to attract vacationers. These non-resident vacation homeowners have thumbed their noses at the idea that this is “illegal” to self manage their vacation rental from out-of-state. Many of these people are highly educated and intelligent people who read the laws themselves and feel the wording is so vague and contradictory that they could make a reasonable case for defending their interpretation of the law. Besides, everybody around them was doing it and nobody was being penalized.

What have been the net effects of this unregulated business activity many years later? The main effect has been **the evaporation of many millions of dollars of revenue to the state**. By taking this tourism activity out of the hands of local business professionals (like independent property managers and resort management companies) it has led to price gouging in the vacation rentals markets. Nightly rates on the Kohala Coast have been depressed by 25-30%. Professionally managed vacation rentals have to keep rates down in order to compete with all the illegal “self-managed” rentals. Not to mention that professionally managed vr’s collect the GET and TAT taxes and have to compete against rentals that do not impose this mandatory tax. That is just money that is disappearing from our economy. And the money that is generated by these illegal competing rentals barely



Luxury Vacation Rentals

touches Hawaii. Many of these owners do not collect or pay GE and TA taxes. Some of them do pay these taxes, but drastically underreport their actual revenue. These non-resident vacation homeowners hire housekeepers and handymen hourly as independent contractors and do not report these wages, encouraging the expansion of a huge **underground economy** in Hawaii. This is more income and wages that are not reported to the state and the loss of tax revenue goes far beyond just the GET and TAT tax arguments.

How does this affect property management companies and local workers? **It kills jobs.** As a local employer we are proud to have fourteen full-time employees. In the past our company has had over 20 full-time employees but we are not able to hire more employees or to grow our company robustly in the current economic environment. Why would a small business invest in growth when the current legal environment does not protect us from competitors who don't follow the rules and don't pay their fair share?

I am submitting testimony for consideration by the legislature in passing bills HB 803 and SB1031. The law already exists that non-resident property owners must use a local "agent" to rent lodging for a transient accommodation. **The language needs to be clarified and the laws enforced.** This will lead to more tax revenue for the state and for local businesses to expand and create more jobs.

Who does the state have a duty to protect? Wealthy second homeowners who ignore the law? Or local, licensed and regulated business operators who have a vested interest in Hawaii's tourism industry and who pay their fair share of taxes? When Act 326 was proposed in 2011 the argument against it was that it would kill the vacation rental market in Hawaii and make owning a second home in Hawaii an unrealistic or unattractive pursuit. None of this was true. Tourism has improved over the past 4 years, home prices have gone up and Hawaii continues to be a VERY desirable place to own a vacation property.

Please support bills HB 803 and SB 1031 for the interests of public safety, consumer protection and to support the existing laws and regulations that are in place to protect our local residents and workers.

Sincerely,

Malia Rozetta
President

February 11, 2015

The Honorable Tom Brower

House Committee on Tourism
State Capitol, Room 312
Honolulu, Hawaii 96813

RE: H.B. 803, Relating to Transient Accommodation

HEARING: Wednesday, February 11, 2015, at 9:30 a.m.

Aloha Chair Brower, Vice-Chair Ohno and Members of the Committee:

I am Myoung Oh, Director of Government Affairs, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,400 members. HAR **opposes** H.B. 803 which amends Act 326, Session Laws of Hawaii 2012, by (1) Replacing the term "local contact" with "on-island agent"; (2) defining the term "on-island agent"; (3) Clarifying that an association's duty to report to DOTAX is limited to the relevant information an association actually receives from a transient accommodation operator; (4) Amending penalties imposed on associations for failure to report; and (5) Repealing the sunset date.

In 2012, the Legislature passed Act 326, which required any operator of a transient accommodation to designate a local contact residing on the same island as the transient accommodation, amongst other requirements. The law was placed into Hawaii Revised Statutes ("HRS") Chapter 237D, the transient accommodation tax section. However, this issue has additional layers of complexity, as there are other HRS Chapters that this issue affects:

Real Estate Licensee – HRS 467

A property owner can sell, buy, lease, and manage his/her own property without a real estate license.

Real Estate Licensee – HRS 467

A property owner can hire a custodian or caretaker to manage or care for his/her property. The "custodian" or "caretaker" doesn't need a real estate license so long as he/she is employed by the owner. The exemption is limited to managing one property.

Residential Landlord Tenant Code – HRS 521

A property owner who rents or leases their own property must comply with Hawaii's Residential Landlord-Tenant Code. Among other things, the Code requires owners and landlords who reside outside of the state or on another island to designate an on-island agent

to act on the owner's behalf. The designated on-island agent must be licensed if engaging in any activity for which a real estate license is required.

State & County Tax Laws – HRS 237D

A property owner must comply with applicable state and county tax laws. State tax law requires persons who operate transient accommodations to designate a local contact who resides on-island, in case of an emergency or natural disaster, or to answer any questions, concerns, or property issues that arise about the transient accommodation.

Additionally, this measure changes the “local contact” under HRS 237D to on-island agent. An on-island agent must then be either a real estate licensee or custodian or caretaker (employee). HAR has concerns that this will place real estate licensees in jeopardy for aiding and abetting unlawful actions, as it relates to the advertising and management of illegal, nonconforming, or unpermitted transient accommodations.

In order to ensure no unintended consequences, HAR requests that there be a concurrent resolution that will bring various interested parties together to come to a workable solution, rather than a fashion of piecing different statutory laws from various HRS Chapters.

Mahalo for the opportunity to testify.

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 6:26 AM
To: TOUTestimony
Cc: barry_cohn@hotmail.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Barry Cohn | Individual | Support | No |

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 12:08 PM
To: TOUtestimony
Cc: nhmahi52@yahoo.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------------|--------------|--------------------|--------------------|
| William M. Shepard | Individual | Oppose | No |

Comments: We have owned a condo on Maui for many years and we use it for our vacations as well as a vacation rental that we control. We are licensed by the State of Hawaii and pay our GET and TAT taxes on our rentals. Because it is our property, we are a bit selective as to our rentals. We feel that if rental agents or agencies controlled our rentals, our condo would be used and abused. We feel that this move by the State of Hawaii would be unconstitutional as the State would dictate how and who would manage OUR condo. As owners we respect and take care of our property whereas rental agents only look at the dollars in their pockets associated with the rentals. We have seen much of the rental agents attitude and the demise of personal property. We definitely oppose HB803 and hope that the Bill will fail.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Cynthia Nyross

From: William Kamps <biltrish@aol.com>
Sent: Sunday, February 08, 2015 3:28 PM
To: Rep. Tom Brower
Subject: Bill 803

Aloha Rep. Brower:

I support the requirement to have a contact who is resident on island.

However, I oppose the requirement that the on-island agent be a real estate licensee:

- o The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated.
- o Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities.
- o Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly.
- o These bills fail to regulate the rate at which realtors can be compensated for this role.

I write as a landowner of 37 years standing. While my wife and I have always used a licensed real estate agent, there appears no substantive basis for forcing other owners to do so.

William Kamps
Kauai

Cynthia Nyross

From: Tim and Vicky Hailey <hailmaui@att.net>
Sent: Sunday, February 08, 2015 6:08 PM
To: Rep. Tom Brower
Subject: Oppose HB 803

Aloha Representative Brower,

My husband and I have been managing and renting our vacation rental on Maui for 11 years. We do frequent the island but we do have a designated on-island agent/contact that handles any issues that come up on the spot which is rare (i.e., lockouts, appliance breakdowns, repairs, etc.). We have never had any problems with this arrangement and our guests give us 5 star ratings and return year after year.

We strongly oppose the use of a licensed realtor to manage the responsibilities that we so carefully manage over. We have contributed very significantly to the economy of Hawaii by attracting return guests over and over again and are constantly attracting new visitors to this great state.

Please oppose HB 803 so that we can continue to contribute to this vibrant economy and sustain the growth in visitors to this great state.

Sincerely,

Vicky Hailey

Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 7:19 PM
To: TOUtestimony
Cc: trevoralt@hotmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Trevor Alt | Individual | Oppose | No |

Comments: I STRONGLY OPPOSE HB 803. I do, however, support the amendment being put forward by RBOAA to clearly align Act 326 with both HRS 467 and HRS 521. I made great personal sacrifices to achieve my life long dream of owning a vacation property on Maui. I purchased my vacation rental property in part to participate in the Maui real estate market and prevent myself from being priced out of it when it comes time to move to Maui full time. I pay a higher interest rate and paid higher closing costs than if I could have purchased my unit as a second home. I pay the Resort Hotel tax rate on my property rather than owner occupied or second home rates. I pay all TAT and GET taxes on every rental. I have an on-island contact for our guests. She is not a real estate agent but nothing that she does requires special knowledge or skill that a real estate agent would have. HB803 as written would cause an undue hardship by forcing me to pay 20% to 50% of gross rental income for "services" that neither I nor my guests need or want, "services" that I already provide. I do so with more dedication and diligence than any "professional" that I've ever known or heard of, and I've known and heard of plenty of them. I typically spend at least 20 hours each week attending to various aspects of my vacation rental business. If a "professional" were managing my business, I would not expect them to spend more than 20% of the time I do on the business. It is more than "just business" to me, I am protecting my investment and my dreams. Nobody will do a better job protecting my guests than I do. If I was forced to pay 20% to 50% of our rental income off the top I would have to quickly sell my Maui property or face bankruptcy. Thousands of other owners would be in the same situation which would have a devastating effect on the Maui real estate market and the local economy. There are already laws on the books to make sure any illegal transient rentals be made to comply. These laws need to be enforced rather than put an onerous economical burden on the property owners who follow the rules. I OPPOSE HB803. Respectfully submitted, Trevor Alt

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 9:53 AM
To: TOUtestimony
Cc: tjf702@aol.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Tom Flynn | Individual | Oppose | No |

Comments: I OPPOSE HB 803, but propose amendments which, if adopted, would gain my support and the support of many others. To legislate real estate licensees into a role between the tenant and the property owner would put Act 326 into conflict with both the Landlord-Tenant Code and the Real Estate Broker and Salesperson Code. The Real Estate and Salesperson Code (467-2) permits an owner to rent, lease and manage their own property. The Landlord Tenant Code (521-43f) requires an agent residing on the same island as the property, but does not require the agent to be a real estate licensee. Nowhere in either statute does the term "on-island agent" exist (nor does it need to exist). The role of "local contact" was created in 2012 for the purposes of Act 326. I support the amendment being put forward by RBOAA to clearly align Act 326 with both HRS 467 and HRS 521. All owners of property who wish to offer transient accommodations must either: 1. Be an owner-operator who self manages, rents, leases and designates a local contact; or 2. Employ a custodian / caretaker; or 3. Engage the services of a real estate licensee.

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Cynthia Nyross

From: Tim Hailey <mauihail@gmail.com>
Sent: Sunday, February 08, 2015 5:50 PM
To: Rep. Tom Brower
Subject: Opposing HB 803

Aloha Representative Brower,

We support the requirement to have a contact who is a resident on island. However, we oppose the requirement that the on-island agent be a real estate licensee. The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities.

Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly.

These bills fail to regulate the rate at which realtors can be compensated for this role.

We have submitted tens of thousands of dollars to the Hawaiian Government in the last 11 years from our 2 vacation rentals on Maui which greatly supports the tax revenue stream in Hawaii and is helping to sustain a healthy economy. Please oppose HB 803 to protect our rights as property owners.

Respectfully,

Tim Hailey

Cynthia Nyross

From: Sylvia Remington <svandiamo99@gmail.com>
Sent: Sunday, February 08, 2015 9:22 PM
To: Rep. Tom Brower
Subject: HB 803 OPPOSITION

Dear Representative Brower,

We own 3 condos on the Big Island which I manage myself and I have brought a lot of revenue into the state of Hawaii through taxes which I collect and pay to you and also through the tourism I provide to the area. To say nothing of the many upgrades I have done to the units with on island contractors and purchasing from local vendors. I have an on island contact, but do not need an agent. This proposed law is going to make it near impossible for us to run our vacation rental business. We have done many upgrades to our units. Please let us run our business as we have been doing and you will continue to receive the taxes due you from our rentals. I personally know several people that will probably loose their properties if they are forced to pay an agent to manage their own properties. It will cause rents to rise. I have my phone on 24/7 and am always available to my renters. That is far better than MOST property managers or real-estate agents who use answering machines. Please consider not passing this bill.

Regards,

Sylvia Remington

360-296-0647

svandiamo99@gmail.com

Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 9:29 AM
To: TOUtestimony
Cc: srussell114@cox.net
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Susan Russell | Individual | Oppose | No |

Comments:

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 9:22 AM
To: TOUtestimony
Cc: GulliversMom@gmail.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Susan Miller | Individual | Oppose | No |

Comments:

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 12:10 PM
To: TOUtestimony
Cc: stephenstay@shaw.ca
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Stephen Taylor | Individual | Oppose | No |

Comments: Dear Sir / Madam, I oppose proposed measure HB803. As an owner of two vacation properties in Kihei and frequent traveler to Maui it makes little practical sense to me to require that the on-island agent be a real estate licensee. My current on-island representative performs admirably and certainly I follow all state regulations to the letter. Forgive me for being a tad cynical but it would appear that there are other forces afoot trying to decrease the number of rental by owner units on the market. Keeping the cost of accommodation affordable allows more guests to visit Hawaii and experience the aloha that we all love. There are lots of other destinations that vie for limited tourist dollars and we certainly don't want to discourage visitors to Hawaii. Please consider reasonable, thoughtful regulations that allow vacation property owners to comply with the current regulations without making it onerous or unfair. Thank you for your time. Dr. Stephen Taylor Victoria, B.C.

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 10:52 AM
To: TOUtestimony
Cc: sharlee.maher@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Sharlee Maher | Individual | Oppose | No |

Comments: I am opposed to this bill in that it states that the on-island representative must now be a licensed real estate agent. This is unnecessary and only serves to make real estate companies money, but does not actually improve services for owners as the role of the on-island representative does not require special education or licensing. It is a simple role performed by people that are the choice of the property owner. Please support property owner choice and my job by keeping the definition of on-island representative just as someone that lives on the island and is chosen by the owner to take care of things like lock-outs, appliance repair, etc. Thank you for your kind consideration. Sharlee Maher

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 9:32 AM
To: TOUtestimony
Cc: sjackovics@aol.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|--------------|--------------------|--------------------|
| Sebastyen Jackovics | Individual | Oppose | No |

Comments: There will be no benefits for anyone with these added requirements.

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Cynthia Nyross

From: Sandi Boswell <sandiboswell@gmail.com>
Sent: Sunday, February 08, 2015 5:11 PM
To: Rep. Tom Brower
Subject: opposing HB803

Dear Honorable Brower,

We are longtime owners of our much loved condo in Hawaii that we legally rent as a licensed vacation condo and on which we have paid state taxes ever since we owned and rented it.

We comply with and support the requirement to have an "on island contact". We also make our cell phone number available to all rental guests so that we or our island contact, can immediately take care of needs they may have. We have a vested interest in their satisfaction and welfare. In addition, many condominium complexes like ours, have on site staff in cases of emergency.

The proposal to allow only realtors or one person per one condo is unfair to everyone. It creates an inefficient monopoly that is burdensome and creates higher costs for consumers. We do not want a realtor who might impose on renters time because of their special interests in real estate sales.

For other multiple reasons realtor should not be specified as the only on island contact. Their main interest is sales. Much of their time is consumed with showing and listing properties, thus a renter with an immediate need, is likely to be ignored if the realtor is busy with a sales showing.

Also, a realtor's knowledge, ability and time in many regards is far less than those we currently list and employ. Please oppose and stop HB 803.

We take pleasure in providing good accommodations for guests who want to visit Hawaii. We are pleased that many of our rental guests are repeat renters who appreciate renting owner direct. They return to Hawaii and this condo year after year.

Thank you in advance for anything you can do to help protect our guests and us so we are not burdened by special interest groups who will take advantage of us.

Mahalo

Brooke (Bud) and Sandi Boswell
4400 Makena Road #803
Kihei, Hawaii 96753

Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 7:41 PM
To: TOUtestimony
Cc: kiheihome@shaw.ca
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

Categories: Dean

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------------|--------------|--------------------|--------------------|
| Rodney K Tomlinson | Individual | Oppose | No |

Comments: There is a history of realtors and agents doing a very poor job of caring about the owners property and, even more importantly, being indifferent to the needs of visitors who use privately owned transient accommodation. The experiences prior to the introduction of VRBO and other rental web sites are quite scary to those of us who take a great pride in providing high quality, well cared for and are compliant with the legal requirements such as readily available on-island representatives and the collection and payment of State Taxes. There are still a few apartments being managed by professional agents and in the experience of close friends of ours they find that responses to difficulties they experience to be very, very poor. We have been happy to meet existing legislation and we recognise the importance of setting standards which ensure that visitors to this great State have the excellent vacation which they have come for. Adding another cost to the rates we are able to provide will end our ability to continue to offer a reliable cost effective holiday. Also, we may no longer be able to offer such vacation rentals as most of us operate at a break even level now.

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 5:35 PM
To: TOUtestimony
Cc: rnilknoc@yahoo.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Rodney Conklin | Individual | Oppose | No |

Comments: My wife and I are opposed to the HB 803 measure and in 2012 we won the right to manage our own property. This measure would take away that right. We've had this property since 2008 and have always legally paid our taxes on time. The following statement represents our feelings as to the reasons why giving the responsibility of a realtor, who has no concern for any one individuals property, is not at all in our interest. "We support the requirement to have an contact who is resident on island. We oppose the requirement that the on-island agent be a real estate licensee o The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. o Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. o Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. o These bills fail to regulate the rate at which realtors can be compensated for this role. Thank you for your consideration in our bid to keep our "special slice" of Maui in our hands and not those of a stranger. Mahalo, Rod and Debi Conklin Ka'anapali Royal

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 11:06 AM
To: TOUtestimony
Cc: helidr@hotmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-------------------|--------------|--------------------|--------------------|
| Richard Moorhouse | Individual | Oppose | No |

Comments: Dear HI legislators, I am writing in opposition of HB 803. As an owner of a transient rental in HI, while I fully support the requirement of an island contact for transient guests, I strongly oppose the requirement that the on-island agent be a real estate licensee. Since the on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities and in fact thousands do providing good paying jobs which support families in our local communities. From a consumer protection perspective, HB 803 would do more harm than good through stifling competition by providing realtors, who are the main beneficiaries and supporters of this bill, a near monopoly on providing these services. The bill does not regulate the rate which be charged for these services which in many cases will be minimal to non-existent. The higher fees imposed by realtors will be passed onto consumers with no added benefit. Additionally, I must also register my strong objection to the provision of the bill limiting a non-licensed custodian or caretaker to servicing a single operator. I have use only realtors for my on island agents to represent me. In each case, the actual person that manages my unit is not a realtor. In fact, I have never spoken with, received an email from, or had a phone call from any licensed individual in the office that represents my unit. I find that the realtors are hiring management people to manage the rentals and then taking a percentage of the fees. It is adding a level of cost that is unnecessary. Richard Moorhouse

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Cynthia Nyross

From: Ralph Schmidt <ralphschmidt1947@gmail.com>
Sent: Monday, February 09, 2015 4:38 AM
To: Rep. Tom Brower
Subject: Oppose HB 803

Dear Representative Brower

I am Rev. Ralph Schmidt, owner of a condo on Maui since 2009. During the past six years we have had over 250 guests. During the first year we had a realtor as our on island contact. She charged us \$600, and never had to do a thing. The second year she said \$600 wasn't sufficient for doing nothing. We then got a friend to be our contact. During the time we have owned the condo, our on island contact has never received a phone call from any guest. Our contact is listed on every contract our guests receive, so they know upfront that one is available. However, in this day and age there is little need for people to call an on island contact, when they can call us on our cell phone which is on 24/7.

Even if a call were made, in the rare likelihood that we wouldn't be able to be reached, a realtor has no special qualifications to deal with the problems they might encounter than any other individual who would be an on island contact.

Before we bought our condo, we used to make reservations through property managers or realtors. We found them difficult to reach and difficult to deal with. When we began making reservations with owners, it was a much easier time. Owners have a vested interest in maintaining close contact with their guests and correcting things if there is a problem. If things go bad, they'll get negative reviews on the websites they advertise on. There is no such vested interest on the part of property managers or realtors.

The biggest complaint you would find on any of the reviews on our websites occurred one time when our regular cleaner was out of town and we hired a professional cleaning agency. The complaint was that the guest found an opened bar of soap in the bathroom!

This bill lays an unnecessary on property owners who will be held captive to an industry that wants a monopoly of management for owners who are quite capable of managing their own property. The success we have speaks for itself.

To be forced to pay realtors or property managers outrageous fees to do nothing is unfair.

I oppose this bill for the aforesaid reasons. Please listen to the thousands of caring property owners who are in much better position to take care of their own property than realtors and property managers who only are looking for increased fees to do little or no work.

Mahalo!

Rev. Ralph G. Schmidt
2807 Cliffwood Lane
Fort Wayne, IN 46825

owner of

Grand Champions #2
155 Wailea Ike Place
Wailea, Maui, Hawaii

Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 8:10 AM
To: TOUtestimony
Cc: drpkmwong@hotmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Peter K M Wong | Individual | Oppose | No |

Comments: Dear HI legislators, I am writing in opposition of HB 803. As an owner of a transient rental in HI, while I fully support the requirement of an island contact for transient guests, I strongly oppose the requirement that the on-island agent be a real estate licensee. Since the on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities and in fact thousands do providing good paying jobs which support families in our local communities. Honua Kai HL 234

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 11:02 AM
To: TOUtestimony
Cc: paul@SunshineRainbows.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Paul Shields | Individual | Oppose | No |

Comments: All the measures submitted to enhance the possibility of Real Estate Agents making more money at the expense of Vacation Rental owners is just wrong. We bust our back sides to keep our places up and encourage visitors to come to Hawaii, and all the legislature is doing is reversing this notion by imposing more regulations and trying to make Real Estate agents richer. Just leave us alone will you please, with all the taxes and regulations you place on us it gets harder and harder to keep up our business.

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 9:29 AM
To: TOUtestimony
Cc: matthai@att.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Pamela Matthai | Individual | Comments Only | No |

Comments: I own 2 condos that I vacation rent. As it stands, I am not covering all the expenses it takes to vacation rent. If you add the expense of a rental company on top of everything else, it wouldn't make it feasible to continue owning these condos. Most rental companies/sales people take up to 50% commissions. I have owned and operated rentals in this state for 10 years and have always paid all taxes required. I oppose the requirement that the on-island agent be a real estate licensee o The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. o Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. o Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. o These bills fail to regulate the rate at which realtors can be compensated for this role. I propose the language in ACT 236 in respect of "agent", "on-island agent" and "local contact" be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467

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Cynthia Nyross

From: Nancy Steffens <nancysteffens@gmail.com>
Sent: Monday, February 09, 2015 6:54 AM
To: Rep. Tom Brower
Subject: Opposing HB 803

Dear Representative Brower,

We own 3 condos on Maui because we love it here and understand that hefty taxes are required to keep Hawaii beautiful and pay them faithfully. We are lucky enough to be able to winter in your beautiful state, and are able to rent out the condos when we are not occupying them to help to defray the cost. At this point we are using a mixture of large resort operators and a small, independent rental agent. We have had to move to the small agent to reduce the fee that we pay from 50% of the rental income to 35% so that we break even on our investment instead of losing money each month. Requiring a licensed real estate agent to rent out our unit will only increase our costs making it even more costly and difficult to maintain our investment. Please help the independent owners to maintain control over our property in Hawaii. Please don't allow HB 803 to pass.

Respectfully,
Nancy Steffens

Sent from my iPhone

Cynthia Nyross

From: Mike Grady <gradymichaelj@gmail.com>
Sent: Monday, February 09, 2015 6:57 AM
To: Rep. Tom Brower
Subject: Opposing HB 803

Dear Representative Brower:

I OPPOSE this measure as it is currently written and ask your consideration and support.

I have been traveling to Hawaii since 1980 and we love the beautiful Islands. I own a condo on Maui and contribute tens of thousands of dollars annually that helps provide jobs for Hawaiians, goes to Hawaiian Banks, and helps many Hawaiian small business grow and prosper. I am a member of RBOAA and as a member, I share RBOAAs position on HB825, and I also OPPOSE this measure as it is currently written.

I support diligent enforcement of the current statutes governing Vacation Rentals and I believe that measures that are enacted to close down illegal rentals throughout the State of Hawaii are to be encouraged. My

I'm very concerned that the provisions in this bill (HB 803) are:

- **Overly complicated**
- **Will place a hardship on the small business owner**

It is imperative that each vacation rental owner collects and remits GE and TA tax in a timely manner and clear, unambiguous and reasonable rules will help in that endeavor.

I respectfully oppose this bill and request your support.

Mahalo for the opportunity to provide testimony. Please contact me if you have questions.

Mike Grady
425 246 6662

Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 11:43 AM
To: TOUtestimony
Cc: maureen1@live.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Maureen Neilly | Individual | Oppose | No |

Comments: We own one condominium unit at Honua Kai. We purchased it so that our family has a place to stay when we visit Maui. We love this beautiful island and choose to spend much of our vacation time here. It is an expensive purchase for us and we are able to support it because we rent it on our own through VRBO. All the income goes towards paying our HOA fees, property taxes and mortgage. If we were to use a management company, the income would be used up by paying management fees. It would create a hardship for us and if we can no longer support the cost of ownership, we will need to sell it. I think this is a reality for many owners. I am a responsible owner and pay my property taxes and remit my GET and TAT taxes diligently. I respectfully oppose HB803. Thank you.

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 12:26 PM
To: TOUtestimony
Cc: eyesk8@shaw.ca
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|--------------------|--------------------|
| Mary Lou Newbold | Individual | Oppose | No |

Comments:

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 9:41 AM
To: TOUtestimony
Cc: marilynhy@sbcglobal.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------|--------------|--------------------|--------------------|
| Marilyn Hybiske | Individual | Comments Only | No |

Comments: I am writing because I OPPOSE HB 803. I have rented my own condo for the past 7 years. I get very favorable 5-star reviews. I abide by the rules and regulations and rent my condo with my guests' interest and well-being in mind. I want them to love Hawaii as I do. I have a Tax ID number and pay all GE and TA taxes that are due. I have an on-island agent who is in close contact with my guests. Her name and contact phone number are provided to all my guests. She lives close to the condo and is ready to respond to any needs, emergencies, or questions. She gives PERSONAL service and attention to our guests. I do not need or want the services of a professional realtor. I am certain that a business relationship of that nature would provide the close personal service and attention that I want for my guests. Of course, the realtors would very much enjoy receiving my money. But my guests come to me because they want personal attention....not corporate attention. HB 803 is unnecessary. It will be a burden to owners and guests. I see no benefit in the proposed bill. I am opposed to this bill. Marilyn Hybiske

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Cynthia Nyross

From: Lynda <alohagypsy@gmail.com>
Sent: Sunday, February 08, 2015 6:59 PM
To: Rep. Tom Brower
Subject: Oppose

Lynda Moller
534628 B.C.Ltd

I oppose the legislation that is proposed to force owners of rental properties in Maui Hawaii to have a registered realtor as my on-island agent.

I have owned here since 1998 and feel this is against my best interest.

I do have an on-island agent (non-realtor)

1-807-8790671

N

Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 8:58 AM
To: TOUtestimony
Cc: zebewakona@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Linda Grimes | Individual | Oppose | Yes |

Comments: I can handle my own vacation rental! This is nothing but a power and money grab by the realtors, who will do a lousy job! And the realtors lack the person contact and aloha that I can provide so easily myself. Leave struggling local people alone.

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 7:56 PM
To: TOUtestimony
Cc: hsu.lauren@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Lauren Hsu | Individual | Oppose | No |

Comments: Oppose HB 803

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 8:37 PM
To: TOUtestimony
Cc: kaymadnani@hotmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Koshu Madnani | Individual | Oppose | No |

Comments: I OPPOSE HB 803, but propose amendments which, if adopted, would gain my support and the support of many others. To legislate real estate licensees into a role between the tenant and the property owner would put Act 326 into conflict with both the Landlord-Tenant Code and the Real Estate Broker and Salesperson Code. The Real Estate and Salesperson Code (467-2) permits an owner to rent, lease and manage their own property. The Landlord Tenant Code (521-43f) requires an agent residing on the same island as the property, but does not require the agent to be a real estate licensee. Nowhere in either statute does the term "on-island agent" exist (nor does it need to exist). The role of "local contact" was created in 2012 for the purposes of Act 326. I support the amendment being put forward by RBOAA to clearly align Act 326 with both HRS 467 and HRS 521. All owners of property who wish to offer transient accommodations must either: 1. Be an owner-operator who self manages, rents, leases and designates a local contact; or 2. Employ a custodian / caretaker; or 3. Engage the services of a real estate licensee.

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Cynthia Nyross

From: Ken Everson <kwe1@cox.net>
Sent: Monday, February 09, 2015 8:21 AM
To: Rep. Tom Brower
Subject: Opposing HB 803!!

Dear Representative Brower,

Thank you for your help in opposing similar legislation to the above in 2012.

We love Hawaii, have lived there full time in the past, and now enjoy having a vacation rental there. We pay all the taxes due for our vacation rental, barely making it pencil out—but are happy to have a place in Maui!

The proposed legislation provides no benefit to the state and represents a tremendous hardship on owners like myself. In fact, it may force us to sell since our cost of ownership would increase at least 20%

Please consider the following:

- We support the requirement to have an contact who is resident on island
- We oppose the requirement that the on-island agent be a real estate licensee
- The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated.
- Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities
- Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly.
- These bills fail to regulate the rate at which realtors can be compensated for this role.
- We propose the language in ACT 236 in respect of “agent”, “on-island agent” and “local contact” be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467

Please forward this to the appropriate site—as I could not get the state site to work; and please oppose this legislation that hurts vacation rental owners all over HI. We provide a tremendous amount of revenue to the state and businesses there who provide services to our guests.

Thank you, and best regards,

Ken

Capt. Ken Everson, Jr.
Delta Air Lines, ret.
1986 Port Trinity Circle
Newport Beach, CA 92660
949-759-1601 Office
949-500-5371 Cell
kwe1@cox.net

Cynthia Nyross

From: Keith and Della Halvorson <Palekaiko@hawaiiantel.net>
Sent: Monday, February 09, 2015 10:27 AM
To: TOUTestimony; Rep. Tom Brower
Cc: CPCtestimony; Rep. Takashi Ohno; Team RBOAA
Subject: Opposing HB 803

Aloha Representative Brower and honorable members of the committee:

We respectfully submit our opposition to HB 803. We do, however, support the amendment being put forward by RBOAA to clearly align Act 326 with both HRS 467 and HRS 521.

We are licensed and pay our GET/TAT on time. Prior to our purchasing our suite in 2009, its rentals had been 20-30% bookings a year. We now book 60-80% a year and I feel it is because of the personalized service that we provide as an "Owner" rental. There are many markets out there that hotels and travel agents fill, however, we are filling a market for guests want to deal directly with us, and not a company. I will always work hard to serve our guests, but HB 803 will force me to pay a property management company for the services I perform.

While we choose to employ a property management company as our local contact to take care of our guests during their stay, we do not wish to lose the option to employ any other qualified but non-licensed person to be our local contact. The language contained in HB803 intends to remove that right and I therefore ask you to vote NO on this bill.

Please don't hesitate to contact us if you would like to discuss this matter further.

WE OPPOSE HB803.
Respectfully submitted,
Keith and Della Halvorson



Keith and Della Halvorson
"Palekaiko" at Kihei Akahi

(our little piece of "Paradise" on Maui!)
KiheiAkahi_Palekaiko@shaw.ca

Home phone: 604-898-4060

Cynthia Nyross

From: Katie Crump <crumps5@sbcglobal.net>
Sent: Sunday, February 08, 2015 4:04 PM
To: Rep. Tom Brower
Subject: OPPOSING HB 803

Dear Honorable Representative Brower,

I OPPOSE HB 803.

I SUPPORT the amendment put forward by RBOAA to clearly align Act 326 with both HRS 467 and HRS 521.

With tourism as Hawaii's main economy, there needs to be choice. Initially, as a parent visiting my son at Schofield Barracks on Oahu, I was limited to the hotels in Waikiki or North Shore, sometimes at exorbitant costs. Now, with the ability to purchase a condo on Maui, I have been able to accommodate visitors of all ages from various countries who are looking not for a hotel experience, but a home-away-from home where they can enjoy and appreciate the Hawaiian culture and aloha. There is plenty of business to go around for all property owners, whether single-owner condos to the large hotels and resorts.

I have owned my Maui condo for only two years. My first property manager, the on-site rental agent who is a licensed real estate broker:

- stole property from my unit
- charged for services not performed
- failed to make repairs
- without my knowledge, let others use my condo without collecting rent or taxes – which is easy to figure out from the electric bill

Mandating real estate agents/brokers to be the on-island contact for out-of-state or off-island property owners provides no guarantee that taxes will be collected.

Not all real estate agents/brokers are experienced in property management.

As an owner, I pay property taxes, TAT and GET taxes. I comply with all laws. I have invested in Maui's economy by paying my housekeeper \$135 per cleaning, for example, as opposed to my on-island agent who pays her cleaner \$95 per cleaning. I have remodeled and refurbished my condo at great expense, and would expect to receive a return on my investment through my rentals. My goal is to retire to Maui and become a permanent resident, and to manage my property.

This Bill rightly talks about consumer protection for guests visiting the islands, but does not address protections for property owners. I have paid management fees ranging from 23% to 45% simply for the task of someone else booking a vacation, but the risks, wear and tear, and overhead costs are still borne solely by me, the property owner.

There needs to be fair competition, and freedom of choice, to ensure that property owners are not gouged by excessive fees and unscrupulous practices.

Those property owners who can manage their property should be able to do so. It is a probability that all of us own and manage our own homes with skill and great care, and can do so with our island properties or we would not have purchased them. I do utilize a real estate broker as my on-island contact and it works for me as a new owner as long as I can also rent my property through sites such as VRBO. It gives me the flexibility I want as an owner and the protection the state desires.

Thank you for considering my opinion. I would appreciate your support in OPPOSING HB 803.

Respectfully,

Katie Crump
Rohnert Park, CA
owner of condo at Luana Kai, Kihei, Maui

Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 9:09 AM
To: TOUtestimony
Cc: kjauman@gmail.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------------------|--------------|--------------------|--------------------|
| Kathleen McDermott Jauman | Individual | Oppose | No |

Comments:

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Cynthia Nyross

From: Kathie West <s1kathiew@yahoo.com>
Sent: Sunday, February 08, 2015 6:55 PM
To: Rep. Tom Brower
Subject: Pending legislation HB 803

Hello,

We are VERY OPPOSED TO HB 803!! We oppose the requirement that the on-island agent be a real estate licensee. In our business of owning a condo, we tried at least 3 real estate agents and none provided any business for us and charged exorbitant rates! It was a horrible experience! There is NO NEED for a real estate person as I have handled running our business using a responsible local person to handle these issues. It has been a very smooth running business.

If you force condo owners to use real estate agents, these owners will need to sell their condos as they will no longer be able to afford owning any longer. What a sad state that would be!

Please, please don't change this procedure! It would devastate many owners and cause them to lose their ownership.

Kathie West
[goWEST! Travel](#)
Where would you like to go this year?
I'll help you get there at a great price.
530.273.3003

Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 7:54 AM
To: TOUtestimony
Cc: jcashs28@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Judy Cash | Individual | Oppose | No |

Comments: Proposed Testimony HB803 I OPPOSE HB 803, but propose amendments which, if adopted, would gain my support and the support of many others. To legislate real estate licensees into a role between the tenant and the property owner would put Act 326 into conflict with both the Landlord-Tenant Code and the Real Estate Broker and Salesperson Code. The Real Estate and Salesperson Code (467-2) permits an owner to rent, lease and manage their own property. The Landlord Tenant Code (521-43f) requires an agent residing on the same island as the property, but does not require the agent to be a real estate licensee. Nowhere in either statute does the term "on-island agent" exist (nor does it need to exist). The role of "local contact" was created in 2012 for the purposes of Act 326. I support the amendment being put forward by RBOAA to clearly align Act 326 with both HRS 467 and HRS 521. All owners of property who wish to offer transient accommodations must either: 1. Be an owner-operator who self manages, rents, leases and designates a local contact; or 2. Employ a custodian / caretaker; or 3. Engage the services of a real estate licensee.

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 7:40 PM
To: TOUtestimony
Cc: johnauhl@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| John Uhl | Individual | Oppose | No |

Comments: We have excellent competent rental agents on Maui who do not have or need real estate licenses. This law is an attempt to force us to use more expensive managers with no advantage to tourists, us, the State, or anyone except those realtors pushing this bill. Please defeat it again, as you did a few years ago! Mahalo! John Uhl

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Cynthia Nyross

From: Lynn Peabody <lynnpeabody51@gmail.com>
Sent: Sunday, February 08, 2015 6:08 PM
To: Rep. Tom Brower
Subject: Oppose HB803 !!

Representative Brower,

I am writing to express my opposition to HB 803. I am a property owner on Maui; rent my condominium to various vacationers coming to our Island, and employ a wonderful "local agent" who takes care of our guests should any problems arise. The requirement to change our local agent is a disservice to her, her employees, and our guests.

Thank you for your support in **opposing HB 803**.

John Peabody
3300 Wailea Alanui
Kihei, Maui, HI

Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 8:39 AM
To: TOUtestimony
Cc: jd@thegrandcanal.us
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| John Denissen | Individual | Oppose | No |

Comments: Stop messing w/ the vacation rental folks! We've PAID MORE THAN \$100,000 IN TAXES and run a great rental (w/ 63 5 star reviews).d We follow all the guidelines. STOP PANDERING TO THE REAL ESTATE AGENTS who want a slice of this, and who have proven OVER AND OVER that they aren't capable of this kind of intense, ongoing, customer service work!

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 9:08 AM
To: TOUtestimony
Cc: goingmaui@aol.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------------|--------------|--------------------|--------------------|
| Jim & Sue Keithahn | Individual | Oppose | No |

Comments: We oppose the requirement that the on-island agent be a licensed Realtor. This requirement is arbitrary and discriminatory, based on no factual information that supports the need for this change that will effect the lives and livelihood of thousands of both on-island and off-island owners and businesses. We propose the language in ACT 236 in respect of "agent", "on-island agent" and "local contact" be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 12:09 PM
To: TOUtestimony
Cc: jeffrey.tatsumura@att.net
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-------------------|--------------|--------------------|--------------------|
| Jeffrey Tatsumura | Individual | Oppose | No |

Comments:

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 9:27 AM
To: TOUtestimony
Cc: mauiwhalens@sbcglobal.net
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------|--------------|--------------------|--------------------|
| Jeanette Whalen | Individual | Oppose | No |

Comments:

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 9:13 AM
To: TOUtestimony
Cc: jjm11870@aol.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Jason Miller | Individual | Oppose | No |

Comments: The requirement to have a realtor manage my property is unconstitutional, takes away my rights as a property owner, and discriminates based on my state of residence.

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Cynthia Nyross

From: james <jamescasper@hotmail.com>
Sent: Sunday, February 08, 2015 7:55 PM
To: Rep. Tom Brower
Subject: Opposing HB 803

Honorable Representative Brower,

We think the part in HB 803 requiring on-island agents to be licensed real estate agents to be onerous.

James Casper

Cynthia Nyross

From: Henry Jansen <hjansen@jansendewolde.com>
Sent: Monday, February 09, 2015 8:27 AM
To: Rep. Tom Brower
Subject: Re: HB 803

Dear Sir

We would like to add my voice to opposition to this Bill and respectfully request your support. Our opposition is based on the following:

- We support the requirement to have an contact who is resident on island
- We oppose the requirement that the on-island agent be a real estate licensee
 - o The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated.
 - o Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities.
 - o Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly.
 - o These bills fail to regulate the rate at which realtors can be compensated for this role.
- We propose the language in ACT 236 in respect of "agent", "on-island agent" and "local contact" be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467

We are the owners of Condo 1209 at the Valley Isle Resort in Kahana.
Henry and Jenny Jansen

1

Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 11:43 AM
To: TOUtestimony
Cc: htatsumu@yahoo.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|--------------------|--------------------|
| Harvey Tatsumura | Individual | Oppose | No |

Comments:

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Cynthia Nyross

From: Gary Lamouria <garylamouria@yahoo.com>
Sent: Monday, February 09, 2015 9:54 AM
To: Rep. Tom Brower
Subject: HB803

Aloha Representative Brower--I would just like to state why I oppose HB803. I currently own a vacation rental operated by Krellers Getaway. I first became aware of Brad and Wendy Kreller 3 years ago when I was trying to book a rental to travel to Kauai for the first time. I live in remote Alaska and had to travel 35 miles one way to look up rentals online at our local library. I would post a query and sit and wait for 4 hours until closing and no one answered me---I did this 70 mile trip 5 days in a row. On the fifth day, I discovered Krellers Getaway and received a Phone call from Brad Kreller within 45 seconds. I booked my rental at Islander on the Beach with Krellers and was fortunate to meet with Brad and Wendy while I stayed there. I was so impressed with their operations, that I purchased an ocean front unit there 3 years ago, only after being assured that they would manage it. They have a wonderful on island contact, maintenance and cleaning service that they helped establish their own flourishing businesses. We truly operate as a "family" and to destroy the 10 years of excellent, personalized service of these fine people, just to hand over a monopoly to a few real estate agencies will be very detrimental to them and to us.

An example of what is happening to us now, at a Princeville resort: We leave here in 5 days to travel to a different resort .5 miles away. We have to drive all the way to Lihue to pick up our new key and travel all the way back again. Krellers would never have allowed that to happen.

A real estate agency also charges much more to manage--Higher cost to manage+lack of personalized service=reason to sell. I appreciate you taking the time to read this email as passage of this measure concerns me deeply. Mahalo--Gary Lamouria (owner of vacation rental at Islander on the Beach, Kauai

Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 11:06 AM
To: TOUtestimony
Cc: garyk@sonic.net
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Gary Krambs | Individual | Oppose | No |

Comments:

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 9:36 AM
To: TOUtestimony
Cc: hallscondo@sbcglobal.net
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Fred Hall | Individual | Oppose | No |

Comments:

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 9:19 AM
To: TOUtestimony
Cc: fred.pieracci@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------------|--------------|--------------------|--------------------|
| frederick pieracci | Individual | Oppose | No |

Comments: Ammending this Bill to read "Local Agent" from local contact is the wrong thing to do. Forcing owners to use real estate agents instead of on island contacts to take care of our properties and our guests would damage the values of rental properties in general and only cause discontent from owners of real estate in Hawaii. This Bill was obviously ammended in favor of changing from "local contact" to "local agent" by real lobbieists and is not looking out for owners best insterests. We do use an on-island contact/conciege service for our guests and pay GET taxes. There has never been any reason to use what you call a "Local Agent" for the care of our property. We have had several times when we needed maintence or our guests required help and each time our conciege workers handled the situation perfectly. This ammended Bill is useless and causes a burden to all vacation rentals. Please do not pass this Bill.

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 7:38 AM
To: TOUtestimony
Cc: thedachtlers@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------------|--------------|--------------------|--------------------|
| Elizabeth Dachtler | Individual | Oppose | No |

Comments: I OPPOSE HB 803, but propose amendments which, if adopted, would gain my support and the support of many others. We own two monthly rental properties in Ko Olina and report and remit both TAT and GET on EVERY rental. We have an on-island contact that is available to our guests 24/7 in the case of an emergency (he lives 3 doors down from our properties!) as well as we respond to all non-emergency requests within 60 minutes. We have a book with emergency information as well as we provide emergency supplies (water, flashlights, food) for our guests. What property manager or realtor is going to do any of those things, especially when they might be 'managing' hundreds of units? To legislate real estate licensees into a role between the tenant and the property owner would put Act 326 into conflict with both the Landlord-Tenant Code and the Real Estate Broker and Salesperson Code. The Real Estate and Salesperson Code (467-2) permits an owner to rent, lease and manage their own property. The Landlord Tenant Code (521-43f) requires an agent residing on the same island as the property, but does not require the agent to be a real estate licensee. Nowhere in either statute does the term "on-island agent" exist (nor does it need to exist). The role of "local contact" was created in 2012 for the purposes of Act 326. I support the amendment being put forward by RBOAA to clearly align Act 326 with both HRS 467 and HRS 521. All owners of property who wish to offer transient accommodations must either: 1. Be an owner-operator who self manages, rents, leases and designates a local contact; or 2. Employ a custodian / caretaker; or 3. Engage the services of a real estate licensee. If we were forced to pay 25-50% of our gross income to a property manager/realtor we would cease short term rentals altogether and sell both properties (at a loss) which would completely eliminate the TAT and GET revenue we currently remit to the great state of Hawaii.

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Cynthia Nyross

From: Eleanor Arita <eleanorarita@yahoo.com>
Sent: Monday, February 09, 2015 2:26 AM
To: Rep. Tom Brower
Subject: HB803

Dear Representative Bower,

I strongly oppose HB 803.

We have respectfully followed all requirements and processes set forth by the State of Hawaii and County of Kauai. We are a owners of a vacation rental. We manage all aspects of the rental and have an on island contact for our guests according to current requirements. We have had this in place since the start of our ownership. We have developed a very modest vacation rental business allowing us to enjoy our property and also work within the financial model that we worked on when we purchased the property. All of this was done in with the intention of taking care of our property and contributing to the community. We do enjoy managing all aspects from customer care and to maintenance of the property. We continue to maintain the gardens, participate in green gardening. This includes being good neighbors, paying taxes on time and offering our guests a wonderful way to experience Hawaii (Kauai in our case). Our guests are very appreciative of the level of communication, amenities and care we provide. We believe our model of vacation rental ownership is powerful and our rental and so many more like ours, owned and managed on our own, is a credible and viable model for success. This is an important contribution to Hawaii tourism. Not only is there a sense of pride of ownership, vacation rentals by owners offer a significant contribution to tourism. This happens when owners are able to build relationships with guests as they plan their stay, answering questions, providing hints for getting around the island, safety information and so much more. The role of an " agent" will interrupt the customer satisfaction process. Additionally it will surely throw off the fragile business model. Respectfully, I strongly oppose HB803

Eleanor Arita

Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 10:17 AM
To: TOUtestimony
Cc: dougcurran1@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Douglas Curran | Individual | Oppose | No |

Comments: I oppose the requirement that the on-island agent be a real estate licensee. This is nothing more than a brazen attempt by the realtors professional association to create a new revenue stream for its members. Further, it seems this would create an unfair restraint of interstate commerce and place an unreasonable burden on out of state property owners. Any responsible Hawaiian resident could handle these simple responsibilities. There is no legitimate reason create a new regulatory layer.

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Cynthia Nyross

From: Don Duwe <donduwe@gmail.com>
Sent: Monday, February 09, 2015 10:39 AM
To: Rep. Tom Brower
Subject: HB803

Aloha , I am writing this to oppose SB803.

Realiters have been proposing these bills for years for a selfish reason. they see dollar signs and big money. They have nothing invested in Hawaii or the business. Home owners and condo owners are the people that have invested lots of money in their places and spend more money remodeling them and making them attractive for their clients. Wed pay our property taxes, TA. taxes and excise taxes. We contribute to the economy of Hawaii. We should not have to pay 20% to 50% of our income to the real-estate people.

Why should real-estate people be in the tourist business anyway? They are not the most honest people by far. In the first few years of my property ownership I had two different relaters that did rent out my unit but never forwarded the money to me. I doubt they passed taxes on to the state also. On my own my rental time has increased since renting my self and there has been less wear and tear on my condo. We the owners are the people investing in Hawaii, paying taxes, upgrading our condos, and advertising for people to come to Hawaii.

Please keep the sharks off our backs.

Mahalo, Don Duwe

Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 11:56 PM
To: TOUtestimony
Cc: poipuoasis@yahoo.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

Categories: Dean

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| denise ball | Individual | Oppose | No |

Comments:

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Cynthia Nyross

From: Darren Grosvenor <dgent81@gmail.com>
Sent: Sunday, February 08, 2015 4:25 PM
To: Rep. Tom Brower
Subject: Re: Opposing HB 803

An additional idea is that if an on island realtor is required, then the government should define the maximum amount of fee or percentage that they can charge per rental or per month they handle. Right now they are at 30% but if this law comes into effect, I imagine they will go to 50%

On Sun, Feb 8, 2015 at 6:20 PM, Darren Grosvenor <dgent81@gmail.com> wrote:

HB 803 is ok to put more penalties on those that do not follow the rules and pay the taxes, but it should not enrich or empower local realtors that have seen their income tapped into by enterprising individuals. By changing the "local contact" to be an agent and defining the agent to be a realtor, that is what this bill is doing. The realtors will be able to increase their rates and have a monopoly share on the non-hotel rental business.

If the agent is defined as someone that has to register with the government and does not require special licensing, then that would be okay.

Darren Grosvenor

Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 11:55 AM
To: TOUtestimony
Cc: mdyarish@shaw.ca
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Darlene Yarish | Individual | Oppose | No |

Comments: I do support the amendment by RBOAA which attempts to align Act 326 with Both HRS 467 and HRS521. We appreciate being able to spend our tourist dollars in Hawaii and stay in self managed properties. An additional layer of management or third party interest will no doubt increase the cost of vacation units and decrease the personal customer service.

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Cynthia Nyross

From: colonel@ronbenjamin.net
Sent: Monday, February 09, 2015 7:29 AM
To: Rep. Tom Brower
Subject: Opposing HB 803

Dear Representative Brower

I oppose HB803 because these issues have already been covered in previous legislative sessions.

Those proposing this legislation merely seek to be granted exclusive status to prey upon those short-term rental unit operators who are legally, correctly, and successfully administrating their rental units by requiring those owners to pay for unneeded services that do not solve any problems.

Please do not create another layer of expense and burden that will raise overall costs of ownership and the ultimate cost of visiting Maui.

I support the requirement to have an contact who is resident on island but I oppose the requirement that the on-island agent be a real estate licensee The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated.

Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities.

Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly.

These bills fail to regulate the rate at which realtors can be compensated for this role. •

I propose the language in ACT 236 in respect of “agent”, “on-island agent” and “local contact” be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467.

Mahalo for your kind consideration!

Ronald D. Benjamin, Colonel, USAF (Ret)
Maalaea Banyans (Maui)

Condo Address: 190 Hauoli Street
Wailuku, HI 96793-9538

Resident

Manager: Darin Maher

Mobile: 808-214-3080

Reception: Sharleé Maher

Mobile: 808-268-5553



image001.gif

Cynthia Nyross

From: Dan McKenna <danmckenna@austin.rr.com>
Sent: Monday, February 09, 2015 9:27 AM
To: TOUTestimony
Subject: Testimony on HB 803

I signed into the Hawaii.gov website and attempted to submit testimony on HB 803 but have not received a confirmation on my .rr. email.

We have owned a Wailea Ekahi condominium since the beginning of 1999 and a second one since 2005. We have paid \$97,623 in TAT and GET taxes to the state. We were associated with a real estate firm for a number of years with the agreement that we could rent the condos ourselves as well as thru their bookings. We filed our taxes ourselves rather than pay them the extra amount for them to file on our behalf. We noticed a decrease in rental income a few years ago but did not see a corresponding increase with the recovery of the economy. We learned that the real estate agency owned a number of rental units and that those, naturally, received preferential treatment as far as rental occupancy. Since we have left the rental agency, our rental income and associated taxes paid to the state have significantly increased.

I believe the Bill is an attempt to fix a problem that may or may not exist but is using a method that favors a part of the private sector to the detriment of private taxpaying owners. I believe the enforcement of the existing laws regarding payment of taxes would be more effective and equitable as opposed to the methods included in the Bill.

Thank you for accepting this testimony. I hope the Bill is defeated.

Daniel McKenna
808-891-2687

Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 6:04 PM
To: TOUtestimony
Cc: chrisyarish@hotmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Chris Yarish | Individual | Oppose | No |

Comments: Thank you for allowing me the opportunity to provide testimony on this bill. I OPPOSE HB 803 as it is written. However, I do support the amendment forwarded by RBOAA which attempts to align Act 326 with both HRS 467 and HRS 521. My wife and I are Canadian residents. We own, operate and manage a 1 bedroom condo in Kihei. We collect and remit all General Excise and Transient Accommodations taxes. As it is written, the bill appears to strip me of the obligations I have to my vacationing guests, under the assumption that geography is prohibitive. In 2 ½ years, we have seen myriad problems that one might expect in any place of residence. Geography was never an issue, and a dedicated on-island handler has never been necessary. Given that I own and operate just one property, my 24/7 attention is undivided, and given that my guests experience directly affects the financial viability of my property, no one is better equipped, more concerned, or more able to act than myself. A single on-island agent would not have the same commitment, or interest in the property, or the same sense of obligation to the guests. Given that they could only work for one vacation rental owner, and given how infrequently they would be required to do work for them, I can't see them answering the phone with much care and compassion when a guest calls at 4am. As written, it appears that consumer protection (from an "emergency or natural disaster.... or property issues arise regarding the transient accommodation") is paramount, and suggests that one can be guaranteed protection only through a vacation rental owners' dedicated on-island agent. This simply isn't the case. On the issue of protecting the consumer from emergencies or natural disasters, we provide guests with Maui County's Emergency Preparedness Information, via their "Disaster Preparedness for Maui County: A Citizen's Guide". We also inform them of the dates and times for the Civil Defense Agency's warning sirens. We outline building-specific procedures, and provide detailed evacuation routes. I believe our guests are more 'protected', and more amply informed, by an off-island owner who is geographically removed from the emergency than an on-island agent who has themselves, their family, and their own interests to attend to. Additionally, the bill implies that a property manager or management company is a superior alternative to owner-operated vacation rentals when it comes to consumer protection. However, if we examine the portfolio of CHR, they oversee 359 individual units in 13 complexes that stretch 28 miles from Lahaina to Wailea. AA Oceanfront handles 155 individual units in 21 complexes. They are not staffed in a manner consistent with what this bill would expect of vacation rental owners, and are therefore less able to provide the consumer protection one would expect from a vacation rental. Now, given that Maui's economy is dependent on tourist dollars, if consumer protection is to be extended to ensuring there is value in the dollars spent, then consider that these management companies charge significantly higher rates for equivalent units (an AA Oceanfront managed unit equivalent to mine is rented out at \$50 more per night in low season, and \$80 per night more in high season), they pay cleaners and tradespeople less

than I do. So, when management companies earn additional visitor dollars off every nightly rate, they take visitor dollars from local businesses. When they pay the local workforce less than a fair wage, they keep money out of the local economy. All income generated from our condo is kept within the Mauian economy – from our hired trades people to our US accountant. I sincerely hope small business are allowed to continue to flourish in these islands, and that the fruits of their labor can continue to sustain the local economies. As it is written, HB 803 won't allow that to happen, so I encourage you to reject the bill, or consider the amendments provided by RBOAA. Mahalo, Chris Yarish

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 9:10 AM
To: TOUtestimony
Cc: tinaeagle23@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| christine | Individual | Oppose | No |

Comments: This is NOT FAIR!

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Cynthia Nyross

From: Chatten Hayes <chatten@easystreet.net>
Sent: Monday, February 09, 2015 8:08 AM
To: Rep. Tom Brower
Subject: Opposing HB 803

Dear Representative Brower,

Mahalo for your past work on this issue -- I am an owner in Kihei who loves the aspect of working with interesting people from around the world who find and rent our home -- AND working with a great local manager who, by agreement, keeps the master calendar and solves problems.

I urge you to keep defeating this bill for us independent and happy owners --

My name is Chatten Hayes, I live in Portland and have owned my condo since 2002, becoming a successful licensed rental in 2012.

Thank you again.

Chatten
503-880-4314

owner, Kihei Ali'i Kai A401

Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 7:02 AM
To: TOUtestimony
Cc: carlhu@hufamily.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Carl Hu | Individual | Comments Only | No |

Comments: Dear HI legislators, I am writing in opposition of HB 803. As an owner of a transient rental in HI, while I fully support the requirement of an island contact for transient guests, I strongly oppose the requirement that the on-island agent be a real estate licensee. Since the on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities and in fact thousands do providing good paying jobs which support families in our local communities. From a consumer protection perspective, HB 803 would do more harm than good through stifling competition by providing realtors, who are the main beneficiaries and supporters of this bill, a near monopoly on providing these services. The bill does not regulate the rate which be charged for these services which in many cases will be minimal to non-existent. The higher fees imposed by realtors will be passed onto consumers with no added benefit. Additionally, I must also register my strong objection to the provision of the bill limiting a non-licensed custodian or caretaker to servicing a single operator. This requirement would essentially put most of these individuals out of business since they are not allowed to operate with the same economies of scale that a realtor can. I know many of these so called caretakers and they are extremely dedicated, trustworthy, and service oriented individuals who provide these services to many customers - this is the only way they can make a living since providing these services for a single unit would not be economically feasible. This requirement would be an unfair restraint of their trade which would harm consumers and therefore be in possible violation of the HI consumer protection act HRS 480-2. I therefore urge this provision be stricken from the bill Mahalo for your kind consideration, Carl Hu Honua Kai Hukulani 229 130 Kai Malina Parkway Lahaina, HI 96767

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Cynthia Nyross

From: Bob Kleinman <bob@maddyandbob.com>
Sent: Monday, February 09, 2015 8:11 AM
To: Rep. Tom Brower
Subject: We oppose HB 803

Dear Chairman Brower,

Please continue to assist us and other homeowners that occasionally rent their homes by opposing the requirement that we appoint a Realtor to handle our relationships with our tenants. We tried that when we bought our home in 2007 and it didn't work for us or our tenants. It would just further enhance the income of an already privileged group without benefit to tourism in our state or our already overburdened property owners.

Thank you.

Bob and Maddy Kleinman
61 L'Orange Place
Kailua

Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 8:08 PM
To: TOUtestimony
Cc: wbrudolp@iastate.edu
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

Categories: Dean

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Bill Rudolph | Individual | Oppose | No |

Comments: This issue was discussed in 2012 and defeated. I believe a question for those house members voting should be who will gain from the passage of this legislation? I believe those most likely to benefit are the realtors-this is a conflict of interest if I am correct. There are enough curves in existence so this issue is already taken care of without imposing additional constraints on owners who already have 'agents' who are registered. Bill Rudolph, Owner Whaler 1063

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Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 8:17 AM
To: TOUtestimony
Cc: bhazelett@hotmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Bill Hazelett | Individual | Oppose | No |

Comments: I own a condo that I rent out on Maui and contribute many thousands of dollars annually, by providing payments to on-island property management, suppliers, utilities and workmen, in addition I pay the full property tax and collect and pay the GET/TAT taxes to the State of Hawaii. I share RBOAAs position on HB825, and I also OPPOSE this measure (HB803) as it is currently written. I support diligent enforcement of the current statutes governing Vacation Rentals and I believe that measures that are enacted to close down illegal rentals throughout the State of Hawaii are to be encouraged. I'm very concerned that the provisions in this bill (HB 803) are overly complicated and will place a hardship on the small business owner. It is imperative that each vacation rental owner collects and remits GET and TAT tax in a timely manner and clear, unambiguous and reasonable rules will help in that endeavor. I respectfully oppose this bill and request your support. Mahalo for the opportunity to provide testimony. Bill Hazelett Hazelett Maui LLC Honua Kai, Konea 213

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Cynthia Nyross

From: Barry Mittlestead <barrym@telus.net>
Sent: Monday, February 09, 2015 12:07 PM
To: TOUTestimony
Subject: HB803

Thank you for the opportunity to testify.

I OPPOSE HB803

I fully agree and endorse RBOAAs position on this matter.

This bill unfairly punishes honest, tax-paying, property owners and benefits only licensed realtors.

Barry Mittlestead

Cynthia Nyross

From: Annette Andkjaer <annetteandkjaer@yahoo.com>
Sent: Sunday, February 08, 2015 7:50 PM
To: Rep. Tom Brower
Subject: BILL HB803 OPPOSED

Categories: Dean

Aloha Representative Brower,

Thank you for the opportunity to contact you, directly. I will also submit my statement as Testimony. I OPPOSE HB803

The Hawaiian legislators, in my opinion, are in the process of ruination of thousands, perhaps hundreds of thousands of lawful and respectful island home owners at the behest of a narrow-minded, special interest group who are embarking on an unconstitutional effort to force property owners to buy their services. You have colleagues in the Senate who are seriously influenced in the favor of special interests groups -- which I find shocking.

It is shocking to know that elected officials, representatives of all of the people, are not conversant enough in the US Constitution. It is unconstitutional to force a property owner to turn the management of their rental, which is a very small business income, indeed, over to special interest groups, namely real estate agents. The Government regulation of transient vacation rentals (regardless of whether they are owned by non-residents or residents of Hawaii) can be a net positive and can, indeed, address the "unhappy neighbor" issues and any real taxation issues if and only if the regulations provide a reasonably fair and equitable way of addressing the needs of everyone. The challenge is to make sure that one or more special interest groups do not hijack the crafting of those regulations to the benefit of one group and at the expense of many others.

Does the Great State Of Hawaii really want to provoke a class-action lawsuit against it? It will come --- there are hundreds of thousands of law-abiding Hawaii property owners networking as I write this -- joining together to confront Hawaii State. Personally, my heart is broken knowing what people here, on the mainland, in Canada and in other further off countries are thinking about the State of Hawaii -the Un-Aloha State! I am heartbroken. I love this State; I chose it to be my home. I thought it was a Democratically functioning heaven on earth.

If there are some people in the Great State of Hawaii, resident or non-resident, cheating on their taxes, then it is the job of the Department of Taxation to put their minds, hearts and technology together to figure out how to find those tax cheaters. Instead, the Hawaii Legislator come up with various convoluted ways to single out and force an entire group non-resident owners to hire licensed property managers to manage their private property...with the mindset that, somehow, the Government will catch the tax cheats. Frankly, it's one of the most unintelligent, dangerously unconstitutional, ineffective, and frightening mindsets ...and I'm disgusted that the real estate, hotel lobbyists, and labor unions would turn on the good people of Hawaii (non-resident and resident alike) in such an alarming manner --- but --- mostly I am shocked and appalled that elected officials would support this mindset.

Where are we - in Germany 1935? In the Aloha State, why is one group property owners being harassed by Hawaii's Government at the behest of a certain special interest group?

With each and every Bill that Hawaii's Legislator comes up with proposes to take more and more civil rights away from respectful property owners. For the first time in my life living in this beautiful place, I am ashamed of Hawaii.

The more versions of the various Bills that appear the more frightening the Aloha State becomes for home owners and visitors alike who are watching, reading the Press and deciding to boycott our beautiful State which relies on the visitor industry. Why are you permitting the special interest group for hotels and real estate agents to destroy this Aloha State; to attack the law abiding property owners? The lawmakers will put them out of business -- a business that is not profitable in the first place -- the overwhelming majority of these home owners make just enough to pay their mortgages, utilities, upkeep while they contribute to all of the local economies.

It is exhausting, demoralizing and disheartening for hundreds of thousands of lawful, respectful home owners in this State to be assumed "tax cheats". There is no evidence to support that accusation in fact the evidence supports the property owners. Look for the tax cheats but not at the expense of the rest of the property owners with draconian laws, drafted with the help of greedy special interest groups who'd love to convince everyone that property owners are cheaters who are involved in a risky trade. Untruths.

These Bills will destroy Hawaii by destroying it's most important industry - the visitor industry. And, it will destroy something else...it's reputation...the Aloha State will be dead in spirit among every single non-resident (and many resident) property owners and millions of travelers who will travel to more welcoming, affordable tropical destinations ...many of which are easier to reach

in travel time, effort and investment than Hawaii. Properties will either go on the block for sale, flooding the market, or property owners will flip the switch and rent longer term (to the same tourists) which will decrease Hawaii State's tax coffers. Make it difficult and near impossible for most property owners to keep their homes and kill the visitor industry and lessen the tax coffers, if you will.

Among the Aloha State lives a group of hateful, accusatory residents who abhor the very presence of visitors who spend a few days or weeks, exercising their right to travel to one of the United States of America. I've met some; I've met others who've met some. Yet, a small number of hateful, jealous, greedy, ignorant residents with loud voices protest. Yesterday, I met two middle-aged women from England at the grocery store spending over 300 dollars in a local family's shop in my village. They were loving their visit; loving Hawaii, loving shopping in the local shops and loving their small rental which was owned by a Californian. They told me how well the owner took care of them during the rental contracting and during the stay -- how easy it was to connect (common technology - phone, email) with the owner ...and how easy it was to connect with the owner's "on island contact person" --- who was available at any hour to help them. All good news. Then, a disheartening incident occurred as we were walking out of the grocery shop together, still chatting and laughing when an island local resident walked between us and loudly said a four-letter word starting with the letter F -- clearly directed at the Ladies from England. And, Sir --- they were Ladies -- capital L. Why? Because they were tourists and because that local person resents visitors to "his" island home. I, personally, moved to Hawaii from overseas (Europe) and I am an American citizen. Yet, I've been asked by a certain class of peoples in Hawaii State what I am doing in their home? Ignorant. I earn income, I pay every tax -- and those individuals surf and collect welfare and every social dime they can get while they live off the dole ...which my taxes funds for them. Every non-resident and resident property owner who invested in property here and pays their taxes supports *those individuals who surf all day*...and all of Hawaii's interests. Yet, property owners are being singled out as tax cheats....collectively...as a group.

Hawaii political representatives: Instead of helping to fan the wind of resentment, Hawaii's Government Officials *should* be respecting the peoples who contribute to Hawaii's economy....and working to foster the vacation trade for your State, Our State, with a constructive, fair and balanced mindset ---with a Democratic, Constitutional mindset --- instead of favoring the misrepresentations and blatant lies of the over zealous real estate, hotel and labor union lobbyists....conjuring draconian Bills which diminishes the entire Aloha Spirit. The People Of Hawaii are being fed lies by their elected officials who are in the pockets, seemingly, of special interest groups --- working AGAINST their "selected" groups of people to target. This is not German 1935 --- this is the United States Of America in the 21st Century; and ALL the people of this Great and wonderful, God-given State of Hawaii should be protected from any groups that exist to harm others.

Travelers, non-resident property owners as well as residents, such as myself, are deeply disappointed in the lack of heart, compassion, empathy and understanding in this issue. But, as an American, I know that a fair and balanced debate is deserved from ALL sides --- and I have hope that fair and balanced individuals who represent ALL of the people will prevail.

As a permanent Hawaii resident, a property owner who has invested and contributed millions to Hawaii, who wants this State to continue to be loved by all who will do the same as I -- move to Hawaii, work in Hawaii, contribute, pay their share and live freely and unabused by special interest groups, I OPPOSE HB803.

Cynthia Nyross

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 11:47 AM
To: TOUtestimony
Cc: andreawolford805@aol.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Andrea Wolford | Individual | Oppose | No |

Comments:

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Cynthia Nyross

From: maui <maui@jwresearch.com>
Sent: Monday, February 09, 2015 9:11 AM
To: Rep. Tom Brower
Subject: opposing HB 803

Dear Representative Brower:

I OPPOSE this measure as it is currently written and ask your consideration and support.

I have been traveling to Hawaii since 1980 and we love the beautiful Islands. I own a condo on Maui and contribute tens of thousands of dollars annually that helps provide jobs for Hawaiians, goes to Hawaiian Banks, and helps many Hawaiian small business grow and prosper. I am a member of RBOAA and as a member, I share RBOAAs position on HB825, and I also OPPOSE this measure (HR803) as it is currently written.

I support diligent enforcement of the current statutes governing Vacation Rentals and I believe that measures that are enacted to close down illegal rentals throughout the State of Hawaii are to be encouraged. My

I'm very concerned that the provisions in this bill (HB 803) are:

- Overly complicated
- Will place a hardship on the small business owner

It is imperative that each vacation rental owner collects and remits GE and TA tax in a timely manner and clear, unambiguous and reasonable rules will help in that endeavor.

I respectfully oppose this bill and request your support.

Mahalo for the opportunity to provide testimony. Please contact me if you have questions.

Alan Wilson
808 662 2346

Cynthia Nyross

From: Ada Eschen <adaeschen@yahoo.com>
Sent: Monday, February 09, 2015 9:13 AM
To: TOUTestimony
Subject: I OPPOSE HB803

I OPPOSE HB803 and fully agree and endorse RBOAAs position on this matter.

Thank you, Ada Eschen

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 4:43 PM
To: TOUtestimony
Cc: wbensing@fhcrc.org
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-------------------|--------------|--------------------|--------------------|
| william bensinger | Individual | Oppose | No |

Comments: We support the requirement to have an contact who is resident on island . We oppose the requirement that the on-island agent be a real estate licensee. This bill is being pushed forward not to protect consumers but to protect and enrich the position of the real estate industry. o The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. o Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. o Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. o These bills fail to regulate the rate at which realtors can be compensated for this role. · We propose the language in ACT 236 in respect of “agent”, “on-island agent” and “local contact” be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467 Mahalo for your time, effort and support.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 5:49 AM
To: TOUtestimony
Cc: willa@mcn.org
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Willa Marten | Individual | Oppose | No |

Comments:

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 3:50 PM
To: TOUtestimony
Cc: wwardo@earthlink.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| will ward | Individual | Oppose | No |

Comments: We just did this very same thing where realtors got together and got a Bill to put money in their pockets at the expense of others. We prevailed. YES - fine to have a resident on-island contact. NO - to require us to use a realtor who has no special ability to handle the problems of a rental home -- No two homes are the same and the contact must be extremely familiar with the home, inside and out. They just aren't and don't know what to do when they need to. My contacts are my neighbors when and if I am not on island. They do not want to be EE's. This is not right!!! And what would be the charge???? How can you figure that out when every home is different and the problems vary??? I heard all the realtors got together again to see if they could get another Bill to force everyone to use a Realtor. Didn't know if it was true, but I guess it was. Absolutely NO JUSTIFICATION for this monopoly play.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 8:00 AM
To: TOUtestimony
Cc: will.honuakai@yahoo.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| will flammer | Individual | Oppose | No |

Comments: I support the requirement to have a contact who is a resident on island. I strongly oppose the requirement that an on island agent be a real estate licensee. If the purpose of the bill is to bring owners who do not pay Hawaii taxes into compliance, requiring an annual A-6 tax clearance form will serve this purpose. Requiring realtor will drive up costs without providing improved guest service. In all likelihood the quality of guest service will decrease using licensed realtors, who have no expertise or interest in servicing guests requests. These requests arrive at all hours of the day and evening. Realtors are not accustomed or equipped to having these types of demands placed upon them.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 4:48 PM
To: TOUtestimony
Cc: fftsunami@hotmail.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Wade Elliott | Individual | Oppose | No |

Comments:

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Tracy L Whitmore

215 39th AVE SW

Calgary, Alberta, Canada T2S0W6

GE/TAT # 78480748-01

RE: OPPOSITION TO HB803

Dear Legislators:

I am writing this letter to submit testimony of my strong opposition to HB803. I am a Canadian resident and our family owns four condos at Wailea Ekahi Village, all of which are short term vacation rentals which we manage ourselves.

I am strongly opposed to this bill as I feel that it is unconstitutional to take away my rights to manage my own property. I purchased these properties with the intent of renting them out as short term vacation rentals. I would NEVER have purchased these properties if I had to use a property management company as the economics of doing so would not work for me. If I were forced to pay 35-40% of my gross rentals to a property management company I would experience significant losses from these properties and be forced to sell them, likely at a discounted selling price.

Secondly, I think it is important to maintain control over my properties. I have stayed at properties managed by companies like Destination Resorts and quite frankly they are not up to the same standard as my properties are simply because these companies do not have the same level of care as an individual owner has over their own property. I screen guests to ensure that I will have renters who will take care of my condos and I would lose this ability should I have to give up this control.

Thirdly, I feel that the real estate market in Maui will experience major decline, particularly in the areas where short term vacation rentals are currently allowed. The market has been in a state of decline for a number of years but has just in recent months been more stable. This type of Bill will completely undo all of this stabilization.

I have ten friends, all fellow Calgarians, who own at Ekahi and who will all be forced to sell. I believe the passing of this Bill will decrease the revenue from GE and TAT in Hawaii as there will be less rentals.

I am in support of the collection and payment of GE and TAT and some kind of administrative requirement that gives comfort to the government that people are paying their taxes but NOT the requirement to give up control of my properties to a property management company.

I urge you to please take my comments into consideration and to not side with the property management companies who are the only ones who will benefit from such a law. Please consider that this will cause significant financial distress to many individuals who made purchase decisions based on

their ability to control their own investments. We have done nothing but comply with the laws placed upon us and do not deserve this kind of distress.

Best regards,

Tracy L Whitmore

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 4:38 PM
To: TOUtestimony
Cc: tim-ratliff@att.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------------|--------------|--------------------|--------------------|
| Timothy L. Ratliff | Individual | Oppose | No |

Comments: I support the requirement to have an contact who is resident on island; however, I oppose the requirement that the on-island agent be a real estate licensee for the following reasons: o The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. o Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. o Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. o These bills fail to regulate the rate at which realtors can be compensated for this role. I propose the language in ACT 236 in respect of “agent”, “on-island agent” and “local contact” be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 5:45 PM
To: TOUtestimony
Cc: mauihail@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Tim Hailey | Individual | Oppose | No |

Comments: We support the requirement to have a contact who is a resident on island. However, We oppose the requirement that the on-island agent be a real estate licensee. The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. These bills fail to regulate the rate at which realtors can be compensated for this role. Respectfully, Tim Hailey

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brower1-Luke

From: Tim Duchene <timduchene@gmail.com>
Sent: Monday, February 09, 2015 7:47 AM
To: Rep. Tom Brower; Rep. Takashi Ohno; Rep. Romy Cachola; Rep. Isaac W. Choy; Rep. Ken Ito; Rep. Derek Kawakami; Rep. Richard Onishi; Rep. Sam Kong; Rep. James Tokioka; Rep. Clifton K. Tsuji; Rep. Justin Woodson; Rep. Lauren Matsumoto; Rep. Gene Ward; CPCtestimony
Subject: HRS 237D-1
Categories: CN

Dear Legislators,

I am an owner of a licensed vacation rental condo on Maui which is in a hotel-zone. I support and meet the all requirements of Act 326.

I agree that in HRS 237D-1, the definition of "Transient Accommodations" should be updated to include the term "single-family dwelling".

Each County has the responsibility to create and maintain relevant local laws that find a county-specific correct balance between allowing legal and permitted single family dwelling vacation rentals (VRs) to support the state's lifeblood industry as well as providing reasonable protection and quality of life for the permanent residents.

I share the concerns of the bill's authors for the problems caused to the state, its residents and visitors relative to the unabated proliferation of unpermitted and illegal vacation rentals. The adverse consequences are far reaching and only growing worse where the problem is not being managed.

I believe one of the first steps is to create tools that support the efforts of the enforcement agencies. To the extent that such a database shall actually be utilized by the enforcement agencies to achieve this goal, yet don't have offsetting serious consequence, I SUPPORT HB1288.

However, I ask the Legislation to reconsider those provisions of the bill that provide this information to ANYONE for ANY purpose.

Helping residents who are affected as well as visitors who are arranging lodging is also an important yet secondary consideration. Unfortunately some of this information can be used by persons to do harm to visitors and the owners of the properties that are listed in the data base.

As an owner of a vacation rental, I am required to keep an updated calendar that is viewable to anyone on the internet which shows when my unit is occupied and when it is vacant.

I am always concerned and feel responsible for the welfare, safety and protection of my guests and their property. This is not a pleasing message to leave for a guest because we want them to just relax and enjoy their stay, but after we write the part that says "Aloha, Welcome to Maui!", we inform each of our guests in writing to not leave their valuables in view and to lock the doors and lanais and windows whenever they leave the unit.

Burglaries of vacation rentals is a real problem in the islands and one we must all constantly be aware of. Our resident managers are always watching out, we have methods to help manage that only the appropriate persons are on the property but they are imperfect. Contractors are nearly always coming and going. We have found we need to continually adapt and change our methods to keep unwanted visitors off the premises. Criminals' methods change given the opportunities and the circumstances. For a while we had a problem with security cameras and we stopped using them after they were repeatedly stolen!

In the case of single family dwellings, perhaps a different situation, an unoccupied unit may look great to someone to break into. I don't have experience with the types of problems associated with this type of dwelling.

However, making it too easy for persons with the wrong intentions to identify whether a property is vacant or occupied is a consequence of the bill as currently written. It may burden not only owners and visitors but also be objectionable to local police agencies potentially faced with a new levels and types of crime to deal with.

Therefore I propose the following for your consideration:

Amend the language to have a public database which has access ONLY to

(1) Search the database by property address to determine whether that property is managed by an operator or a plan manager who has received a certificate of registration;

(2) Enter the name of an operator or plan manager to determine whether the operator or plan manager has received a certificate of registration;

Please Delete from the bill:

(3) Enter the name of an operator to determine the address of every transient accommodation managed by that operator; and

(4) Enter the name of a plan manager to determine the address of every resort time share vacation unit subject to a resort time share vacation plan managed by the plan manager.

Items 3 and 4 are useful and reasonable to make available by enforcement agencies but have the potential for misuse to create more hazard to public safety, and welfare than benefit.

If Oahu County would be strongly benefitted by retaining items 3 and 4 above, to the extent that the detrimental effects to it's citizens and visitors are offset by the benefits, I propose that this be a county specific measure.

It can be adoptable by each county on an as-desired basis, but likely this bill should not a statewide requirement as currently written.

Thank you for the opportunity to provide comments.

Tim Duchene 10 Wailea Ekolu Place, Wailea, HI 96753

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 4:06 PM
To: TOUtestimony
Cc: victorianlady.56@hotmail.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------------|--------------|--------------------|--------------------|
| Terry and Wendy Hibbs | Individual | Oppose | No |

Comments:

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February 10th 2015

Dear Hawaiian Legislators

Re: HB 803

Mahalo for the opportunity to testify.

I STRONGLY OPPOSE HB 803. I do, however, support the amendment being put forward by RBOAA to clearly align Act 326 with both HRS 467 and HRS 521.

We became owners of a vacation rental property in Ka'anapali in 2011 at a time when the real estate sector there was suffering and investors including Canadian investors were highly sought. We looked at all the aspects on the investment and came to some conclusions. First of all the property was zoned for hotels and vacation rentals were encouraged so we determined that ownership would be legal for short term rentals and we could later segue into a sometimes retirement home at a later date. We looked at what the Hotel portion of the Complex charged and at 50% of revenue the numbers did not make sense. We then looked at several Third party Property Managers and their rates at 30 to 40 % were also prohibitive. We researched the possibility of managing the property ourselves as we have done with our vacation property in Whistler B.C. and found that the investment then made sense. As active travellers we have rented from owners around the world and find that the care and attention you receive from an owner far exceeds the experience of some faceless property manager. We weighed the options and decided to purchase at Honua Kai.

We immediately registered for a business licence, started collecting and remitting GE and TA tax and we received our ITIN upon filing our 2011 taxes with both the IRS and the State. We now remit the TA and GE monthly and submit to both the IRS and State on a quarterly basis. We have our tax ID posted on our websites and we have our on-island representative contact information in our rental agreement and posted in our units. We strongly support the efforts of the Hawaiian Legislature in regulation Transient Accommodation and the collecting of all taxes owed and we feel that the regulations that were enacted when the earlier form of this Bill were considered in 2012 were the way to go.

Rental Property Managers and Realtors do not have a vested interest in providing the Hawaiian guest with a special experience as each condo they manage is just another number to them. My on-island representative does an excellent job BUT the world is now a virtual place so we also respond by cell and email instantly to our guests and between the both of us provide the spirit of ALOHA that our guests are in search of. We have 88 Five Star reviews in VRBO, our Hotel itself has dropped steadily in the Trip Advisor rankings which underlines that today's traveller wants the personal attention that dedicated owners provide.

I will include a couple of comments from recent guests. These guests love Hawaii and they love the extras that individual owners provide to them.

From Michael M from Snoqualmie Wash

"The homeowners, Terry and Jill, couldn't have been more accommodating. From the very first email inquiry to the day we arrived and during our stay, they were always on top of it. Renting from them was very easy. One morning our coffee pot went kaput. I emailed Jill and we had a replacement later that afternoon. We could not have asked for more prompt, faster service. They are awesome."

From Mike A

Amazing!! 7 out of 5 Stars!!

"Owners: Jill and Terry were accommodating from start to finish and so easy to work with. Jill is quick to return calls if she doesn't answer the phone and she will take all the time you need answering questions. She provides detailed instructions in emails and with the welcome booklet in the condo. She makes renting the condo fool proof! I already know that when I return to Maui I will stay at Honua Kai and Jill has made that decision even easier because there is no one else I would rent from. I called a few other property managers in my search for a Vacation rental and trust me."

This is but excerpts from two of over 80 reviews. I suggest that you to read the reviews on Trip Advisor and note the many complaints from guests who have stayed with Hotels or with SOME Property Managers as to poor or impersonal service and lack of detail. You can see why there has been a huge growth in the VRBO sector as owners are providing what today's traveller is seeking.

As Legislators of the great State of Hawaii it is in everyone's interest to have raving fans and repeat travellers as this is the foundation of the Hawaiian tourist industry. Turning this industry over to a monopoly of Realtors and Property Managers will NOT solve the problem of illegal transient rentals and it will not enhance the Hawaiian tourist experience.

I OPPOSE HB803.

Respectfully submitted,

Terry Gardiner

K244 130 Kai Malina

Lahaina HI 96761

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 3:04 PM
To: TOUtestimony
Cc: tell2tami@hotmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| tami | Individual | Oppose | No |

Comments: I oppose HB803

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 4:13 PM
To: TOUtestimony
Cc: tarasweet@earthlink.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| t. sweet | Individual | Oppose | No |

Comments: I don't understand why these realtors are allowed to go after our livelihood again!!! They just lost I think two years ago. Now here we are again with hearings and emails,etc. Can't you do something to stop these attacks that cost us time and money. I remember taking off work the last time. Anyway, Yes as to a resident on-island contact. NO TO REALTORS OR EES HANDLING OUR HOME. There is no need for any special license to watch over a home. Our contacts and our family do an excellent job and know what to do when something breaks or someone is locked out and on and on. Realtors have no right to be escorted in to take money from us and no one in our family and none of my contacts want to be an employee. We already have agreements in place. No reasonable basis for this...

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From: cushy1 <cushy1@telus.net>
Sent: Sunday, February 08, 2015 11:06 AM
To: Rep. Tom Brower
Subject: Opposed to HB 803

Dear Rep. Brower (Chair of Tourism):

I and many others **strongly OPPOSE** this bill.

- We support the requirement to have a contact resident on island, but oppose that the on-island agent be a real estate licensee.
- Our current on-island agent is a responsible Hawaiian resident with great skills and integrity, and does a fantastic job. Why would we want to, or be made to, fire this person, simply because she is not a licensed realtor? Although Realtors know how to market and sell properties, they possess no special skills which are relevant to dealing with rental issues such as lock-outs, broken appliances, leaky taps, insects, etc etc. In fact, when asking Realtors how to attend to such problems, their reply has been "hire someone" !
-
- We believe that designating one single professional body (realtors) and excluding all others to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. In fact, it creates another layer of bureaucracy and cost for rental operators, resulting in increased costs passed on to renters (tourists), making the Hawaiian vacation rental market yet *more expensive and less competitive* with the many lower cost foreign markets (including the US mainland).

We propose that this bill be discarded and that the current laws (e.g. Act 236) remain unchanged.

Regards,
T. Malisko, HI

From: vistab103@shaw.ca
Sent: Sunday, February 08, 2015 11:18 AM
To: Rep. Tom Brower
Subject: Oppose HB 803

Dear Representative Brower:

We are owners/investors in real estate in Hawaii and our property is rented out for transient accommodation. We are duly registered with the state and collect and submit general excise tax and transient accommodation tax as required by state law. Our vacation rental guests contribute significantly to the economy and our continuing investment to keep our property in top condition also makes an economic contribution to the economic welfare of Hawaii.

We support the requirement to have a contact who is resident on island, however we are opposed to this legislation for the following reasons:

1. We oppose the requirement that the on-island agent be a real estate licensee
2. The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated.
3. Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities.
4. Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a monopoly.
5. There is no economic justification for a monopoly.
6. These bills fail to regulate the rate at which realtors can be compensated for this role.

.

Please vote against this bill, as it serves no other purpose other than to advance the economic interest of relators/property managers promoting this bill.

Thank you for your consideration.

Sincerely,

Reg & Susan Smith

Vista Waikoloa

Big Island, Hawaii

vistab103@shaw.ca

I oppose bill HB803 and its requirement that the on-island agent be a realtor. It is a blatant attempt by a strong real estate/property management industry to, again, line their own pockets by taking away the competition and, in the process, hurt thousands of honest rental owners, small businesses supported by these rentals, and potentially lowering property values as owners can't afford to keep their property while paying 40%-60% of their rental income to an agent. The alternative being to raise rental rates to a point where Hawaii, with the cost of high airfares, cannot compete with other tropical destinations, thus effecting tourism and the many businesses that rely on the tourist trade.

1) Taxes

There have been no valid studies done to prove any of the allegations that taxes are not being paid, and the state is losing out on enormous sums of money. Has the state done any recent studies to verify these allegations? The last study, in 2007, concluded it was not a problem. Has anything been done to cross-reference the tax ID's, which we are now required to display, with tax payments? And, who is to say that these agents are any more honest about paying taxes than the individual owners?

2) Guest Services and Safety

A realtor does not necessarily provide any better service to island visitors than those of us who rely on our personal reputations for quality care and service to keep our condos rented? I am much more responsive to my guests than my previous rental agent was, and if I'm not, it will quickly show up as a negative review on the Internet. As far as safety, we are in a condo complex with on-site property manager. In the case of emergency situations, he is responsible for the welfare of our guests and is in a far better location to respond than an agent who handles multiples properties around the island.

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 2:59 PM
To: TOUtestimony
Cc: susall4@aol.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Susan Allyn | Individual | Comments Only | No |

Comments: Let me introduce myself first, I am a private owner of 2 Pono Kai Resort Condos on Kauai and a permanent resident registered to do business in the state of Hawaii with a LLC, SkyGoddess Paradise LLC. I have paid my GE & TAT tax since my first rental and am in good standing with the state. I have managed my properties from the very first rental. I feel that an private owner as a vested interest in their property, as opposed to a management company that has the main objective is to make money. I know personally of on Island companies that take the policy, if the guest has an issue that can be handled the next business day...so be it! I myself and my other private owners do our best to make sure our guests issues are handled ASAP, once again...it is our business and reputation on the line. If you are trying to police owners compliance with the GE & TAT tax payments, I am no authority on this issue but trust that my state government can come up with a better way than letting a for profit management company do the reporting. I might add that several years ago, Mark Resorts made off with tax proceeds from their clients when they closed their business! This bill reeks of PAC money supplied by these management companies to line their pockets with cash and gain control over the vacation rental market. I understand that it will not effect me personally, but had to voice my opinion regardless. Susan J. Allyn

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 12:57 PM
To: TOUtestimony
Cc: K404honuakai@gmail.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Sue Austin | Individual | Oppose | No |

Comments:

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 3:10 PM
To: TOUTestimony
Cc: papa2648@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Steve | Individual | Oppose | No |

Comments: I oppose HB 803

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Dear Hawaii Legislature:

I am writing to voice my opposition to HB803. I own a condominium on Maui and since I first began renting my unit I have dutifully paid all GET and TAT taxes on all rentals. I support the local Hawaiian tourism industry by providing rental accommodations that bring many guests to the beautiful Island of Maui. I am a responsible, conscientious property owner, who, although I live on the mainland, loves Hawaii.

I use online services to market my condo for rental purposes. To manage my property, I utilize the services of a local Maui resident (a single mother) who provides me invaluable services in managing my condo. She is extremely conscientious and provides my guests with a personal, local touch I do not believe I would receive if using the services of a larger agency or licensed real estate brokerage.

I believe enactment of this legislation will create an undue hardship on rental owners such as myself as well as many local Hawaii residents (individuals and small business owners alike) who provide the same type of services I receive but who are not licensed realtors.

I respectfully oppose this legislation while supporting the State's desire to protect and promote the tourism industry.

Mahalo for taking the time to read my comments.

Steve Cerveris

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 3:52 PM
To: TOUtestimony
Cc: maprows@aol.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| SL Adams | Individual | Oppose | No |

Comments: As a longtime owner on Maui I totally oppose this measure. I do not have a problem with an on island contact but do oppose having to be forced to use a real estate agent. Previously, I have done this in the past, only to find the taxes were not being paid correctly and the guest experience was not being handled with any personal consideration to our guests. As I personally handle all our guests, it is up to me to make "their" experience the best that it can be so they will return. This will not be done through a cattle car office that just "shuffles" guests through. It is my hope that all my guests leave experiencing the spirit of Aloha, which is integral to these beautiful islands. Mahalo~ SL Adams

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Comments Opposing Bill HB803 amended

There are many downsides to this bill not the least of which will be the unintended consequences of loss of livelihood to people presently managing properties and the loss of taxes to the state from properties removed from the market. This bill may serve to benefit a few realtors and salespeople that are presently proposing and supporting the bill. But what will be the eventual cost and negative impact to the present property managers who are hired by the non-resident property owners to oversee their properties?

The intent of this bill is to catch a small percentage of errant property owners who are not paying the appropriate taxes. Why are the non-resident owners being discriminated against? I speculate that there are resident owners that are working under the radar. If this bill is passed, the resident owners will have a distinct advantage over the non-resident owner since the cost of doing business is much less for them. We will not be able to be competitive since we will need to raise our rates to help offset realtor/property manager's fees.

In the time we have been renting our property to vacationing visitors to Hawaii, we have collected and paid over \$21,000 in general and transient taxes to the State of Hawaii. We feel personally insulted that we as a non-resident owner will be forced to hire a middleman over whom we will have little or no control. Our resort had a management company that private owners could **choose** to use if they did not want to handle their own rental unit. This company went bankrupt and did not pay the owners or the taxes that had been collected. The owners were still responsible to pay the taxes that the management company had not paid.

We handle all our own bookings thru VRBO and Homeaway and by word of mouth from people who have stayed at our condo. We send our guests a reservation contract stating the rates, taxes, cleaning fee and cancellation policy. We also send them an information letter which contains information on the condo and resort. Our on-island housekeeper makes sure that the condo is ready for their stay and is readily available if the guest has a question or if something needs to be repaired.

We contact our guests during their stay to make sure if everything is all right. We have many guests that return because their past experience was wonderful. If our guests are celebrating a special occasion such as an anniversary we have a bouquet of tropical flowers along with a personal note from us. We do care and pride ourselves in giving that bit of special attention to our guests. Our on island managers are available 24/7 which is not the case with property management or real estate companies.

If this bill is passed, we will have no other recourse than to withdraw our unit from the rental market. The cost to the state from us alone will be the loss of approximately \$4000 per year in tax revenue and one housekeeper with one less client. This bill is blatantly unfair. There are enforcement provisions and fines on the property owner yet there are no limitations or consequences on errant realtors or salespeople. They are free to charge what they please and there are no consequential damages for their non performance of the implied fiduciary duties if they fail to perform.

Shirley Cooney – Property Owner

Please vote no on Bill HB803 amended

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 7:32 AM
To: TOUtestimony
Cc: satmahajan@comcast.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| sat mahajan | Individual | Oppose | No |

Comments: IT WILL BE LOT OF HARDSHIP TO PAY REAL ESTATE AGENTS ANOTHER 20-30%.WE HAVE 5 PROPERTIES ARE BARELY MAKING IT.IF THIS BILL PASSES , WE WILL HAVE TO SELL ALL OUR PROPERTIES AT BIG LOSS.KINDLY, HELP PEOPLE LIKE US TO REJECT THIS BILL.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 2:26 PM
To: TOUtestimony
Cc: remich4206@aol.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------------|--------------|--------------------|--------------------|
| Rosemary E. Michaels | Individual | Oppose | No |

Comments: I support the requirement to have a resident on-island contact. I oppose the requirement that the on-island contact be a licensed real-estate agent. It is not necessary for a person to be licensed to be a contact for a renter needing assistance with issues that may arise for renters. Any responsible person who is an on-island resident can do this job. Owners should not be required to hire a licensed person to be a contact for renters. This will discourage owners from renting since this creates more overhead and the state will lose tax income.

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brower1-Luke

From: Ron Sagerson <napilipointc37@gmail.com>
Sent: Sunday, February 08, 2015 2:31 PM
To: Rep. Tom Brower
Subject: Opposing HB 803

Aloha Rep. Brower,

I am the owner of a Maui condo Napili Point C-37. I am writing to oppose the passage of HB 803, which would require an on-island agent as opposed to an on-island representative. I have engaged the services of a responsible Maui resident to handle this job efficiently, responsibly, and with a personal touch. No more is necessary.

Any help you can provide in defeating this bill will be much appreciated.

Sincerely,
Ronald N Sagerson
Grapeview, WA 98546

Dear House Representatives:

I am writing to you to voice my opposition to House Bill # 803.

We do understand the dilemma the state is under to control the Transient Accommodation Industry. The on-island contact is fully supported by my company as this will protect the consumer in the case of an emergency or in just day to day issues that can arise.

The reasons for a Licensed Real Estate Broker or Real Estate Salesperson under the direction of a Real Estate Broker to manage still eludes me. As the definition of a Real Estate Broker in Chapter 467-1 states: "any person who, for compensation or a valuable consideration, sells or offers to sell, buys or offers to buy, or negotiates the purchase or sale or exchange of real estate, or lists, or solicits for prospective purchasers, or who leases or offers to lease, or rents or offers to rent, or manages or offers to manage, any real estate, or the improvements thereon, for others, as a whole or partial vocation; or who secures, receives, takes, or accepts, and sells or offers to sell, any option on real estate without the exercise by the person of the option and for the purpose or as a means of evading the licensing requirement of this chapter." As by the definition the Real Estate Brokers have a great amount to deal with and it is unclear why there is this fixation about having the Transient Accommodation Industry hire them to manage their properties. As a business we believe that if you want the job done correctly and in an acceptable time frame you hire someone that specializes in that field. For instance, if an air conditioner fails you would hire an air conditioning repair person, not a handyman. As for our on-island agent, they are committed to one task and that is the operation of our property and the support to our customers. It also mystifies me as to why when you have someone dedicated solely to the Transient Accommodation Industry we limit them to only one owner. These people have the commitment to the owner and the customer whereas the Real Estate Broker is more committed to the sale and purchase of real estate. The on-island agent is just like the real estate broker, they won't fix the problem but they too have a list of contacts and telephone numbers of the people who will. The main difference our company has experienced is the on-island agent responds immediately whereas the Real Estate Broker responds when they can fit it into their busy schedule. Our company had a Real Estate Broker in the past and we received many telephone calls from customers complaining of no support, yet since we have had an on-island agent we have not received complaints only praise. If you were operating our business, who would you want to manage?

It is stated that the laws are for the protection of the consumer, and we believe this to be true. The actions do not show this, why do we limit the number of owners an on-island agent can handle to one, when they are dedicated to the industry and it is not just another duty placed upon them as it is to the real estate industry? The laws are in place, what is needed is better enforcement and then punish the offenders, not make it harder for those who comply or work specifically in the transient industry.

Let me ask you this? Does an on-island agent not have the same integrity as a real estate broker; are there no real estate brokers that might also cheat the system? Why is it the belief that real estate brokers will be able to fix a long ongoing problem with the owners that chooses to cheat the system? Looking from a state economic perspective, owners of transient accommodations with an on-island agent are creating employment, where as a real estate broker just adds a new transient accommodation to their already long list of clients and takes the job away from the on-island agent.

It appears that these bills that relate to transient accommodation management are regulating the number of owners an on-island agent may handle, yet there seems to be no regulation of the number a real estate broker can handle. Some brokers are already overwhelmed yet they will still take on a new client. How does allowing a real estate broker to handle in excess of one hundred transient accommodations protect the consumer? We must remember that a Transient Accommodation Owner is also a consumer when a real estate broker is involved. Where is our protection?

Respectfully Yours;

Ronald Bridges, President

Bridges to Paradise Rentals Inc.

I am a member of RBOAA. I have read bill HB803 and I oppose it as presented. The provisions contained in this bill will make it very difficult for me to run my small business in Hawaii and others like me.

I currently collect and remit the GE and TA taxes, as required. Also, I file personal Hawaiian state income tax returns and pay those taxes along with my property taxes, as well.

This bill is overly complicated and will create unnecessary hardships and additional expenses for my small business and other like me. It will come to a point where many of us will sell our properties and exit Hawaii, causing a major drop in property values and the related taxes noted in the preceding paragraph.

I am all for enforcement of the current statutes governing Vacation Rentals and I support measures that will stop illegal rentals in Hawaii, but I don't believe complicating and adding more requirements for small Rental Operators is the solution.

I feel proposed bill HB803 is not clear, very ambiguous and absolutely not reasonable.

Mahalo for the opportunity to provide testimony.

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 12:03 PM
To: TOUTestimony
Cc: c313akahi@gmail.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Roderick Yu | Individual | Oppose | No |

Comments:

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 7:37 AM
To: TOUtestimony
Cc: ralombardi@hotmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-------------------|--------------|--------------------|--------------------|
| Rochelle Lombardi | Individual | Oppose | No |

Comments: This bill would be unnecessary and complicated, costly and unfair.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 7:49 AM
To: TOUTestimony
Cc: rmalibu@charter.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Robert Rubin | Individual | Oppose | No |

Comments: I support the requirement to have a on island contact but do not support that it has to be a realtor who likely does not have ability to deal with problems like plumbing problems or broken appliances. Also designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement seems wrong.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 1:30 PM
To: TOUtestimony
Cc: rjbdixie@aol.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Robert Burns | Individual | Oppose | No |

Comments: Greed by realtors is driving this legislation. We strongly oppose "on island agents" being realtors or brokers.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 11:56 AM
To: TOUtestimony
Cc: richardwaugh@shaw.ca
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM
Attachments: Oppose HB 803

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Richard Waugh | Individual | Oppose | No |

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 4:03 PM
To: TOUtestimony
Cc: rjfoley@occutech.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Richard Foley | Individual | Oppose | No |

Comments: Aloha I own 2 condos in Maui, I purchased them to enjoy vacations with my family and to rent them while I was not able to be in Maui. I have paid my Hawaii taxes on time. I have a local friend on Maui that cares for my condos while I am off island, I don't believe that the government needs to have me employ a real estate agent to manage my property. This bill should be called "The real estate agent employment act" Mahalo Richard Foley

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 7:18 AM
To: TOUTestimony
Cc: polyshores@hawaiiantel.net
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-------------------|--------------|--------------------|--------------------|
| richard biederman | Individual | Oppose | No |

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 11:21 AM
To: TOUtestimony
Cc: rick.beck55@yahoo.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Richard Beck | Individual | Oppose | No |

Comments: Aloha I am an owner of a transient accommodation rental (vacation rental) in Maui for the last 11 years. We have had no complaints from guests or other owners in our condo complex as I take extra care to make sure the guests are appropriate for the property and they understand the condo rules before they arrive. I have an on-island representative in case of an emergency, of which there have been none, and this has worked extremely well. As president of our home owners association, I hear many bad stories about the two main Realtors that also do vacation rentals. I ask that you leave the current laws as-is, they are working fine. Mahalo

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Reginald & Susan Smith
69-1010 Keana PI B103
Vista Waikoloa, Waikoloa HI
96738

8 Feb 2015

Oppose HB 803

To Whom It May Concern:

We are owners/investors in real estate in Hawaii and our property is rented out for transient accommodation.

We are duly registered with the state and collect and submit general excise tax and transient accommodation tax as required by state law. Our vacation rental guests contribute significantly to the economy and our continuing investment to keep our property in top condition also makes an economic contribution to the economic welfare of Hawaii.

We support the requirement to have a contact who is resident on island, however we are opposed to this legislation for the following reasons:

1. We oppose the requirement that the on-island agent be a real estate licensee
2. The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated.
3. Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities.
4. Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a monopoly.
5. There is no economic justification for a monopoly.
6. These bills fail to regulate the rate at which realtors can be compensated for this role.

Please vote against this bill, as it serves no other purpose other than to advance the economic interest of relators/property managers promoting this bill.

Thank you for your consideration.

Sincerely,

Reg & Susan Smith

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 8:02 AM
To: TOUtestimony
Cc: ralphschmidt1947@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------------|--------------|--------------------|--------------------|
| Rev. Ralph G. Schmidt | Individual | Oppose | No |

Comments: I am Rev. Ralph Schmidt, owner of a condo on Maui since 2009. During the past six years we have had over 250 guests. During the first year we had a realtor as our on island contact. She charged us \$600, and never had to do a thing. The second year she said \$600 wasn't sufficient for doing nothing. We then got a friend to be our contact. During the time we have owned the condo, our on island contact has never received a phone call from any guest. Our contact is listed on every contract our guests receive, so they know upfront that one is available. However, in this day and age there is little need for people to call an on island contact, when they can call us on our cell phone which is on 24/7. Even if a call were made, in the rare likelihood that we wouldn't be able to be reached, a realtor has no special qualifications to deal with the problems they might encounter than any other individual who would be an on island contact. Before we bought our condo, we used to make reservations through property managers or realtors. We found them difficult to reach and difficult to deal with. When we began making reservations with owners, it was a much easier time. Owners have a vested interest in maintaining close contact with their guests and correcting things if there is a problem. If things go bad, they'll get negative reviews on the websites they advertise on. There is no such vested interest on the part of property managers or realtors. The biggest complaint you would find on any of the reviews on our websites occurred one time when our regular cleaner was out of town and we hired a professional cleaning agency. The complaint was that the guest found an opened bar of soap in the bathroom! This bill lays an unnecessary burden on property owners who will be held captive to an industry that wants a monopoly of management for owners who are quite capable of managing their own property. The success we have speaks for itself. To be forced to pay realtors or property managers outrageous fees to do nothing is unfair. I oppose this bill for the aforesaid reasons. Please listen to the thousands of caring property owners who are in much better position to take care of their own property than realtors and property managers who only are looking for increased fees to do little or no work. Mahalo! Rev. Ralph G. Schmidt 2807 Cliffwood Lane Fort Wayne, IN 46825 owner of Grand Champions #2 155 Wailea Ike Place Wailea, Maui, Hawaii

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 12:16 PM
To: TOUtestimony
Cc: pscurran10@hotmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Patrick Curran | Individual | Oppose | No |

Comments: I support ONLY the requirement that an owner's contact is a resident of the island. I vigorously oppose that the on-island representative be required to hold a real estate license. The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. My reason for this objection is simply that a representative of this particular class of residences does not need real estate license training or skills to manage repairs to broken appliances, attention after natural disasters, responses to lock-outs or other owner related issues. There is no economic justification to the state or any other agency for this proposal. We propose the language in ACT 236 in respect of "agent", "on-island agent" and "local contact" be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467. This act would cause the state to devise a monopoly for this simple service that requires no formal education or institutionalized special training. Another layer of regulation is neither necessary nor justified by any facts, nor does it solve any problems. Valid reasons for this change in regulations are nonexistent.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 10:17 AM
To: TOUtestimony
Cc: pualanipat@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|--------------------|--------------------|
| Patricia Starkie | Individual | Oppose | No |

Comments: I oppose HB 803. There are already laws in place to account for TA & GE tax payments. All owners are required to pay taxes, it is their duty. If they do not hold up to their duty, a fine is imposed. Why not enforce current laws? I am writing to voice my OPPOSITION to HB 803 and any other bills that are being considered by the State of Hawaii which will prohibit owners of rental properties to continue to manage and rent their properties on their own. Thank you!

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 2:46 PM
To: TOUtestimony
Cc: imablessing@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| patricia | Individual | Oppose | No |

Comments: I strongly oppose this measure.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 2:53 PM
To: TOUTestimony
Cc: pg.davidson@shaw.ca
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-------------------|--------------|--------------------|--------------------|
| Patricia Davidson | Individual | Oppose | No |

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 2:19 PM
To: TOUtestimony
Cc: idivedeep@aol.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------|--------------|--------------------|--------------------|
| Norbert Wolszon | Individual | Oppose | No |

Comments: I OPPOSE HB 803, but propose amendments which, if adopted, would gain my support and the support of many others. To legislate real estate licensees into a role between the tenant and the property owner would put Act 326 into conflict with both the Landlord-Tenant Code and the Real Estate Broker and Salesperson Code. The Real Estate and Salesperson Code (467-2) permits an owner to rent, lease and manage their own property. The Landlord Tenant Code (521-43f) requires an agent residing on the same island as the property, but does not require the agent to be a real estate licensee. Nowhere in either statute does the term "on-island agent" exist (nor does it need to exist). The role of "local contact" was created in 2012 for the purposes of Act 326. I support the amendment being put forward by RBOAA to clearly align Act 326 with both HRS 467 and HRS 521. All owners of property who wish to offer transient accommodations must either: 1. Be an owner-operator who self manages, rents, leases and designates a local contact; or 2. Employ a custodian / caretaker; or 3. Engage the services of a real estate licensee.

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Neal Halstead
C312, 2531 S. Kihei Road
Kihei, HI
96753
nealhalstead@yahoo.ca

Dear Members of the House Tourism Committee:

I OPPOSE HB 803, but propose amendments which, if adopted, would gain my support and the support of many others.

To legislate real estate licensees into a role between the tenant and the property owner would put Act 326 into conflict with both the Landlord-Tenant Code and the Real Estate Broker and Salesperson Code.

- The Real Estate and Salesperson Code (467-2) permits an owner to rent, lease and manage their own property.
- The Landlord Tenant Code (521-43f) requires an agent residing on the same island as the property, but does not require the agent to be a real estate licensee.
- Nowhere in either statute does the term "on-island agent" exist (nor does it need to exist).
- The role of "local contact" was created in 2012 for the purposes of Act 326.

I support the amendment being put forward by RBOAA to clearly align Act 326 with both HRS 467 and HRS 521.

All owners of property who wish to offer transient accommodations must either: 1. Be an owner-operator who self manages, rents, leases and designates a local contact; or 2. Employ a custodian / caretaker; or 3. Engage the services of a real estate licensee.

Mahalo for your time and consideration

Neal Halstead

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 12:48 PM
To: TOUtestimony
Cc: natalie@ocproperties.biz
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| natalie vizir | Individual | Oppose | No |

Comments: I read bill HB803 and I oppose this bill. As a small business, this bill will make it difficult for me to operate my business. I am an owner of a condo and currently collect and remit the GE and TA taxes. In addition, I pay my property taxes and file Hawaiian state income tax returns. The bill is very complicated and will add expenses for my small business. Many who have supported Hawaii by purchasing property and contribute to tourism will be forced to sell our properties and leave Hawaii. This will cause a reduction in tourism and property values. What is the added value for adding more requirements for small Rental Operators? I agree that there should be enforcement of the current statutes governing Vacation Rentals and agree that there should be measures to stop illegal rentals in Hawaii. I feel proposed bill HB803 is ambiguous and not reasonable. Thank you for listening.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 2:56 PM
To: TOUtestimony
Cc: nsweatt@earthlink.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| n. sweat | Individual | Oppose | No |

Comments: My contact is our nearby family and a neighbor if we are off island. No one wants to be an EE nor do we wish to get involved in that type of relationship with bookkeepers and health care or whatever insane requirements for EE's that we would have to hire others to take care of. This is interfering with contractual relationships we have with our contacts already in place. Secondly, realtors are a bad idea. We care about our home and screen carefully. These realtors take half of any profit and rent your home to anyone and any number of people. They care less about you, your home, or the neighbors. They are generally not competent to handle all the problems and maintenance of a rental home. No way. WE ALREADY WENT THROUGH THIS COUPLE YEARS AGO AND THE REALTORS TRYING TO TAKE OUR MONEY LOST. HOW CAN THEY COME BACK AGAIN ON THE SAME THING????? It is all about their greed.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 4:53 PM
To: TOUTestimony
Cc: montylr@hotmail.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Monty Richmond | Individual | Oppose | No |

Comments:

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 9:52 AM
To: TOUtestimony
Cc: blancaflor@cox.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------------|--------------|--------------------|--------------------|
| Millard Blancaflor | Individual | Oppose | No |

Comments: Please, do not pass HB 803. This will only add another expense on us. We are just barely making it financially, to pay for an on island "agent" will definitely ruin us. Mahalo Millard Blancaflor

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brower1-Luke

From: mike mckenna <mikecindytrivalley@yahoo.com>
Sent: Sunday, February 08, 2015 7:28 AM
To: Rep. Tom Brower
Subject: opposing HB 803

Dear Representative Brower,

My name is Mike McKenna and I own a condo in beautiful Poipu on the Garden Isle of Kauai. I am very much against the bill 803 currently under review. I have successfully rented my condo on VRBO for 8 years and pride myself in giving a top notch experience to my many guests, at a price they can afford. I dutifully pay my state taxes each month to Hawaii. My on island support team is of high caliber and my 35 reviews attest to my guests great response to what I offer.

Sincerely,

Mike McKenna

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 3:22 PM
To: TOUtestimony
Cc: helmsman@lava.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| mike dixon | Individual | Oppose | No |

Comments: Aloha I oppose this bill. I do support the requirement for an resident Island agent for any rental but not the way proposed in this Bill. Sincerely, Mike Dixon Sunset Beach.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 6:15 PM
To: TOUtestimony
Cc: mikarobertsx@gmail.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Mickey Roberts | Individual | Oppose | No |

Comments:

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From: mauibeach <mauibeach@comcast.net>
Sent: Monday, February 09, 2015 2:20 PM
To: Rep. Tom Brower
Subject: Opposing HB 803

Categories: Tourism Chair

Aloha Representative Brower,

My husband and I live in Washington State, and have owned a condo on Maui for over ten years now. We presently rent it out when we are unable to be there, with the hope of retiring there (well, in my case, maybe working part time there) in a few years. We may be off-island owners now, but the day will hopefully come soon when we are on-island residents and voters. We know a number of other owners who currently rent out their condos, who plan the same thing.

We love Maui, care about its financial well-being, and have always paid 100% of the taxes that apply to our rental activities. Every other "off island" owner we know on Maui does the same thing. I personally know zero owners who are tax-evading scofflaws, although apparently someone is trying to paint off-island owners as such. Given that we all file Federal tax returns that include our Maui balance sheets, though, I cannot imagine how or why any legitimate owner of a licensed vacation rental in Hawaii could or would do so.

We understand that the real estate lobby in Hawaii has been working hard for years to promote legislation to force off-island owners into hiring them and giving them a "cut" of our apparently coveted rental income. While I know several very wonderful realtors on Maui who unfortunately don't do property management, and have realtors among my friends and in my family (one of my grandfathers was a realtor for over 40 years, and I have several cousins who have been in the profession for nearly as long), our experiences with the realtors we have hired on Maui to do property management for us have not been good. I thought that, before you consider HB 803, which I urge you not to support, you and the other legislators might want to know what it has actually been like for us as off-island owners, and for our guests, with realtors/real estate agents vs. individual contact persons managing our place. I suspect legislators would not be in favor of forcing off-island owners to hire licensed real estate people to "property manage" our vacation rentals if they knew how bad it was.

We work very hard to create a fabulous visitor experience for all our guests, and feel you should know that, in our experience, and in the experience of all the other owners we know who rent out their condos at our resort, independent contact persons perform their duties towards our guests with much more enthusiasm, responsibility, and aloha than do licensed realtors and their designees. If you want visitors to the island to have a wonderful stay, feel cherished, and want to return, please understand that it is the "individual" contact person/cleaners, and not the licensed real estate professionals, who really care and go out of their ways to create a great visitor experience. Unfortunately, the realtors seem mostly to be in it "for the money". They would like to force off-island owners to purchase their services, because they want a "cut" of the owners' rental income (which-- even without them taking their "cut", does not ever come close to fully paying ownership expenses for any of us). In our experience, despite their licenses, realtors provide inferior services, and don't display the necessary concern about guest safety, comfort, or enjoyment of their stays.

Over the years, we have interviewed many realtors and individuals to take care of our condo. We have actually hired both licensed real estate professionals (three different ones) and independent individuals (three different ones), and the difference is really night and day. It is more work for us to hire individuals rather than realty companies, as we have to advertise and rent out our own place, and have our accountant do more paperwork. However hiring individuals has been worth the extra effort! Without exception, the three independent individuals performed with a high degree of integrity, caring, and responsibility, and the three real estate agents/realtors absolutely did not. I am not saying that all

real estate professionals on Maui are high handed, devious, and/or derelict. They are not. But not all realtors on Maui offer property management either, and the ones I know well and like a lot, don't offer those services. Anyway, here is a synopsis of our experience with the licensed real estate professionals and individual persons we have engaged:

A: Licensed Real Estate Professionals: Real Estate professionals 1 and 2 engaged in renting out our condo, but at best only got a maximum of about ten weeks a year rented out for us-- usually much less. Real Estate professional 3 was licensed, but did not rent out our condo on our behalf.

1. Real Estate Professional 1: This lady started out by telling us we were "lucky" that she deigned to take care of our condo (which she had sold to us), since she was so busy with other condos. She did do one thing right. She personally changed the smoke alarm batteries in each of her managed condos twice a year, without being reminded. On the other hand, she was surly and nasty, and did not return calls from guests or from us in a timely manner because she was eternally "too busy" showing properties, which was how she told us she made her "real money". This did not make for the best guest experience, and we felt we could not rely on her to "be there" for our guests. She hired non-English-speaking cleaners and paid them little. We could not communicate with them adequately when we were on the island, and neither could our guests. These cleaners took our nice linens away and replaced them with cheap white institutional sheets, without our permission, and without reporting what happened to the linens they made "disappear" on a regular basis. However, when we would visit, we would see that they had used chlorine bleach on our colored linens and beach towels, ruining them, and would note that a number of small appliances and most of the dvds we supplied for our guests' entertainment always "went missing" between our visits. This real estate professional refused to provide the high end toiletries we wanted in the condo for our guests, and would not provide welcome baskets, because those things were "too much work".

2. Real Estate Professional 2: Was frequently ill, and had her handyman husband, not a licensed real estate professional, "fill in" for her. This couple managed to double-book our condo on occasion (even though they rarely got our condo booked at all), forcing guests to split their stays between our place and a second condo under their aegis. (The only times we have ever had our condo double booked, it was because of real estate professional mistakes-- even a modest number of properties seem to be too many for them to keep track of). The handyman husband ran up handyman bills of about \$800 per month, with many more things supposedly "breaking" at the condo than ever before or since, and only after a number of months did we realize that he was himself creating some of the problems he was charging us to fix, and "making up" others. (For instance, he claimed he had to change the belt on our vacuum cleaner nearly every time it was used by their cleaners, when it never broke during all of the times we were on island and used it ourselves. He even tried charging us for changing the belt after we bought a new beltless drive vacuum cleaner for the condo!! The maintenance fraud got this realtor fired.)

3. Real Estate Professional 3: This woman was difficult for us and for guests to reach, as she had several other jobs due to the poor real estate economic situation. She failed to warn our guests about a threatened tsunami (luckily, we called them ourselves to make sure they knew), and failed to put out the extra flashlights etc.. for them, knowing it was coming. (When I called her to see why she hadn't done anything for our guests, she told me she was busy taking care of her own family and making sure her own vehicles were safely "upcountry". I had to call our guests personally from the mainland to tell them where to find everything (we always give our guests printed information describing those things, but given the situation, they were anxious and needed attention and information, which we provided long distance from Washington). We also told them where to find the evacuation information should it be needed.) Our licensed real estate professional property manager failed for over 24 hours to respond to those same guests' problem with a leak in the washing machine, and then failed to evaluate the problem, but instead blindly called a repair person, who did not show up for days, and upon arrival pronounced the machine working well, just overloaded by guests. She personally "cleaned" our condo, or said she cleaned it, charging us a very high amount to do so. However, for the last part of the one year we hired her, we had several guest complaints that the condo was dirty in a variety of ways. We would call her and tell her that the guests complained, but she would not go over to re-clean our place, and did not send anyone else to do it either. We had two different friends take time out of their own personal trips to Maui to check our condo for us, on guest arrival days, to get trusted opinions. Both friends found that, although the bathroom linens were fresh and the beds had been changed and had clean sheets, the condo had not been cleaned adequately after the departing guests

(the bathrooms were filthy, the fridge had not been wiped out, and the floors were dirty). Both friends then cleaned the condo themselves for us! After these reports, I flew over to the island to do a deep clean, and found that many items were missing from the condo, and I had to replace them. I then had to hire a new contact person on short notice, which-- by the way-- is not at all easy.

B. Individual "on island contacts" have, in contrast, have diligently cleaned our condo and kept it in good repair, and responded immediately to any and all guest issues. None of these people ever had or now have any role at all in renting out our condo, and they have no fiduciary duties (we ourselves take care of renting out the condo, scheduling guest stays, collecting fees, reporting the income, and paying the taxes).

1. Our first individual "on island contact/cleaner" was recommended to us as the friend of an off-island friend. This wonderful woman's work at our condo was her chief source of income, as her other part time job paid little. She not only personally cleaned the condo, she also called in and scheduled trusted handymen when needed, and personally let them into the condo and supervised their work directly. (None of our licensed real estate professional property managers or any designee of theirs ever did these things.) She stocked the condo with the high end toiletries that we prefer to provide for our guests, and suggested providing welcome baskets for them as well, which we thought was a great idea. She would shop for guest basket items from local merchants and pass on to us the costs for her purchases and her "shopping trip" transportation. She would also provide, at our request, special touches, like flowers or anniversary banners, for special occasions, making our guests feel truly welcome and cared for. She always responded immediately to our guests' calls to her, and always went to the condo personally to check on any appliance with which they were having difficulty, etc.. We came to absolutely cherish this woman, and were heartbroken when she had to move to the mainland for family issues.

2. After Individual 1 had to leave the island, she very responsibly passed our condo management on to a lovely couple who did the job until they retired. They were utterly reliable, interested in our guests, and did the exact same things for us as Individual 1.

3. Individual 3 is the fantastic cleaner/manager, recommended by an on-island friend, who now cares for our condo. She keeps things meticulously clean, responds immediately to any guest problems, and her husband immediately and effectively fixes or replaces any appliance or condo feature that is causing a problem. She also shops for guest welcome baskets, and puts out the high end toiletries we have shipped to her address for the condo. (Another thing the individual contacts do much better than the licensed realtors is to accept the items shipped to Maui by owners for their vacation homes, and get them over there in short order. The licensed realtors never did too well at this, with the last one "losing" many of the things we shipped over.)

Quite honestly, we have felt scammed by all three of the real estate professionals we hired, and I suppose we could actually have pressed criminal charges in a couple of cases. However, it seems better for all concerned if we just hire not realtors, but very responsible individuals who are fully responsible for our condo, and are fully accountable to us. With the non-real estate professional property manager/contact people, no items go missing from the condo, no cleaners use chlorine bleach on colored linens, and-- most importantly, our guests have a great experience on Maui. Our guests arrive at our condo to find it beautifully clean and welcoming (and sometimes even decorated for their celebration). Our guests know they are in good hands when their calls are answered right away, and their concerns addressed with a helpful attitude. In 100% of cases, this has happened with our "individual on-island contacts" and has simply NOT happened with our real estate professional property managers.

Hopefully you can see from our experiences that it is better for everyone (except for greedy real estate companies), if individual on-island contact persons, rather than real estate professionals, take care of Hawaiian vacation rentals for off-island owners who don't need or want the services of real estate companies to book reservations. Surely it is the best thing for visitors to Maui who want to stay in condos or homes, and not hotels, to have caring, responsible people to call on the island! And it is best for property owners, because these individual contact persons are reliable and personally accountable, and we property owners want our guests to be VERY well cared for on the island. Allowing non-real estate professionals to do this job is also good for Maui's economy and its citizens, because taking care of a vacation rental is a

job any reasonably intelligent, diligent, caring, organized, able bodied person can do. Maui vacation rental owners create jobs for Maui citizens, and the same surely happens on the other islands! Our individual contact person/cleaner/property managers are themselves Hawaiian tax payers who already live in the islands and want and need jobs. (In contrast, some real estate company property managers hire people imported from foreign lands to do their cleaning, so they can pocket the difference between the low wages they pay their cleaners and the cleaning fees they charge the owners). Finally, when the individual contact person is the same person who does the cleaning and arranges the maintenance, that contact person really KNOWS the vacation rental he or she is caring for. They know how to help, and do help, much more quickly, effectively, efficiently, and with a much more caring attitude than a licensed real estate professional who rarely if ever personally sets foot in the vacation rental, and really (sadly) does not care about it, about the owners, or about the guests.

I would also question whether a contact person/cleaner/property manager truly needs to be limited to managing one vacation for off-island owners. I think that trying to juggle too many would in fact be problematic. However, I would not imagine that there could be a problem with an individual managing up to three or four vacation rentals (and if they could do that, they could actually support themselves, even in Hawaii, doing so!). In my experience, our "individual contact people/cleaner/ property managers" all have lots of friends on the island who do similar things. They substitute for one another during vacations, call one another for help if guests have made an unusual mess and they need help to get the place ready for guests arriving the same day, etc.. So I would imagine they could call in reinforcements from their network if faced with needing to help guests at more than one vacation rental on a given day.

Finally, I would point out that, although our condo complex has always been designated as a "licensed vacation rental" site, our condo association has no involvement whatsoever in the rental activities of any owner. They don't handle any transactions, don't check guests in, don't check them out, don't keep any kind of calendars, don't have any idea who is in which condo when, and don't have the condo bylaws to support any such activities. So asking for reporting by a condo association such as ours would be impossible. It is also unnecessary, since the individual owners do their own reporting. I know of no owner who is dishonest in this regard. If the state of Hawaii, or anyone else, has actual facts and figures regarding the alleged "unreported" rentals on which they are losing taxes, I would love to see some real data documenting that it actually occurs.

I urge you to oppose HB 803, and indeed oppose any bill that seeks to force the unwanted (and, in my experience, substandard) "services" of licensed real estate personnel on off-island vacation rental owners.

Mahalo to you for your consideration.

Sincerely,

M Michele Murburg MD
Kanai a Nalu,
Maalaea

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 12:21 PM
To: TOUtestimony
Cc: mikebwilde@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| MichaelWilde | Individual | Oppose | No |

Comments: I am Opposed HB 803 and Fully Support the Position of RBOAA I support the requirement to have an contact who is resident on island I oppose the requirement that the on-island agent be a real estate licensee - The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. - Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. - Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. - These bills fail to regulate the rate at which realtors can be compensated for this role. • I propose the language in ACT 236 in respect of “agent”, “on-island agent” and “local contact” be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467

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brower1-Luke

From: Jean <jemg321@aol.com>
Sent: Sunday, February 08, 2015 4:37 PM
To: Rep. Tom Brower
Subject: Opposing bill hb803

We own a condo at Poipu Crater complex in Koloa. #27 We support the bill that there must be a contact who is a resident of the island but oppose that he be a real estate agent .

Michael and Jean Graffius
1794 Polo Ct.
Oceanside, Ca
92057
805-796-5490

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 11:17 AM
To: TOUtestimony
Cc: marmer@surewest.net
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Merlic | Individual | Oppose | No |

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 10:06 AM
To: TOUtestimony
Cc: akamumra@aol.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|--------------------|--------------------|
| Meredith Johnson | Individual | Oppose | No |

Comments: I propose the language in ACT 236 in respect of "agent", "on-island agent" and "local contact" be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467. I want to share my thoughts on hiring agents to do the work that we do. Sometimes things occur that we have had to contact our "on island" contact to help with a guest who can't figure out how to do something, or how something works. My contact has helped them immediately. My contact is compensated for her help, also, when she is called at a moment's notice. I know that the people that do cleaning and repairs for us, earn far more from ourselves and their other off island Transient Rental owners than they would if they went to work hourly for Property Managers. They take pride in their work and respond quickly and know there is competition. Not just the wealthy can come to Hawaii and stay in the fancy hotels. I believe that the reasonably priced Vacation Rentals bring more people to Hawaii to afford a great vacation and it is good for Hawaii's economy. More local people earn a higher rate of pay as independent workers than they would working for property managers. With the new Health Care Laws, Property Managers would be required to pay the employee's health insurance, over 30 hours. Would that get passed on to the owner's, also? We send out 1099's for their work done, and we pay all TAT and GET taxes required, as well as the Hotel Resort tax rate on our property. If our unit pays for itself, our helpers, taxes, and a trip to Hawaii each year to upgrade our unit, we feel we are doing really well! Our upgrades, and our travel to Hawaii help the economy, also. We take time to make sure everything is working well, in good repair. We could not continue to have our unit if it was managed by someone else earning a hefty fee. I feel a lot of hard working, local people would be out of work if they could no longer work for the owners and had to seek work with the pro perty managers. A lot of vacation rentals would be put up for sale, also. I am OPPOSING HB 803 Meredith Johnson

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 2:50 PM
To: TOUtestimony
Cc: emel@comcast.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|--------------------|--------------------|
| Melouise Pfeffer | Individual | Comments Only | No |

Comments: NO, NO, NO! What possible benefit would this bill have for vacation renters of homes like mine on the Big Island? My contact person lives on site! How can you improve on that? I know many vacation rental owners down at Kealahou Bay and most of them either live on the property and rent another unit on site or have local contact persons at the bay. IF the issue is condo renters having no immediate contact then manage that issue... period! Don't penalize property owners like myself for a bill that will only benefit realtors. They are the only people that will win on this one. The most minimal affect will be increased rental fees to guests to cover additional expenses incurred by property owners. NO! Please, no. Melouise Pfeffer

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brower1-Luke

From: Maureen Landers <momobeel@aol.com>
Sent: Monday, February 09, 2015 2:51 PM
To: Rep. Tom Brower
Subject: HB 803

Categories: Tourism Chair

Dear Representative Brower,

My husband and I own two condos in Maui with two very good friends. It was our life's dream to have these places in Maui after visiting for over 20 years, plus my husband grew up in Honolulu. We rent our condos, and we have a local contact for our rentals who is a resident of Maui. Our local contact handles most issues that arise from rental of the condo including lockouts, broken appliances, leaks, etc. (We also have a local contractor, also a resident of Maui, who makes repairs and performs other work in our condos). We are completely opposed to HB 803 because it requires that the on-island "agent" to be a real estate licensee. Our on-island contact has no fiduciary duties, nor would she want them, and so she does not need to be licensed or regulated. A real estate agent would be of no use for lockouts, broken appliances, etc., but our local Maui resident contact handles those items very well and responsibly. The bill also fails to regulate the cost of using such real estate licensees, while giving them a monopoly for their role. We pay our taxes, and we already employ local residents for jobs that are real and necessary to maintaining and operating our condos. We need every penny in order to continue to be able to own these condos. This bill would unfairly benefit large real estate brokerage firms and hurt people like the hardworking local contacts we already employ to help maintain and operate our condos, and hurt property owners such as ourselves. The proposed bill would ultimately hurt business in Hawaii, as the cost of renting would be forced to go up, renters would choose to go elsewhere, and local businesses, workers, and property owners would suffer. **PLEASE VOTE NO ON HB 803.**

Thank you for your help and consideration,

Maureen Landers

brower1-Luke

From: Mauifun <mauifun@aol.com>
Sent: Monday, February 09, 2015 3:21 AM
To: Rep. Tom Brower
Subject: HB803

I am against legislation that impedes an owner's right to rent his property without using a licensed real estate agent. I pay multiple thousand dollars in transient accommodations and general excise taxes as well as property taxes and do not wish to have further roadblocks in my way of renting my places.

Thank you.

Sent from my iPad

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 5:54 AM
To: TOUtestimony
Cc: mhubner@halehubner.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Matthew Hubner | Individual | Oppose | No |

Comments: To the honorable Chair and Members of the Committee, I am writing in opposition of HB803. As an owner of a transient vacation rental (TVR) on the island of Hawai'i, I fully support the requirement to have an on-island contact who is a resident. Having such a contact gives me and my guests peace of mind that there is redundancy should contact be necessary during a stay. In fact, I have back up contacts should I or the primary contact not be available. I established this protocol long before it was made a requirement by Act 326. I do oppose this Bill's requirement that an on-island contact be re-labeled as an on-island "agent" with the requirement that said agent be a licensed real estate professional or a caretaker/custodian that be designated an employee with the requirement that they work solely for one owner. These new requirements establish a situation where most TVR owners will be forced to hire a property manager to operate their rentals. I do not believe this was the intent of Act 326, and I believe the se proposed amendments detract from its goals of consumer safety and conformity of TVRs to existing tax laws and regulations. In fact, I believe the only outcome of this Bill would be a de facto monopoly for property managers in the State. Such a result would have no impact on owners' conformity with existing tax laws, because the same owners would still be responsible for paying taxes to the state, not the property managers. The only outcome would be that off-island owners would lose 20-50% of the income made from their properties. I am member of Rental by Owner Awareness Association (RBOAA), and I support their stance regarding this Bill and their proposed amendment to clearly align Act 326 with both HRS 467 and HRS 521. Further, I would like to express that as a TVR owner in the State of Hawaii, I take my responsibility to follow the applicable laws and remittance of GE and TA taxes seriously. I thank you for your consideration and the opportunity to provide testimony. Mahalo. Matt Hubner

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 3:22 PM
To: TOUtestimony
Cc: marytarpoff@yahoo.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| MaryTarpoff | Individual | Oppose | No |

Comments: Why are you revisiting this?

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 9:11 AM
To: TOUtestimony
Cc: marshavaughn3@att.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Marsha Vaughn | Individual | Oppose | No |

Comments: Testimony in Opposition of HB803 After a lengthy involvement in the legislative process in 2012, I am very disheartened to see that the exact same issues are before us once again. Thank you for allowing me to provide testimony to OPPOSE this bill and any others that it morphs into. This bill once again requiring off-island single condo owners, such as myself to hire a real estate broker or other licensed real estate salesperson to manage my business. I have been successfully managing it myself since 2010, paying all taxes and adhering to all laws. My vacation rental tenants have consistently rated my condo with 5 stars on the VRBO website and often in their comments cited the personal and helpful hands on service I have provided them. I have an on-island local contact, who is a very responsible woman running her own condo cleaning business. She may or may not be the local contact for other condo owners. I don't believe that is any of my business, as long as she provides the necessary emergency services for my guests. To date she has been called very seldom as the guests call me first and I contact her if needed. Being forced by the legislature to hire someone for this purpose would in effect cause me to go out of business, as the additional fees would substantially cause my very limited income to decrease to the point of it being unfeasible to continue. As we are doing a great job of providing guests with a very positive experience, spreading Aloha and keeping costs down, it baffles me what the possible upside of this requirement could be, except to provide business to real estate agents, who if I recall in 2012, did not want this extra task. It makes no sense whatsoever, to have an on-island local contact have to be an employee and only work for one vacation rental owner. As I said, my local contact, has very little, if anything to do related to emergent needs. As far as posting my local contact's name and information on the internet, I'm also baffled by what consumer protection this would offer? I am the one responsible for the ownership, the maintenance, care and appropriate use of my condo, per my HOA rules. Currently, as per 2012 legislature, every guest receives the local contact's name and phone number and as I said, they have almost never needed to use it. I sincerely hope, for the sake of continuing to encourage small business to flourish in Hawaii and to prevent those of us who love the islands from being forced out, that you will reject this bill. Mahalo Marsha Vaughn

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 8:27 AM
To: TOUtestimony
Cc: mark7551@yahoo.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| mark wade | Individual | Oppose | No |

Comments:

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 6:31 AM
To: TOUtestimony
Cc: marilyn7b@yahoo.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Marilyn Brown | Individual | Oppose | No |

Comments: I am opposed to this Bill as currently worded. I propose the language in ACT 236 in respect of "agent", "on-island agent" and "local contact" be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467. Respectfully,

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 7:21 AM
To: TOUTestimony
Cc: manfred@hiddenmauiparadise.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Manfred Wagner | Individual | Oppose | No |

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 2:55 PM
To: TOUtestimony
Cc: m.jordan@earthlink.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| M. G. Jordan | Individual | Oppose | No |

Comments: Over the past 13 years, my wife and I have used three different Realty companies as our island representative. Each time we discovered that their loyalties, time, and attention were more devoted to the more lucrative side of their businesses (buying and selling property). Thus our properties AND GUESTS suffered from their inattentiveness. Our solution was to instead employ reliable local residents to look after our properties. As a result, we have better maintained and higher quality rental condos, we have happier renters, and we have a higher number of guests returning back to Hawaii to spend another batch of their tourism money!

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brower1-Luke

From: Lucille da Silva <lucille@staynorthshore.com>
Sent: Monday, February 09, 2015 7:45 AM
To: Rep. Tom Brower
Subject: Oppose HB803

Aloha Representative Brower,

I support the requirement to have a local contact but oppose the requirement that the local contact be a local realtor. Any responsible Hawaii resident could handle the responsibilities. I appreciate all your efforts on our behalf.

Lucille da Silva
66-303 Haleiwa Road
Haleiwa, Oahu 96712

From: Maalaea Banyans 208 Rentals <maui208@earthlink.net>
Sent: Monday, February 09, 2015 3:27 AM
To: Rep. Tom Brower
Subject: HB803

Representative Brower:

I am in opposition to the terms of HB803, as it simply resurrects issues already covered in previous legislative sessions.

Those proposing this legislation merely seek to be granted exclusive status to prey upon those short-term rental unit operators who are legally, correctly, and successfully administrating their rental units by requiring those owners to pay for unneeded services that do not solve any problems.

Do not create another layer of expense and burden that will raise overall costs of ownership and the ultimate cost of visiting Maui.

I support the requirement to have an contact who is resident on island I oppose the requirement that the on-island agent be a real estate licensee The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated.

Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities.

Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly.

These bills fail to regulate the rate at which realtors can be compensated for this role. .

I propose the language in ACT 236 in respect of “agent”, “on-island agent” and “local contact” be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467

Lori & Ken Hoehn
Maalaea Banyans Unit 208
PO Box 545

Lakeland, MI 48143-0545
(734) 878-8000

Condo Address: 190 Hauoli Street
Wailuku, HI 96793-9538
Condo Phone:(808)242-4750

Resident

Manager: Darin Maher
Mobile:808-214-3080

Reception: Sharleé Maher
Mobile: 808-268-5553

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 3:59 PM
To: TOUtestimony
Cc: BESTCRS@aol.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Lois Cox | Individual | Oppose | No |

Comments:

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brower1-Luke

From: Linda Owen <lindarowen@comcast.net>
Sent: Sunday, February 08, 2015 12:49 PM
To: Rep. Tom Brower
Subject: HB 803

Aloha,

What is the difference in a licensed realtor's knowledge than that of a an individual dedicated to a specific property? The issues that arise from a vacation rental are generally maintenance issued such as leaking toilets, inoperative appliances, etc.

Our on island agent is available to our guests 24/7. The guest may have lost the key to the front door, broken an item or ran out of propane. Our island agent is there immediately by phone and if needed, in person. I do see where a licensed realtor which I can easily secure but would rather use "my person" who lives close by and is available 24/7. I do not see an argument for the "realtor" vs. "non-realtor on island representative".

In the past my recollection was that if the on island agent handled one property only that they did not have to be a licensed realtor.

This issue came up in 2012 and was voted down. Can you explain why it has resurfaced in just three years?

Thank you for your consideration.

Linda R. Owen
My Waii Beach Cottage-Maui
425-961-0063

brower1-Luke

From: Linda Mitchell <lindafinearts@gmail.com>
Sent: Monday, February 09, 2015 4:52 PM
To: TOUTestimony
Subject: Opposition to HB803

I oppose HB803. I do, however, fully agree and endorse RBOAA's position on this matter.

As someone who pays high property tax for the privilege of having two TA's and who pays GET and Tat taxes, I do not wish to have to pay a real estate agent. I do not believe an agent would do as good and thorough of a job as I do. Why would I want the right to manage my own property taken away from me?

Sincerely,

Linda Mitchell

Lindafinearts@gmail.com

408-472-6506

Thank you for allowing me the opportunity to provide testimony on this bill. I OPPOSE HB 803 as it is written. However, I do support the amendment forwarded by RBOAA which attempts to align Act 326 with both HRS 467 and HRS 521.

My husband and I are Canadian residents and we own and operate a vacation rental in Maui. We are a registered small business in the state, and are fully tax compliant in both Canada and the US. We collect and remit all GE and TA taxes. I oppose this bill as it then puts an onerous economic burden on tax paying, law abiding property owners like us.

Neither we nor our guests have ever been at a disadvantage due to our distance from the condo. In fact, we have repeatedly received feedback from our guests that they appreciated our prompt response to any correspondence, as evidenced by over thirty very positive reviews (in only two years of operation) and our five star rating. Using cell phones, Skype, email and text, we have always been able to deal with any issue as it surfaced. We have enough resources on island (plumbers, electricians, handymen, contractors, cleaners, etc.) that we can liaise directly with our guests and any 3rd parties without having another person in the middle. This bill would effectively prohibit our ability to provide such high quality service to our guests. The bill would require us to place control of our property in the hands of a property management company, which would almost assuredly be prejudicial to our small business. A property management company could never provide our guests with the type of expeditious and personal service that we do. We can only do so because we own and manage a SINGLE property, we take pride in it, we have a vested interest in it, and we take pleasure in providing resources for others to enjoy the island we love.

Again, I vehemently oppose HB 803.

Mahalo for hearing my testimony,

Kristin Yarish

Aloha,

I am opposed to HB803 and unfortunately probably many more that are surely coming our way. I was opposed to similar bills in 2012 and I still am today in 2015. My story is a little different. I purchased my condo in 2010. I was told it was in the Visitor Destination Area and it had a strong history of rental income. I was able to see the future rentals and it looked promising. After escrow closed the previous owner helped me take over his two biggest advertising sites VRBO and Flipkey. I then met with the management company already in place and CHOSE to retain them as my management company. I am still with them today. I think it should be my choice of whether I choose to use a management company or try and self-manage. If I didn't advertise to rent on VRBO or Flipkey I would have extremely low occupancy. I personally don't have a mortgage on my property. I cannot imagine someone coming in to buy a condo and having a mortgage, high condo dues, and a management company, property taxes, etc.

The changes you are proposing are going to be detrimental to the great State of Hawaii as well as Real Estate. In 2012 I was hopeful that we were in this together. I thought that the legislature did a great job back in 2012 hearing our voice. We were with you trying to find a common ground that was good for all parties involved. 3 years have gone by and the Great State of Hawaii seems to be no closer on how to effectively stop the illegal rentals. Once again we have the property manager's involved for the wrong reason.

"I support the amendment being put forward by RBOAA to clearly align Act 326 with both HRS 467 and HRS 521."

Please let us work together on our current laws and start enforcing the ones you already have.

Mahalo for allowing me to testify, and for letting my voice be heard.

Kristin

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 5:33 PM
To: TOUtestimony
Cc: k8kwh@hotmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Kenneth Hoehn | Individual | Oppose | No |

Comments: I am in opposition to the terms of HB803, as it simply resurrects issues already covered in previous legislative sessions. Those proposing this legislation merely seek to be granted exclusive status to prey upon those short-term rental unit operators who are legally, correctly, and successfully administrating their rental units by requiring those owners to pay for unneeded services that do not solve any problems. Do not create another layer of expense and burden that will raise overall costs of ownership and the ultimate cost of visiting Maui. I support the requirement to have an contact who is resident on island I oppose the requirement that the on-island agent be a real estate licensee The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. These bills fail to regulate the rate at which realtors can be compensated for t his role. · I propose the language in ACT 236 in respect of “agent”, “on-island agent” and “local contact” be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 7:39 AM
To: TOUtestimony
Cc: mahana1213@yahoo.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Kenneth Green | Individual | Oppose | No |

Comments: I am the proud owner of a studio condo on Maui called The Mahana. I have owned for 11 years. I am retired and I rent our condo myself. The income basically pays for the costs of the condo and we spend 6 - 8 weeks here in the Winter. My tax ID is W30049908-01. I originally rented through Aston but they did not properly clean our condo and they took 45% of the rental income. I was working at the time and the income was less important then. I decided to rent myself. I found a wonderful on island agent who cares for our condo and we are very pleased. I know that the Realtors are trying to get legislation forcing all owners to rent through them in an effort to increase their profits at the expense of the owners. I have flown to Oahu and testified twice in the past and the bills have not passed. I ask that you keep the on island agent as it is presently and not require a realtor. I understand that there are about 10,000 rent by owner units in Hawaii and I assure you that the Realtors could NEVER take on that additional responsibility and rent these units, and serve our clients satisfactorily. I will have to sell out lovely condo because of the loss of income. Thank you for your consideration. Kenneth Green 110 Kaanapali SHore Pl. Lahaina, HI 96761

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 12:35 PM
To: TOUtestimony
Cc: mauioceansiderentals.net@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-------------------------------|--------------|--------------------|--------------------|
| Katie Pugmire/Richard Cordano | Individual | Oppose | No |

Comments: I am opposing HB 803

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brower1-Luke

From: Kathy <dhcondos@gmail.com>
Sent: Sunday, February 08, 2015 7:28 AM
To: Rep. Tom Brower
Subject: Opposing HB 803

Please oppose HB 803. This is just a repeat of 2012. An on-island contact is generally more responsive to the needs of those who visit the island because they generally live near the property and are much more responsive than a realtor who would end up with dozens of rentals because of the change in the law.

Mahalo, Kathy
801 390-0085

From: Kathy Doran <forkona@sonic.net>
Sent: Monday, February 09, 2015 7:54 AM
To: Rep. Tom Brower
Subject: Opposing HB803

Dear Representative Brower,

I would like to register my opposition to HB803. I am an owner of a vacation rental in Kona. I have always paid my taxes and operated within the law. I have owned several properties over the years working up to this house, which was supposed to be my retirement home. However, I got caught in the real estate meltdown. I am a teacher and I don't know if I'll ever be able to retire and move to Hawaii but this bill would put one more house in foreclosure. I can not pay commissions and management fees. I lose money every year as it is and I do all the bookings myself. I spend about 4 hours a day actively managing my property. I also have a wonderful on island property manager who takes care of my home and several homes for other people. She is honest and very attentive to the needs and problems of guests. That is her job. She is not busy showing listings or managing a real estate business. I have had registered real estate agents as managers before and the experience has not been good, from neglect of the property and guests, to putting in old shoddy appliances and charging me for new ones, and even renting it without my knowledge and not reporting the income to me or the state. Please understand and help others in the legislature understand that this bill would be a disaster for the state of Hawaii hurting tourism and the housing market as many of us would lose our homes. Mahalo,
Kathy Doran

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 3:34 PM
To: TOUTestimony
Cc: sheehan.kathyharnett@gmail.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|--------------------|--------------------|
| Kathleen Sheehan | Individual | Oppose | No |

Comments:

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 5:27 PM
To: TOUTestimony
Cc: katman.ca@gmail.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Kathie Wagner | Individual | Oppose | No |

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 1:49 PM
To: TOUtestimony
Cc: mauibeachhouse@homesbykaren.ca
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Karen Raymond | Individual | Oppose | No |

Comments: We support the requirement to have an contact who is resident on island · We oppose the requirement that the on-island agent be a real estate licensee o The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. o Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. o Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. o These bills fail to regulate the rate at which realtors can be compensated for this role. · We propose the language in ACT 236 in respect of “agent”, “on-island agent” and “local contact” be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 3:18 PM
To: TOUtestimony
Cc: karen@honu-nalu.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Karen Howard | Individual | Oppose | No |

Comments: I am writing to OPPOSE HB803. My husband and I have owned a condo on Kauai since 2011 that we rent out to guests visiting this beautiful island. We dutifully pay our taxes every month. We have a fabulous on-island contact who looks after our place and our guests as we live on the mainland. This person has many, many years experience in being a housekeeper, emergency contact, repair person, etc - all the aspects that are required of the on-island representative. We oppose of HB803 because it requires the on-island contact to be a real estate licensee. Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident can handle these responsibilities. The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. Making it be a requirement to be realtor does not fit with the job description of on-island contact. Why a realtor? What does a realtor do/know about maintaining residential properties for guests? Their area of expertise is in selling houses, not maintaining them. Additionally, designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. If you pass HB803, you will be giving undue power to realtors who will not be able to successfully handle the position of on-island contacts. You will create a new, worse problem. Sincerely, Karen Howard

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Opposing HB803

Like many others, I am a non-resident owner of a condominium in Kauai. My wife and I purchased the condo in 2007 as we loved Kauai and one day dreamed of being able to spend part of our retirement there. Unfortunately, we are 15+ years from retirement, so the plan was to find a condo that would provide monthly rent to support the monthly costs of the condo. The only way we could make that happen was to manage the property ourselves through internet marketing and managing the reservations and payments at home. We employ a housekeeper and maintenance person in Kauai who ensure the condo and our guests are looked after. We have provided accommodations to over 230 families since 2007 without a complaint.

When we purchased our condo, we registered the property as a vacation rental and we diligently pay the transient accommodations taxes, excise taxes, and property taxes as they become due. As many others, we have a mortgage with a Hawaiian bank and pay over \$20,000 per year in interest payments. We also pay HOA fees of approximately \$9,000 per year which helps to provide employment to resort employees. We support local charities and businesses and "sell" the island of Kauai to everyone we meet. We love the island as if it were our own and we take our ownership responsibility seriously.

I am extremely concerned about the effects that this bill will have on me and my family. With the state of the economy and rising costs, we are struggling to break-even on our property as it is. Property management company's charge between 20% and 50% of the gross rents to manage a property. We can't afford to pay this. If this bill passes, we will be forced to sell the property. Prices in Kauai have dropped since 2007 and we would be lucky to sell for enough to cover the mortgage balance (losing our 20% down payment in the process). The passing of this Bill will force rental prices up, reduce the number of rentals available, and ultimately reduce the tourism dollars and tax dollars flowing to the State.

You don't have a problem with the tax system, you have a compliance problem. Please look at ways to better enforce the rules versus adding new rules.

I am not the problem. I am paying my taxes. I treat the island and its people with respect. Why am I being penalized? **Please look for other options to deal with those not paying their fair share. Don't punish those of us who are doing the right thing and abiding by the laws that are in place.**

Mahalo for your time,

K. Page
Resides in Canada
Owner @ Pono Kai Resort
Kapaa, Kauai

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 2:53 PM
To: TOUtestimony
Cc: judyosgood@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| judy osgood | Individual | Oppose | No |

Comments: I have come to believe that not all rental agents are honest. I have a very good friend who hired a very well established rental agent and she neglected to obtain rent from tenants for 4 months. And this person was making 20% of the income for several years! Then he hired another agent who he gave 25% and they did a great job collecting he money, but failed to pay the GE and TA taxes, and the last 3 months kept all,of the rental,income. When my friend arrived on the island, they had closed up the office and left town. This does not make sense to me that homeowners who rent out their vacation homes who pay the GE and TA taxes, plus file Hawaii income taxes, be subject to,the crooks you want us hire. I have an on island manager, she is a trusted person, only has me as her client, but I collect all the money, pay my GE and TA taxes and our accountant files a Hawaii State income tax. If this passes, I will probably not rent my unit in the future. Too bad for Hawaii, I give them a lot of money each year.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 5:42 AM
To: TOUtestimony
Cc: jal1398@aol.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Joseph LaSorte | Individual | Oppose | No |

Comments: I support the requirement to have an contact who is resident on island · I oppose the requirement that the on-island agent be a real estate licensee o The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. o Realtors possess no special skills which are relevant to dealing with lock- outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. o Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. o These bills fail to regulate the rate at which realtors can be compensated for this role. · I propose the language in ACT 236 in respect of “agent”, “on-island agent” and “local contact” be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467

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Monday, February 09, 2015

To Whom it May Concern:

I am submitting this in opposition to HB803, currently under consideration. My name is John Strizver, and my family has been associated with Kauai since the late 70's. My father, Stanley Strizver was heavily involved in the Pono Kai Resort, ensuring that unscrupulous operators were prevented from violating the Horizontal Regime. He and a few other like-minded individuals successfully sued the AOA, then operated by Glenn Ivy, when they were illegally converting units into unauthorized or permitted studios.

He involved my wife and me in the Pono Kai in the mid 80's, when we purchased two units. He was the driving force behind the Independent Owners of Pono Kai rental pool for a number of years, hiring operators such as Aston, Marc Resorts, etc. We had on-site staff and were able to show Kauai visitors the very best Hawaii had to offer, all the while complying with all the rules, regulations and taxes required for operating transient accommodations.

HB803 addresses a valid issue – there are transient accommodation operators that are non-compliant. My primary objection to further regulations is exactly that – further regulation of an already over-regulated industry. Instead of penalizing the vast majority of law abiding operators that strive very hard to comply with rules, regulations, taxes, fees, association dues, repairs, maintenance costs, on-island representatives, etc., please spend more effort identifying those non-compliant operators, and bring THEM into compliance. Or eliminate them from the business. Government should be encouraging those operators that provide such a major aspect of the tourism industry. To be in the accommodation sector requires a significant financial investment, and my guess is that providing the appropriate encouragement to non-compliance operators will yield better results than further penalizing your compliant operators.

Sincerely,

John Strizver

(760) 208-1058

brower1-Luke

From: Sallynisbet@aol.com
Sent: Monday, February 09, 2015 1:28 PM
To: Rep. Tom Brower
Subject: Oppose HB 803

Rep. Brower,

We oppose HB 803, but propose amendments which, if adopted, would gain my support and the support of many others.

To legislate real estate licensees into a role between the tenant and the property owner would put Act 326 into conflict with both the Landlord-Tenant Code and the Real Estate Broker and Salesperson Code.

The Real Estate and Salesperson Code (467-2) permits an owner to rent, lease and manage their own property. The Landlord Tenant Code (521-43f) requires an agent residing on the same island as the property, but does not require the agent to be a real estate licensee. Nowhere in either statute does the term "on-island agent" exist (nor does it need to exist). The role of "local contact" was created in 2012 for the purposes of Act 326.

I support the amendment being put forward by RBOAA to clearly align Act 326 with both HRS 467 and HRS 521.

All owners of property who wish to offer transient accommodations must either: 1. Be an owner-operator who self manages, rents, leases and designates a local contact; or 2. Employ a custodian /caretaker; or 3. Engage the services of a real estate licensee.

Thank you for reading this. We have been owners of a condo since 1976 and bought another one in 1993 to contribute to our retirement in more ways than one. Please oppose 803.

Mahalo,

John and Sally Nisbet

brower1-Luke

From: John McKinney <mckinneyville@aol.com>
Sent: Sunday, February 08, 2015 6:38 PM
To: Rep. Tom Brower; s1kathiew@yahoo.com
Subject: Non Hawaiiin real estate/property managers

We own a condo on the Big Island. We use a property manager we know and trust who is based out of California. Prior to finding our California manager we tried two different property managers both based in Kona and real estate agents in Hawaii. Both proved vastly inadequate. Please do NOT take the right to use the best Property Managers we can find. Do not dictate to us how we need to run our business. We may sell if this legislation goes thru. Thank you, Laurel Adams-McKinney, 101, 75-4589 Alli Drive, Kailua Kona Hi. 509 435-3917

Testimony for HB803

We have owned a condo in Hawaii for 27 years. We have also only been able to do this financially by renting it out to friends, family and through vrbo. For 23 years or through Oct. of 2010, we always worked through a Property Management firm. In 2010 we were the ones who were doing all of the renting except for 10 days in Dec., 2010. We were having to pay 10 % to the property managers for each person that we rented to. Since we were doing all of the hard work, we felt that it was not fair to have to pay them 10%. If they had rented our place for at least half of the time, maybe we would not have felt that way, but they only rented it for 10 days versus the 124 days that we rented it for in 2010. That did not justify giving them 10% for doing nothing for all of the people we sent over there. So we gave them notice in October, 2010, to sever our business relationship with them. We have not been sorry for doing so.

My husband and I have been Property Managers of our own properties for almost 40 years. We have worked very hard to get to where we are today. I have never met a Property Manager who I felt was going the extra mile to pursue the best possible tenant relations and business decisions for the property owner. One always will do a better job when you are managing your own property due to your personal interest level. We also pay our Hawaiian taxes in full and on time by the way.

We are opposed to HB 803. We have found that our personal interest and hard work garners more success to our rental property in Hawaii than anything else. And Yes, we do so love to come visit your beautiful state. That is what makes our hard work worth the effort.

Mahalo for reading this!

Sincerely,

John and Donna Lowe

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 9:59 AM
To: TOUtestimony
Cc: john.eckel@pinninvest.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| john eckel | Individual | Oppose | No |

Comments: Mahalo for the opportunity to testify. I oppose HB803 I have been blessed to have owned a condo on Maui for twenty five years and have been able to help pay for it by renting it to guests. I love Hawai'i and have touted all the wonderful things about Hawai'i to potential guests. I suppose I could be considered an unpaid and unofficial ambassador for Hawai'i. During the twenty-five years I have always conformed to local and State regulations and paid taxes. I also have always had a local contact that guests could contact. Frankly the contact serves mainly as a comfort for guests, since I have been able to resolve almost every issue that has arisen via phone or email. It does not take any special skill to call a plumber, a locksmith, or other repairman. And no one has more interest in doing it promptly than the owner of the property, since we rely on repeat guests, referrals and reviews on Trip Advisor and VRBO for future guests. The cleaning and maintenance people we use are paid well. I estimate that their hourly rate is in excess of \$50 per hour, which is likely more than they would earn if they were working for a hotel or property manager. There is absolutely no reason to require a vacation home owner to hire a licensed realtor or to be the sole employer of a custodian / caretaker. It will drive up costs for property owners and their guests. While imposing added costs on law abiding property owners may benefit property managers, the hotel industry and realtors, it does so at a substantial cost to property owners and their guests. It does not seem to be appropriate for the legislature to be trying to reduce fair competition and create a monopoly or oligopoly. Hawaii tourism has thrived by offering a variety of accommodation choices to guests. Hotels, property managers and individual property owners are like three legs supporting a stool. If you dismember one of the legs by adding significant costs, the entire stool may weaken. I respectfully ask you to oppose HB803. Mahalo for the opportunity to testify.

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From: John & Janet Crews <jjcrews@me.com>
Sent: Sunday, February 08, 2015 4:01 PM
To: Rep. Tom Brower
Subject: Oppose HB803

Dear Representative Brower, you were so kind to help us get through this last time, Please help us again. I have a professional, licensed, cleaning and maintenance person that cares for our place as his own. He is on 24/7 call for guest needs and is there within 10 minutes if a guest needs something. He knows exactly how I want our home to be presented to guests coming to our place, and to Maui. His number is listed in clear view in several places in the unit. He is invaluable to me and it scares the heck out of me that this bill wants me to turn my home over to a perfect stranger, that has no skills in cleaning and maintaining my home just because they have a realtors license. My husband and I worked for 20+ years to save for this special place, which is also our own home half the year, and we oppose HB803. Please imagine that this is your own home that you are turning over to someone that does not have the correct skills for the job needing to be done. They might know about your property and the resale value, but do they know how to fold towels and do laundry and get on their knees and scrub the floor or fix the running toilet. Please, please oppose this bill.
Thank you Janet Crews

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 8:31 AM
To: TOUtestimony
Cc: donutking22@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Joel Goldman | Individual | Oppose | No |

Comments: I oppose this measure as I do not see why having an on-island contact MUST be a realtor. What qualifications does a realtor have over anyone else to provide information to a prospective renter, repair a broken whatever, or schedule cleaners. I do NOT oppose requiring an on-island contact, but why must it be a realtor? This will add unnecessary expense to an already tough financial picture most rental owners experience. Why is any professional group or individual more qualified to manage a rental property than another?

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Joe Slabe
C312, 2531 S Kihei Road
Kihei, HI
96753
joeslabe@hotmail.com

Aloha,

I am writing to oppose HB 803.

While I oppose this bill, I propose amendments that, if adopted, would gain my support and the support of many others.

To legislate real estate licensees into a role between the tenant and the property owner would put Act 326 into conflict with both the Landlord-Tenant Code and the Real Estate Broker and Salesperson Code.

The Real Estate and Salesperson Code (467-2) permits an owner to rent, lease and manage their own property. The Landlord Tenant Code (521-43f) requires an agent residing on the same island as the property, but does not require the agent to be a real estate licensee. Nowhere in either statute does the term "on-island agent" exist (nor does it need to exist). The role of "local contact" was created in 2012 for the purposes of Act 326.

I support the amendment being put forward by RBOAA to clearly align Act 326 with both HRS 467 and HRS 521.

All owners of property who wish to offer transient accommodations must either: 1. Be an owner-operator who self manages, rents, leases and designates a local contact; or 2. Employ a custodian / caretaker; or 3. Engage the services of a real estate licensee.

Mahalo for your time and for your service to the people of Hawaii,

Joe Slabe

brower1-Luke

From: Joe Gatlin <jandlgatlin@cox.net>
Sent: Sunday, February 08, 2015 2:52 PM
To: Rep. Tom Brower
Subject: Opposition to HB 803

Dear Representative Bower,

We would like to register our opposition to HB803.

If this bill is passed, it would be a big setback to free enterprise and the principles that made this country strong. We employ an on-island agent who looks after our property when we are the mainland. We pay all the required taxes to the state of Hawaii. We use local handymen to repair and maintain our property. Tourists are able to come to the island of Maui, because we offer our condominium at competitive prices – to the benefit of all who live on this island, because it improves the state's economy.

The big hoteliers oppose us, because they cannot stand the competition. Other condominium owners like us force these hoteliers to be more efficient which is what capitalism is all about.

Thank you for your consideration of our position.

Regards,
Joe and Linda Gatlin
Maui Kamaole
Kihei, Hawaii

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 7:41 AM
To: TOUtestimony
Cc: jimstofer@comcast.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Jim Stofer | Individual | Oppose | No |

Comments: Aloha, As an owner of rental units for over 7 years, I want to voice my opposition for HB 803. This type of bill has been proposed several times in the past. There is no solid evidence that this help owners or the state. I have used licensed real estate agents in the past and have found them less responsive to my renters and my own needs. I agree that my contact should be on-island, but having a requirement of a real estate license does not guarantee a better experience (in fact, I found it worse since I didn't account for much money for them). There is no fiduciary responsibility, so I don't understand how this helps the state. Collection of taxes from individuals who don't pay or report could be done in many other ways (why not start a confidential reporting service). Also, to only allow a custodian to work for one client is restraint of trade. My on- island contact would not be able to make a living as I only have a few transactions for them per month. Please refer to ACT 236 for language that makes sense for situations such as mine. Mahalo, Jim Stofer Hali'i Kai

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 4:37 PM
To: TOUtestimony
Cc: jimelder008@earthlink.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Jim Elder | Individual | Oppose | No |

Comments: Why are we being forced again to fight the same bill we won 2 years ago? We oppose requiring an on island agent to be a realtor. This is not a function that requires any licensing; realtors do have any particular skills to assist with the types of problems that rentals have such as trying to repair appliances, garage doors, etc. There is no reason to single out one particular profession to take over and monopolize our homes; and how is compensation going to be handled when everyone is different. Our contacts are perfectly capable, do an excellent job, and they do not want to be employees.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 3:38 PM
To: TOUtestimony
Cc: fleetbishop@cox.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Jim Back | Individual | Oppose | No |

Comments: In my view, this legislation would create an unnecessary burden and would discriminate against small business owners. Thank you for your consideration of my position.

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brower1-Luke

From: Jerry Helmey <ekoluvacationrental@gmail.com>
Sent: Monday, February 09, 2015 7:48 AM
To: Rep. Tom Brower; Rep. Takashi Ohno; Rep. Romy Cachola; Rep. Isaac W. Choy; Rep. Ken Ito; Rep. Derek Kawakami; Rep. Richard Onishi; Rep. Sam Kong; Rep. James Tokioka; Rep. Clifton K. Tsuji; Rep. Justin Woodson; Rep. Lauren Matsumoto; Rep. Gene Ward; CPCtestimony
Subject: HRS 237D-1
Categories: CN

Dear Legislators,

I am an owner of a licensed vacation rental condo on Maui which is in a hotel-zone. I support and meet the all requirements of Act 326.

I agree that in HRS 237D-1, the definition of "Transient Accommodations" should be updated to include the term "single-family dwelling".

Each County has the responsibility to create and maintain relevant local laws that find a county-specific correct balance between allowing legal and permitted single family dwelling vacation rentals (VRs) to support the state's lifeblood industry as well as providing reasonable protection and quality of life for the permanent residents.

I share the concerns of the bill's authors for the problems caused to the state, its residents and visitors relative to the unabated proliferation of unpermitted and illegal vacation rentals. The adverse consequences are far reaching and only growing worse where the problem is not being managed.

I believe one of the first steps is to create tools that support the efforts of the enforcement agencies. To the extent that such a database shall actually be utilized by the enforcement agencies to achieve this goal, yet don't have offsetting serious consequence, I SUPPORT HB1288.

However, I ask the Legislation to reconsider those provisions of the bill that provide this information to ANYONE for ANY purpose.

Helping residents who are affected as well as visitors who are arranging lodging is also an important yet secondary consideration. Unfortunately some of this information can be used by persons to do harm to visitors and the owners of the properties that are listed in the data base.

As an owner of a vacation rental, I am required to keep an updated calendar that is viewable to anyone on the internet which shows when my unit is occupied and when it is vacant.

I am always concerned and feel responsible for the welfare, safety and protection of my guests and their property. This is not a pleasing message to leave for a guest because we want them to just relax and enjoy their stay, but after we write the part that says "Aloha, Welcome to Maui!", we inform each of our guests in writing to not leave their valuables in view and to lock the doors and lanais and windows whenever they leave the unit.

Burglaries of vacation rentals is a real problem in the islands and one we must all constantly be aware of. Our resident managers are always watching out, we have methods to help manage that only the appropriate persons are on the property but they are imperfect. Contractors are nearly always coming and going. We have found we need to continually adapt and change our methods to keep unwanted visitors off the premises. Criminals' methods change given the opportunities and the circumstances. For a while we had a problem with security cameras and we stopped using them after they were repeatedly stolen!

In the case of single family dwellings, perhaps a different situation, an unoccupied unit may look great to someone to break into. I don't have experience with the types of problems associated with this type of dwelling.

However, making it too easy for persons with the wrong intentions to identify whether a property is vacant or occupied is a consequence of the bill as currently written. It may burden not only owners and visitors but also be objectionable to local police agencies potentially faced with a new levels and types of crime to deal with.

Therefore I propose the following for your consideration:

Amend the language to have a public database which has access ONLY to

(1) Search the database by property address to determine whether that property is managed by an operator or a plan manager who has received a certificate of registration;

(2) Enter the name of an operator or plan manager to determine whether the operator or plan manager has received a certificate of registration;

Please Delete from the bill:

(3) Enter the name of an operator to determine the address of every transient accommodation managed by that operator; and

(4) Enter the name of a plan manager to determine the address of every resort time share vacation unit subject to a resort time share vacation plan managed by the plan manager.

Items 3 and 4 are useful and reasonable to make available by enforcement agencies but have the potential for misuse to create more hazard to public safety, and welfare than benefit.

If Oahu County would be strongly benefitted by retaining items 3 and 4 above, to the extent that the detrimental effects to it's citizens and visitors are offset by the benefits, I propose that this be a county specific measure.

It can be adoptable by each county on an as-desired basis, but likely this bill should not a statewide requirement as currently written.

Thank you for the opportunity to provide comments.

Jerry Helmey - 10 Wailea Ekolu Place, Wailea, HI 96753

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 10:06 AM
To: TOUtestimony
Cc: hawaiigov@crashcrs.net
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Jeremy Im | Individual | Oppose | No |

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 1:43 PM
To: TOUtestimony
Cc: LSlexec@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| JARED F. BROWN | Individual | Oppose | No |

Comments: Dear Hawaii Legislators, I am writing to strongly oppose HB 803 as it is written. I have owned and rented my condos for over 30 years in Hawaii. I have never in all that time had someone who had a problem in my units that wasn't taken care of immediately. We did this because we cared about the people and to do anything less would have been foolish from building repeat clientele and having a business success. We have since hired an on island representative which gives additional redundancy but wasn't necessary because we had capable vendors and representatives on island that would immediately respond. It seems that the only beneficiary of implementing this bill would be the Hawaii Realtor, who can then charge their substantial fees for acting as an on- island agent, taking jobs and employment from those island residents already handling the few duties this entails. We have always collected and remitted the Hawaii State TAT and GET tax and Hawaii has always been paid income tax on the gains when we sold property at a profit. Each additional, unnecessary expense that is added by increasing regulation either has to come from our renters, making Hawaii less competitive with other destinations or it diminishes asset values, hurting anyone owning property in Hawaii. The state already has the power to collect room tax and making it more difficult for those who already collect and pay those taxes is not a good answer for the state. If the state believes it is being cheated, there are already laws that can be enforced through simply requiring everyone that advertises to post their state tax ID with their ad. The state can then audit anyone that isn't remitting tax. There is no need to make it more and more expensive through forcing legislation on already law abiding property owners who will either sell their Hawaii investment or make much less by having to hire expensive brokers who in some cases want as much as 45% of the rental income which will sooner or later be felt in diminished property values for everyone. I urge the Hawaii Legislature to vote against this special interest bill HB 803. Mahalo for your time and consideration: JARED F. BROWN Maui property owner Honua Kai Resort H-104 Papakea Resort K-202

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 9:54 PM
To: TOUtestimony
Cc: jann@dccnet.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM
Attachments: Hawaii Testimony HB 803

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|--------------------|--------------------|
| Jann Mittlestead | Individual | Oppose | No |

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 4:18 AM
To: TOUtestimony
Cc: jdelsanto@hotmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|--------------------|--------------------|
| janice del santo | Individual | Oppose | No |

Comments: We are very responsible off island owners. We pay our taxes and contribute to the island economy by housing guests when they visit Maui. We have rave reviews from our guests and responsive on island contact in case of issue. This person is far more qualified to assist our guests than a realtor or management company who would only increase our financial burden. We cannot afford to absorb any additional costs and would be forced to sell our unit. If all off island owners are forced to sell...the island real estate market and economy would suffer greatly.

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James Pepper
323-573-7477
jpepper317@earthlink.net

To Whom It May Concern:

I would like to submit testimony with regards to HB 803.

I have been renting our home out for almost 20 years. For the first few years, we used a management company who was a licensed real estate broker, and at the time, was considered one of the most qualified managers in the area.

I wasn't impressed at all with the quality of work and the attention that was paid to my property or my guests.

I was encouraged by a neighbor who was renting her place as well, to start marketing the property myself, and to hire a local representative to handle working with the guests.

Things have been terrific. She is hands on, and gives attention to my guests that I could never expect to be consistent with a management company. If this measure were to pass and property owners were forced to hire realtors, the realtors would be inundated with a bunch of properties, and I would pay more for what I can conclude would be poor service.

Please vote no!

Thanks,

James Pepper

Dear House of Representatives,

HB 803 only has one purpose. That purpose is to line the pockets of real estate agents in the State of Hawaii.

Honest, tax paying, non-resident home owners will be forced to hire a real estate agent to manage property for us.

I own a single condominium on Maui. I have a long term renter who I rent to at under the current rental rate. Their rent only covers about 2/3rd my mortgage. These tenants are the best I could ask for but on a limited income. If I am forced to pay a realtor a percentage, I will be forced to increase their rent.

This will put most rental properties out of their reach.

How is HB 803 benefiting anyone besides the realtors of Hawaii?

Rental rates are already extremely high for both short term and long term rentals. Forcing any increase will simply drive prices higher. This in turn will reduce rental tax income to the state and county.

Please vote against HB 803 as this bill is bad for the economy and the State of Hawaii.

Thank you

James Hanke, property owner
Hale Ono Loa, Lahaina, Maui, HI

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 1:53 PM
To: TOUtestimony
Cc: jev2@bellsouth.net
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Jack Vandelaar | Individual | Oppose | No |

Comments:

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 7:55 AM
To: TOUtestimony
Cc: ivar@ivarp.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Ivar Pedersen | Individual | Oppose | No |

Comments:

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 4:09 PM
To: TOUtestimony
Cc: fernandesjsh@shaw.ca
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|--------------------|--------------------|
| Howard Fernandes | Individual | Oppose | No |

Comments:

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From: Heather Ann Smith <hasmith3@gmail.com>
Sent: Sunday, February 08, 2015 10:35 AM
To: Rep. Tom Brower; Heather Ann Smith
Subject: HB 803 opinion

Dear Representative Brower,

The government already has the tools to catch cheaters. Nowadays probably 99.9% of renters use well known websites.

- Require websites to report all HI listings to the state.
- Determine whether there is a tax id associated with each listing.
- Check tax id numbers against HI Gov. records.
- Go after those renters without a tax id, or any renter who is using a false one.

Repercussions of the bill?

Will people currently managing condos be left out in the cold? These people have worked hard to get where they are.

People use rent collected to pay off mortgages for their unit, in which many of the hope to live one day. (Maybe they would also have a vote at that time). It would be a great hardship to pay the fees that would be imposed.

I have just rented a unit through VRBO, which is managed by a company and not an owner. It is night and day how bookings are handled - . The property being rented might just as well be a motel room. I could not have my home managed by a disinterested third party. If passed our condo will be removed from the rental market unless there is an innovative someone with a real estate license who would create a situation that we could live with. – After all this is America.

Where can I read why this bill is being proposed and how it will benefit the people of HI?

Sincerely,

Heather Smith, 14F Wailea Ekahi

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 11:47 AM
To: TOUtestimony
Cc: thetaproom@prodigy.net
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Harley Ge | Individual | Oppose | No |

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 12:35 PM
To: TOUtestimony
Cc: sherlblod@aol.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-------------------------|--------------|--------------------|--------------------|
| Gladys Sherley Blodgett | Individual | Support | No |

Comments: Out-of-State owners of condominiums used for transient accommodations are either ignoring or unaware of the requirements in section 467-1 which has been in effect over the past several years. These requirements need to be restated in the 514B Chapter which is the law most often quoted or referred to with regard to AOAOs and condominium owners. The clarification of an on-island agent that may act for only one operator is a necessary aspect of this proposed law.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 5:19 PM
To: TOUtestimony
Cc: ginajoy@aol.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| gina joy | Individual | Oppose | No |

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 1:03 PM
To: TOUtestimony
Cc: gbonari@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| George Bonari | Individual | Oppose | No |

Comments: I support the requirement to have an contact who is resident on island. I oppose the requirement that the on-island agent be a real estate licensee o The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. o Realtors possess no special skills which are relevant to dealing with lock- outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. o Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. o These bills fail to regulate the rate at which realtors can be compensated for this role. I propose the language in ACT 236 in respect of “agent”, “on-island agent” and “local contact” be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467

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From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 06, 2015 1:30 PM
To: TOUtestimony
Cc: geoff.scotton@frontier.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/6/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|--------------------|--------------------|
| Geoffrey Scotton | Individual | Oppose | No |

Comments: Thank you for the opportunity to provide testimony to SB1031. I have owned and operated a legal vacation rental property on Maui since 2002. During that time I have been in full compliance of regulations and GE and TA tax payments. I understand the need to ensure that self-managed vacation rental properties have appropriate local representation. However I believe that the existing law provides the necessary provisions to ensure that the Hawaii vacation traveler interests and the property owner interests can all be met. This does not require further burdensome legislation that is only going to make compliance more difficult for legal/compliant self-managed vacation rental property owners. Specifically I take exception to the change in the name from "local contact" to "on-island agent". The name change is not innocuous, but rather is one more step in the direction of designating that an "on-island agent" be a licensed real estate agent or broker. The original term serves the need for the responsibilities identified by the act and should remain unchanged. Furthermore, the requirement that any such "on-island agent" may perform in that role for only one operator is completely onerous. As there are many thousands of such self-managed vacation rental properties, the demand for such personnel would clearly exceed the number of available candidates. Similarly the potential "on-island agents" would be not be adequately compensated through a single property owner. If such a limiting staff to property ratio is thought to be necessary (for reasons I do not understand), why is this burden also not placed on staff performing similar functions for real estate agent/broker managed properties. Please do not pass the the changes proposed by this bill, as it would have very deleterious impact on the owners of vacation rental properties to continue to self-manage those properties. I know for myself, and suspect for most other self managed properties, that turning the properties over to professional management operation would ensure that I would not longer be able to afford my ownership of the property. Thanks you for your consideration. Geoff Scotton

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 3:15 PM
To: TOUtestimony
Cc: info@mauiroyal.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Geoff Tomlins | Individual | Comments Only | No |

Comments: I am an owner of a Condo at the Kaanapali Royal which I rent out part time to help defray costs. In 2014 I paid Maui County \$6,000 in property taxes, and \$5200 in GET and TAT from the property rental. AOA costs were \$12,575, MECO was \$4,400, and my Manager and Cleaning fees totalled \$6,800. Total \$35,000. I employ a local Manager and Cleaning lady who are each paid at least \$40 per hour. They do excellent work and would not be hired by realtors or so-called management companies. I strongly oppose this measure because 1. it will increase my management/cleaning costs by a minimum \$10,000 per year, 2. management and cleaning quality will deteriorate, and 3. the local people would lose their work. My wife and I love Maui and I have been coming here for more than 20 years and we are OK with the high costs associated with Maui. However, if the measure succeeds I will sell my condo and purchase a winter home in California or Arizona instead for a fraction of the annual carrying costs I have to pay in Maui. Thank you for the opportunity to provide this testimony. Geoffrey Tomlins, Ph.D.

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My name is Gene Phipps and I have been an owner/resident and vacation rental provider for 14 years. Our worst nightmares have been when we had property managers from real estate offices manage our properties. We have had two (Knutson and Hawaii Resort Management) and both companies were irresponsible. One company (Knutson) even rented our condo without telling us and pocketing the money. Hawaii Resort Mgmt double booked our condo and did not respond to our guest at 11pm at night. We had to handle the situation because there was no one available in their office.

We have always paid our GE and TA taxes. Demanding that owners use a licensed realtor or management company is not the answer. The state needs to tighten the tax compliance and monitor vacation rentals more closely. Map areas where vacation rental is allowed and not in residential areas. Zoning should be at the top of the list for a permit to lease out your home for vacation rental.

Reasons against HB 803

- 1) a glut of vacation rentals that property managers and real estate managers will not be able to take care of or oversee properly
- 2) Foreclosures because owners will be unable to pay their mortgage
- 3) HOA fees unpaid because owners will be unable to afford to pay the increase causing other owners to take up the slack for missed HOA fees and causing further foreclosures

PLEASE VOTE NO ON HB 803. THIS IS A BAD BILL AND DECISION.

Testimony on HB803

My name is Gary R. Stephens. My wife, Barbara, and I purchased our condominium property (Unit D-308) at the Pono Kai Resort on Kauai in February of 2002. We have been renting the property as a vacation rental and using it occasionally for our family since that time. I have been diligently and honestly filing General Excise Tax Return G-45 and Transient Accommodations Tax Returns TA-1, and Hawaii Income Tax returns. We have been paying all GE, Transient, income, and property taxes.

In addition we have been paying mortgage and interest payments to First Hawaiian Bank. Over the years we have been upgrading our property to make it more attractive as a rental, purchasing supplies and equipment from Hawaii firms. We have been providing employment to local Kauai residents via the association fees that we pay to the Pono Kai Resort. We have encouraged our vacation renters to take patronize local businesses, artisans, and farmer's markets. As non-resident owners we do all this while using very little of your state-supported facilities and services.

The Pono Kai Resort association fees have been steadily escalating virtually every year that we have owned the property. We are now at the point where we are barely breaking even with the income we receive versus the outgo. The effect of this legislation if it passes would be to force us to sell our property, as we would not be able to keep it with the additional fees and overhead a real estate or property manager would charge.

If you are concerned that not all non-resident owners are as honest as we are, and that you are not getting the full amount of taxes you should be receiving, there must be a better way to rectify that problem. But if this is the result of the Real Estate Property Management lobby, then it is an unconscionable attempt from predominantly large corporations (many of which are located outside of Hawaii) to put small business owners out of business.

In spite of continually escalating airline fees many visitors have been able to come to Hawaii because of the relatively affordable accommodations they can secure through renting vacation rentals from private owners like us. We have encouraged many of our friends, neighbors, and extended family to visit Hawaii, who might have vacationed elsewhere without our condominium. We have "sold" the attraction of Hawaii to many people. If you price us (and the many other individual owners like us) out of business, you will be killing off a large part of the informal tourism marketing capacity that exists because of us. I believe you will then see a net drop in the number of paying tourists that can come to your lovely state with the consequent reduction in net revenue. We urge you not to do this.

Gary R Stephens
Pono Kai Resort #D-308
4-1250 Kuhio Highway
Kapaa, HI 96746

Barbara L. Stephens

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 2:27 PM
To: TOUtestimony
Cc: gbaker1953@sbcglobal.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Gail Baker | Individual | Oppose | No |

Comments: I support the requirement to have a contact who is a resident on island and I have had an excellent contact who does way more for me than any rental agent would ever do for me. · I oppose the requirement that the on-island agent be a real estate licensee as it would serve no real purpose. The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. These bills fail to regulate the rate at which realtors can be compensated for this role. I believe that our constitutional rights to own property and rent it would be violated if this were to pass.· It seems that this measure is just a repeat of what did not pass last year so I am not sure why you continue to go down this road. Thanks

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To Whom it may concern:

I am writing to protest the proposed legislation: 2089, SD1, Tourism Committee, March 12, 2012 at 9:30am.

My Name is Ethel A. Grant, 1005 Stratford Court, Del Mar, CA 92014. My Hawaii address is: 2481 Kaanapali Parkway #313, Maui, Hawaii 96767

I have owned this property since 1991. I have employed many property managers to rent out this property over the years. My experience using property managers has been highly unsatisfactory. Each property manager has collected a monthly fee to manage the property, along with a 20% commission. If a travel agent was also involved, there was an additional 10% commission. If a repair was necessary, the management company would use people that worked for them. That was another bonus for the management company. The fees charged were exorbitant and there was no recourse for me but to use whomever they sent out. For example a light bulb needed to be changed out, the fee was \$35.00. A second light bulb needed replacing later that same day. I was charged another \$35.00.

Even though each management company promised quality control, that has not been my experience. When I arrived at my condo, the drapes were shredded and the carpet was filthy. Even though I was paying for all the cleaning and repairs, my home away from home was a disaster. I was horrified that people were paying to stay in my condo and it was in such an unacceptable condition.

Management company's reserve the right to have travel agents stay in owners units for free as part of the contract with the owners. That is such a disservice to owners. I receive no rent, but still have to pay to have the unit cleaned. So, I have loss of income, incur additional expenses and increased wear and tear.

I enjoy speaking to my guests and arranging their Maui vacation. Renters prefer it this way as well. I have always paid my taxes. I understand the State of Hawaii wanting to collect the taxes that are due. More thought needs to be given to figure out how to accomplish that. This bill is not a solution. It gives way to much control and profit to realtors. The ones I worked with did not manage my property appropriately. If they have this windfall of every rental on Maui, how can they possibly take care of everyone? What a conflict of interest, who's unit do they rent out first? This bill is not a

solution. It is a nightmare!!! If this bill passes, I will no longer rent out my unit. The taxes I have always paid will shrink to zero. I will not be held hostage by realtors.

Please consider the ramifications. This bill is saying private property owners are going to be punished because the State hasn't spent the time and consideration necessary to find an alternate and equitable solution.

Sincerely,
Ethel Grant
Taxpayer

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 2:05 PM
To: TOUtestimony
Cc: peaceandaloha@hotmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Ellen Ernisse | Individual | Oppose | No |

Comments: Aloha, We live on Maui and have rented our condos on VRBO and Flipkey for the past 5 years. We pay all our GET and TA taxes monthly. We know many other owners on VRBO, who also pay their taxes,etc. We have obtained a local contact in order to maintain our rental business and once again the real estate lobby is stepping in to obtain part of our business by employing them to be our real estate agent! There is NO need for this additional attack on our ability to make income from our property in Hawaii. As owners of t wo units advertised and rented on the internet, trying to manage our own condos to make an income as seniors, we pay our property taxes and GET/TA taxes and are again being threatened with fines and a misdemeanor or a felony filed against us. We have difficulty understanding WHY we must continually testify to keep our rights to self-manage our own properties. Mahalo for considering our testimony. Ellen and David Ernisse 350 Luawai Street Lahaina, Maui, HI 96761

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 1:10 PM
To: TOUtestimony
Cc: stoopse@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Elen Stoops | Individual | Oppose | No |

Comments: Dear Legislators, Thank you for the opportunity to provide comments. Based on clear similarity to other bills brought forward over the past several years, I shall assume that HB803 has been introduced by Property Managers (aka licensed Tourism professionals). I am an owner of a transient accommodation on Maui in a Hotel Zone. I have my certificate of registration, pay my owed GE and TA taxes, have a local contact and provide the local contact information to my guests and post my taxpayer ID on all internet advertisements. I Oppose HB803. All essential legal elements and assurances to the state, namely measures to support consumer protection and payment of taxes owed to the state are in place today and are enforceable by the appropriate agencies. The naysayers looking to change the law with the introduction of this bill, conveniently set aside important and irrefutable facts... Laws exist today to support consumer protection and tax payment to the state and are codified into Act 326. The efforts to create this Act involved direct participation by the Key Stakeholders and many meetings. Property Managers today are unhappy to see their share in the market for TVRs decline. As consumers tastes and travel styles have evolved, today's travelers, and especially repeat visitors and experienced travelers have discovered how to contract for lodging that more clearly meets their needs. Traveler reviews play a significant role in identifying well run vs. poorly run VRs. Companies, Operators, and individual owners who self-manage are completely incentivized by this fact to ensure their guest experience was a positive one from the initial point of contact to their departure and beyond. The internet is therefore, by default, providing a consumer protection mechanism for Hawaii's tourists. An intention of this bill is to have legislators ignore travelers' preferences and the welfare and the rights of investor-owners of vacation grade real estate. Owners of vacation rentals are among the best stewards of Hawaii. It takes responsibility and resourcefulness to save and then invest a significant portion of one's assets into a real estate investment outside of one's primary residence. To run a good business or in this case a vacation rental, one must be industrious, responsible and truly care for the welfare of the visitor. Property Managers have had ample opportunity to change their business model to make it an attractive and welcoming option for self-managing owners rather than a legally mandated enormously overpriced service. Are they not listening or reading the hundreds of pages of owner testimony from the past several years that articulate our hesitations in turning the management of their property over to a third party? These offer incredible insight into what owners really want and what they might be willing to pay for. Property Managers today charge the typical range of 20-50% of the gross proceeds --- for services I don't desire and easily perform myself and with the occasional aid of my local contact. I estimate that my paid local contact is receiving about 1% of my gross rental proceeds for activities

performed relating to being a local contact. Property Managers' arguments are based in some truths but a closer look shows there are also claims which will produce the wrong conclusions for those who do not know all the facts. Claim by HAVRM: Millions of dollars in owed taxes are not paid by owners of VRs. Fact: It is TRUE that not all taxes owed to the state are paid AND the amounts involved are likely significant. But the devil is always in the details and those are not freely shared or clearly articulated and that's because they don't really support the objectives of the Property Managers. Among the largest reason for unpaid taxes is that there exist a very large number of illegal VRs. The single largest source of illegal VRs exist on Oahu. This is directly tied to Oahu's failure and/or decision to NOT change their permitting laws for 30 years, and to apply insufficient resources to affect a crackdown. Resultingly unpermitted VR properties have proliferated across the island and has had many unintended and serious consequences. Property Managers can play no role in solving this issue. It is up to the County to reassess their laws on providing permits and up to the County and State Administration to direct and provide proper support to the enforcement agencies to achieve the desired level of compliance. Hawaii Association of Realtors testified in 2012 on a similar measure offering the following which is directly counter to HAVRM's claims that only licensed realtors can solve Hawaii's problems, namely: "Real estate licensees may be in jeopardy of losing their licenses if they are involved in the management of illegal, nonconforming, or unpermitted transient accommodations". So the tax collections for 20KU unpermitted TVRs in operation will not be facilitated or improved by inserting a Property Manager into the picture for this problem, in fact it would do nothing at all. Similar challenges for enforcement shall exist on each island, and the level of challenge will vary depending different circumstances in each area. The other islands have been significantly more proactive, however, in revising laws to be more relevant to changing market conditions and the needs of their residents. Each county has been addressing the island-specific problems of illegal TVR proliferation, just to a greater or lesser degree of success. There is no need for additional laws (or 3rd party PMs) to help identify to the enforcement agencies who the law breakers are, rather there simply needs to be the will to enforce the law. Act 326, and per the request of the DOT in its testimonies before HB2078 was enacted into law, require VR advertisers to show their Tax ID, thereby identifying themselves to the enforcement authorities. In testimony the Director of the Department of Taxation (Frederick D. Pablo) the letter in full read: "The Department of Taxation (Department) supports this measure. HB2078 SD1 requires that all advertisements and solicitations for transient accommodations conspicuously display the registration certification number issued under the Department under Section 237-D Hawaii Revised Statutes. The Department believes this measure will aid transient accommodations tax compliance. Thank you for the opportunity to submit comments." HB803 does not provide for consumer protections or tax collections for the state that are not already provided by Act 326. Rather it is conceived to achieve personal financial gain for Property Managers in exchange for no additional benefit for the State. Please refer to the RBOAA position in its entirety for HB803. This is the position I fully endorse. I support the State's efforts to administer and enforce Act 326 and ask you to vote NO on this measure. Mahalo for the Opportunity to provide Testimony.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 12:10 PM
To: TOUtestimony
Cc: eleanorarita@yahoo.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Eleanor Arita | Individual | Oppose | No |

Comments: We have respectfully followed all requirements and processes as owners of a vacation rental. While doing so we have development a very modest vacation rental business. We do enjoy managing all aspects from customer care, to maintenance of the property. This includes being good neighbors, paying taxes on time and offering our guests a wonderful way to experience Hawaii (Kauai in our case). Our guests are very appreciative of the level of communication, amenities and care we provide. This happens when owners are able to build relationships with guests as they plan their stay, answering questions, providing hints for getting around the island, safety information and so much more. The role of an "agent" will interrupt the process that is the basis of stunning vacation rentals. It will add a financial hardship as well. The current model works, If it does not, then fix it in a case by case basis perhaps. I strongly oppose this bill.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 1:16 PM
To: TOUtestimony
Cc: edkelly50@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------------|--------------|--------------------|--------------------|
| Edward James Kelly | Individual | Oppose | No |

Comments: Please don't take away my ability to manage my own property. I have been diligent and conscientious in operating my condo as a vacation rental. I always report my taxes and ensure that I comply with all the regulations regarding this rental. I do not wish to turn over my "retirement" job to someone who is an agent, but has no interest in my property. I, as many others, love the interaction with my renters; please don't take this away. I, as many other, follow the rules and pay our taxes. This shotgun approach to fix a problem is not the way to do it. If someone is not complying to the rules and tax collection use your power to enforce them to do so. Mahalo, Edward Kelly

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 8:19 AM
To: TOUtestimony
Cc: bzzebeth@aol.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

Categories: CN

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| E Zeigler | Individual | Comments Only | No |

Comments: There is no reason that an On Island Representative of owners renting their units to vacationers must be a "licensed Real Estate Agent" The fact of the matter is this person does not need to deal in real estate at all. Their primary responsibility is to take care of unexpected/unintended issues that may arise when a vacationer arrives or during their stay and to address any emergencies arising for those to be resolved on a priority basis. This does not require any knowledge of real estate transactions, selling homes or condos or anything of that nature. It requires someone with common sense who is available to let the vacationer into the unit if necessary and is knowledgeable in repairing things in an emergency or at the very least having on island knowledge of who to contact on a priority basis to resolve the emergency. As a matter of fact I recently had a pest issue in my unit! My guest information book contained the name and phone number of my representative, who is not a real estate agent, they called him and explained the problem. He immediately contacted the pest control company making arrangements for them to come out and treat the unit on a priority basis. They came out in less than 36 hours and performed the first treatment. The follow-up treatment was completed ten days later. This is a perfect example of an on-island representative, WHO IS NOT A REAL ESTATE AGENT, addressing and resolving a guest issue in more than a timely manner. If the legislature keeps this up you are going to drive owners away. Tax, this, tax, that, raise taxes and fees, dream up ways to generate fees for the real estate industry needlessly. It won't take long for owners of vacation rentals to tire of this and cease renting their units. Then what do you do to make up for the tax loss. Enacting this rule will serve no useful benefit to anyone except the realtors and they already make enough in sales commissions. Thank you

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 8:25 AM
To: TOUtestimony
Cc: adsrgr8@comcast.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| donald hoffman | Individual | Oppose | No |

Comments: I believe that this legislation will penalize small business practitioners that derive their livelihoods from managing personal rental income properties. If the bill is a means to ensure TA and GET taxes are collected that may be accomplished through simple automation / the application of technology, or employment of a third party service provider to collect delinquent taxes.

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From: Healy, Don (PCMC-GB) <Don.Healy@pcmc.com>
Sent: Sunday, February 08, 2015 1:50 PM
To: Rep. Tom Brower
Subject: Opposing HB 803

Dear Rep. Brower

I would like to express my concern and opposition to the changes in this bill coming up, HB 803. We have tried the first 5 years with the large rental management company and nearly lost everything. Six years ago we moved to private rental and now we enjoy a 5 star review rating and offer tourists very nice accommodations at an affordable price. We obey the laws, we have an on-island contact person who does a great job for us and we pay our taxes. I believe the private rental is also important for Hawaii's tourism and part of the reason many tourists can afford to come to Hawaii and put money into Hawaii's economy. We ask that the on-island contact be left to our picking and not force us to someone who will do a terrible job for our guests. There certainly would be many capable persons on Hawaii, other than real estate agents and large management companies, that will do a great job so we can all survive.

Mahalo for your time, effort and support.
Donald Healy

Aloha. I have rented my own condo for 18 years. I have an “on island” person who checks my condo. He is a neighbor. He can be at the condo in 2 minutes literally. Not only would it take a Realtor longer to respond to a problem, it would simply force me to pay a Realtor for no reason.

I can understand why a Realtor would be ecstatic if this bill passes. It is easy money for them!

I currently give each guest the name of my “on island” contact as well as his phone number.

Proposed HB-803 will be an unnecessary burden to owners.

I am opposed to this bill.

Respectfully,

Don Brattin

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 2:55 PM
To: TOUtestimony
Cc: MauiSmiths@aol.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Dolores Smith | Individual | Oppose | No |

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 1:54 PM
To: TOUtestimony
Cc: Palekaiko@hawaiiantel.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------|--------------|--------------------|--------------------|
| Della Halvorson | Individual | Oppose | No |

Comments: Aloha Representative Brower and honorable members of the committee: We respectfully submit our opposition to HB 803. We do, however, support the amendment being put forward by RBOAA to clearly align Act 326 with both HRS 467 and HRS 521. We are licensed and pay our GET/TAT on time. Prior to our purchasing our suite in 2009, its rentals had been 20-30% bookings a year. We now book 60- 80% a year and I feel it is because of the personalized service that we provide as an "Owner" rental. There are many markets out there that hotels and travel agents fill, however, we are filling a market for guests want to deal directly with us, and not a company. I will always work hard to serve our guests, but HB 803 will force me to pay a property management company for the services I perform. While we choose to employ a property management company as our local contact to take care of our guests during their stay (and are happy with our arrangements) we do not wish to lose the option to employ any other qualified but non-licensed person to be our local contact. The language contained in HB803 intends to remove that right and I therefore ask you to vote NO on this bill. Please don't hesitate to contact us if you would like to discuss this matter further. WE OPPOSE HB803. Respectfully submitted, Keith and Della Halvorson

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 4:03 PM
To: TOUtestimony
Cc: dlozica@comcast.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| deirdre lozica | Individual | Oppose | No |

Comments: As a long time property owner, I strongly oppose this bill for several reasons. First of all, my on-island representative provides me & my tenants with EXCELLENT service without be a licensed real estate agent. When I had a real estate agent as my on island contact, my tenants were not treated with personal attention, my property was not looked after very well, and I had many complaints from my tenants. Once I changed to an island resident, everything improved. Also, by requiring a real estate agent to be my on island contact will not provide me with any additional service that my contact already provides my guests who gives them personal attention. She handles all my cleaning, guest relations, lock-outs, etc. A real estate agent is not necessary to accomplish these tasks. Additionally, designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. This bill fails to regulate the rate at which realtors can be compensated for this role. Thus by having this monopoly they can charge property owners fees that we will not be able to negotiate which would have to be passed onto guests, which is not good for HI. Please see that this bill does nothing for the rental market except for putting unnecessary requirements that will hurt everyone except real estate agents. They are the only ones who will benefit from this.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 5:32 AM
To: TOUtestimony
Cc: dhoward53@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| deborah howard | Individual | Oppose | No |

Comments: Aloha, I am a homeowner and must rent out my house to earn income to pay for the bills. I pay my GET and TAT taxes as required by law. I cannot afford to hire a realtor as my local contact. Their charges are exorbitant and they are also unreliable. Nobody should be forced to use these people as a local contact. I would like to see a bill introduced to preclude realtors from bringing up this legislation again. I absolutely vote no to use realtors as my local contact. I would have to sell my house. Mahalo, Deborah Howard

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 2:19 PM
To: TOUtestimony
Cc: kumuna@alaska.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|--------------------|--------------------|
| Deborah Geeseman | Individual | Oppose | No |

Comments: To State of Hawaii regarding HB803 I am an Alaskan resident who fell in love with the Puna area. I purposely designed and built a house there to rent out as a vacation rental and to have for my personal use in the future. By doing so, initially I provided employment for the people involved in the construction. Now I provide employment for my manager, housekeepers, and various other necessary trades. I have faithfully paid my Hawaiian GE and TAT taxes since I opened my business. I am a small, 1-home vacation rental business, and am considered an "active participant" in my operation according to IRS classification. If HB803 passes, I will not be able to keep my home as a vacation rental. It will force me to close my business. Real estate managers charge a much higher rate (though all inclusive) AND it will change my IRS classification to "passive"; any income gained would be "passive income" and I would lose many of my deductions for the operation. The combined increase cost for management and the decrease in tax write-off would make this business venture very unprofitable. I strongly oppose HB803 which allows big business to take over small private enterprise. If it passes, I will be one business that will cease to exist. Then I will not be providing the state with monies for 'bed' taxes nor employment for local workers. PLEASE VOTE AGAINST HB803. Mahalo.

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Sent: Sunday, February 08, 2015 2:15 PM
To: TOUtestimony
Cc: 05arni@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------------|--------------|--------------------|--------------------|
| Debi Beckwith Peterson | Individual | Oppose | No |

Comments: I oppose the requirement that the on-island agent be a real estate licensee o The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. o Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. o Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. o These bills fail to regulate the rate at which realtors can be compensated for this role. I propose the language in ACT 236 in respect of “agent”, “on-island agent” and “local contact” be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467

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There is already a law to require owners to have an on island agent and that we notify our HOA manager who that is, which we have done. I strongly object to the idea that by using a realtor the consumer has any more protection or is safer.

In this day of electronic communication, as evidenced using a government website to instantly oppose a bill, there is no gap in in being in contact with guests or being able to help them. We are an owner manager of our business and have full responsibility for the property.

HB803 does not protect the guest any better. It simply dictates that an owner has to use a realtor as their on island agent.

I strongly support consumer protection. However, making it a law to use a realtor does not accomplish that intended goal.

Owners are also consumers. We pay our state fees, property taxes and have a vested interest in Maui's laws. This law is not really about consumer protection as owners have no protection in this bill. There will be additional cost and nothing in the bill as to what the realtor will do for this state mandated job.

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 8:48 AM
To: TOUtestimony
Cc: trevoranddaynna@shaw.ca
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------------|--------------|--------------------|--------------------|
| Daynna & Trevor Alexander | Individual | Oppose | No |

Comments: We support the requirement to have an contact who is resident on island · We oppose the requirement that the on-island agent be a real estate licensee o The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. o Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. o Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. o These bills fail to regulate the rate at which realtors can be compensated for this role. · We propose the language in ACT 236 in respect of “agent”, “on-island agent” and “local contact” be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467 Mahalo for your time, effort and support.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 3:22 PM
To: TOUtestimony
Cc: scrddr@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Dawn Ritz | Individual | Oppose | No |

Comments: I, Dawn Ritz, oppose HB 803

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 12:33 PM
To: TOUtestimony
Cc: konayogi@msn.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|--------------------|--------------------|
| David L Towry Sr | Individual | Oppose | No |

Comments: I have owned a vacation rental for over 14 years (7yease with a property management company) and have managed very successfully myself for the past 7 years. I have a on island contact person. By far the worst experiences we had with bookings was the ones with the management company. It angers me that some owners do not collect and pay the TA and GET tax they should. The modification of this law (HB803) as written will not do anything to enforce reporting or collection of these taxes. Instead of making HB803 worse I would suggest that we should focus on enforcing the reporting and collection of the taxes that are so important to keeping Hawaii one of the top travel destinations in the world. HB 803 requires 'local contact' to now be "on-island agent" who must be a licensed realtor or a custodian/caretaker who must be an employee and work for only one owner. http://www.capitol.hawaii.gov/session2015/bills/HB803_.pdf I Oppose this bill • I support the requirement to have an contact who is resident on island • I oppose the requirement that the on- island agent be a real estate licensee o The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. o Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. o Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. o These bills fail to regulate the rate at which realtors can be compensated for this role. • We propose the language in ACT 236 in respect of “agent”, “on-island agent” and “local cont act” be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467 Mahalo for your time, effort and support.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 8:24 AM
To: TOUtestimony
Cc: davegiacomini@sbcglobal.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------|--------------|--------------------|--------------------|
| David Giacomini | Individual | Oppose | No |

Comments: I support the requirement to have an contact who is resident on island • I oppose the requirement that the on-island agent be a real estate licensee o The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. o Realtors possess no special skills which are relevant to dealing with lock- outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. o Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. o These bills fail to regulate the rate at which realtors can be compensated for this role. • I propose the language in ACT 236 in respect of “agent”, “on-island agent” and “local contact” be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 2:35 PM
To: TOUtestimony
Cc: imdaveness@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Dave Ness | Individual | Oppose | No |

Comments: We have rented our condo in Kauai to vacationers for ten years. We've always paid our taxes. We strongly object to being required to use an agent to conduct our rentals. Our guests prefer to work directly with us, the owners, and as a result they take better care of our condo. An agent adds no value, makes the rental of our condo not financially viable and changes the type of rental our guests want to one less desirable. Please do not let a hotel contingency pursued you to deny us the right to rent our condos. Renting out our second home is not a very profitable thing to do. There are better investments. But many of us do it to help with costs and because we love interacting with vacationers and helping them to have a wonderful vacation.

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I would like to comment and oppose the change to HB803. I have a second home in Oahu that I stay in during the summer months since 2008. When I purchased the home I had a real estate agent take care of my house for me. I called him up because the neighbor said the swimming pool water was low and the pump was making noise. I called my real estate agent to have him look into the problem. I had to leave him a message and when he did call back, he told me he was in China or Singapore. I can recall which one it was.


What bothered me was that he never told me in a phone call or email that he was going to leave the country and be out of touch. He didn't have anyone else that could help me so I had to find a contractor on my own.

I don't like the idea that I must use a real estate agent. I don't think an agent would have the time or want to deal with my house when they can be selling homes and making large commissions. If I choose to use an agent that is fine, but I think local friends and neighbors are willing to look after my second home when I am away.

From the way the bill reads, the neighbor can only watch one home. The neighbor I use takes care of more than one home. She keeps the yard clean and her husband fixes things when they break. I can't imagine a real estate agent wanting to do this and keeping me as a priority.

Also, I do pay all taxes due and I have never been late. One time I overpaid and the tax and revenue service caught it and refunded my overpayment.

Sincerely,

A handwritten signature in cursive script that reads "Darrell Uher".

Darrell Uher

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 2:00 PM
To: TOUtestimony
Cc: danburt@shaw.ca
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Daniel Burt | Individual | Oppose | No |

Comments: The current system is working well, there is no need to make changes that may have unintended consequences on the competitiveness of the rental accommodation market.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 8:08 AM
To: TOUtestimony
Cc: corirondoni@hotmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM
Attachments: HB803.wps

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Cori Rondoni | Individual | Oppose | No |

Comments:

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COLIN & MANIO RADFORD
MY WAIL, LLC
2128 Ilili Road
Kihei, HI 98753

February 8, 2015

Dear Representative Brower;

Although the proposal to require agents for vacation rentals to be Realtors was voted down in 2012, the subject has resurfaced. As a lifetime Realtor and past president of Associations of Realtors (Seattle-King County, Real Estate Securities and Syndication Institute, etc), and an Aloha Member of a local Rotary club, my experience tells me that agency should not be restricted to Realtors:

Other Hawaii residents with professional integrity are available and should not be discriminated against.

Good Realtors are focused on real estate specialties and are seldom able to focus on particular properties long term. This affects their availability when needed.

I recommend and request that the agency for vacation rentals be opened to Hawaii residents with certain qualifications: Education, financial and criminal screening, and bondable. I understand that Realtors meet these qualifications, and they should be permitted agency. However, in over 50 years renting our Kihei home during our absences, we have found that non-Realtors have been our best agents by far: accessible, focused, knowledgeable about our particular home and local trustworthy contractors, and best able to serve our needs.

I request you not discriminate against non-Realtor Hawaiian residents by limiting unfairly who can be an agent for vacation rental homes.

Colin Radford

2128 Ilili Road, Kihei, HI. 808 874 8228

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 8:05 AM
To: TOUTestimony
Cc: cmahaffy36@gmail.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-------------------|--------------|--------------------|--------------------|
| Christine Mahaffy | Individual | Oppose | No |

Comments:

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Representatives,

Thanks to Roz's ruse, you are again being misled about the difference between managing a rental property as a business and performing rental property maintenance. Please set aside some time to seriously consider the unwarranted dire consequences of the proposed changes, and vote against HB803.

The intent of the "local contact" in HRS 326 is to assure a transient rental property manager has a local contact familiar with a property in order to resolve real time issues, mostly maintenance, that require someone on site quickly. Folks providing such maintenance can provide maintenance to multiple properties; in fact a whole complex and more. They need not pledge allegiance to only provide maintenance and service exclusively to one small condo (as defined in "caretaker"). Such an "opt-out" is ridiculous, as nobody would hire a full-time employee for one condo. Why (on earth) can't we have our on-site building engineers covering our whole complex for maintenance (other than to appease the property management lobby)? There is no rational need to tie the "local contact" requirement with real estate licensing covered in HRS 427 or any management functions. The "local contact" is in no way intended to be management and should not come under real estate licensing law. The local contact will never deal with billing issues; that's between the guest, the manager, and the credit card company, and is never a real-time emergency issue that need be dealt with face to face.

To be clear, the manager needs to be within a guest's telephone reach 24/7... and therefore should not reside anywhere close to the island of Kaua'i (where cell phone service is abysmal). When guests are enjoying my condo, then I am chained to my desk on the mainland, where I am always available and cellular service is guaranteed. If they have a problem, I can quickly find the right person to fix it, which includes tracking-down my "official" local contact (and other local contacts), who, as the Building Engineer (or others in the AOA employ), is already on site, but may not be readily available by cell phone, as cell service is hit-and-miss in our condominium complex (but, I have many methods of finding them). My real estate agent in Kaua'i, as well as many of my guests, have commented on how easy I am to contact... that I always immediately answer the phone or emails. I cannot say the same for my on-island real-estate agent nor any property manager I have ever dealt with. When my guests need to call somebody in an emergency, I am unequivocally the best person for them to contact. No property manager would ever come close to my level of service focused on my property.

The "manager as owner" exception in HRS 427 is the recipe for the best management, as owners take much more pride in their property than do Property Managers and have a much closer relationship with the both the guests and those they hire to work on their property. We don't have the frightful reputation Property Managers have: not making themselves available to owners or guests and hiring thieves and felons to work on the property, who steal and use vacant time to throw parties. I know my housekeeper very well, and trust her implicitly to have my best

interests at heart. When my guests call, they talk to me immediately, and don't get the "we're out at the beach" message!

I would never trust a "Property Manager" to my property. Every "Property Manager" I've heard about takes upwards of 50% of the revenue, provides horrible service, and doesn't care properly for the property. Just with two of my closest neighbors who hire "Property Managers": one had their guests burglarized by the Property Managers hired maid, including a "home invasion", robbing the guests while the guests were inside the condo... another found the maid hired by the property manager had moved into their condo knowing it was vacant. The owners complain that with so many properties, theirs does not get rented with the frequency of owner-managed (and cared-for) units... and when it does get rented, they lose 50% of the revenue, making for huge losses. I've found Property Managers to only be hired by people who are wealthy enough that they don't care how badly they are gouged, and don't care enough about the property to take care of it properly.

Property Managers were useful before the day of the cell phone and internet, when the owners would have been more difficult to contact. Property Managers are a legacy of a bygone era that will never return, and this futile attempt to mandate them back into existence is foolhardy and unnecessary. The "owner as manager" is (by far) the best approach.

Clearly, Roz and the Property Managers are thinking of a simpler time when they could "run roughshod" on wealthy vacation property owners who didn't care if they made a profit on their properties... where the Property Managers would charge as much as they wanted and take advantage of owners and guests without consequence (as no one was the wiser due to the remoteness of the islands). The Internet changed all that... it's a new world with instant communication, and you can't legislate-away the Internet (you can no sooner legislate vacation rental monetary transactions occur in-state than any other on-line transaction... it would be like mandating that Amazon have an on-island brick-and-mortar presence). The new breed of property owners (like me) are not wealthy, and find that using the Internet (and great local contacts on the island), they can perform all the required managerial functions allowed by HRS427 and assure their properties are well maintained and that guests have a great vacation... while successfully working towards a retirement in Hawai'i without the unnecessary costs and additional stress of dealing with a Property Manager. This bill strives to change that: squeeze our income into a further loss, make our Hawai'i property values plummet (the market of buyers will dwindle if they are forced to deal with unscrupulous Property Managers at a severe loss), and destroy our hopes of retirement in Hawai'i. Given our existing mortgages, this will put many of us in a financial bind that may never allow us to retire at all.

The 1:1 caretaker relationship in HRS 427 was intended for large properties... where the caretaker can be found maintaining the property daily if not 24/7... and that still

makes sense as an exception to real estate licensing. It makes no sense when applied to my small 800 sq ft condo. A "superintendent" for an apartment building or a condominium complex makes perfect sense... but not a separate maintainer for every single unit. This is just the Property Management vampire lobby, and their mouthpiece Roz, trying to divert attention from their true intentions of bleeding us dry.

Why not require the hotels to have an exclusive maintenance person for every room? Ludicrous! Of course, these bills are intended to insert ludicrous language into the existing law, in order to force-back the olden days of Property Managers taking advantage of the wealthy remote landowners. The problem is: given the current laws didn't require only wealthy folks to buy vacation rental property... who will Roz and her buddies take advantage of? The exploitative Property Managers have (inadvertently) publicly stated that this law will allow them to really "cash-in on out-of-state owners". Where is all this money going to come from? The money they are looking for just isn't present in the current group of owners. Roz will only succeed in putting us out of business altogether. Less available transient rental property may be good for the hotels and Property Managers, but it's not good for:

- Real estate agents (fewer buyers will cause property values will drop as what previously made business sense will now run at a loss),
- Banks (more foreclosures as owners buckle under your proposed mandated huge losses), and
- Tourism (as less availability will cause room prices to rise and fewer to come to the islands).

Specifically, the lies and misinformation stated in the bill's arguments include:

- "Although many operators of transient accommodations are in compliance... there are a sizable number who are not"
 - You do not punish the compliant majority for the illegal action of the few. You punish the few who are in violation.
 - You need to quantify. I doubt you can. If you put real numbers to it, you would find the vast majority of owners to be in compliance. Making an argument like the above does not make it true. It is obviously conjecture planted by the devious Property Managers.
- "521-43(f), HRS... requires... an agent"
 - Indeed it requires an agent, but this is HRS 521 (landlord-tenant code) not HRS 427 (defining Real Estate code). Throughout HRS code, the term "agent" is also used. The term, in context, throughout HRS code (except where defined specifically in 427) is intended to mean "a representative of"; otherwise, further code would require Real Estate "agents" to furlough convicts (353), or foreign corporation doing business in Hawai'i must hire a Real Estate agent to represent them (no matter the type of business, 414-437),... the list is large. The

Property Managers are clearly trying to mangle the HRS 521 wording into their favor. Do not let them succeed in this charade!

- The next paragraph reiterates the last paragraph: "[out-of-state] operators of transient accommodations... are already required to have an on-island agent act on their behalf"
 - Again, yes, an "agent" is required, but (as stated in the previous rebuttal) not a "Real Estate Agent". This is landlord-tenant code, not real-estate code... don't let Roz and the Property Managers deceive you into thinking it was ever intended to mean anything other than a representative through their creative wording.
- "A contact person located on the same island as the transient accommodation is essential in case of emergency or natural disaster.... [and] is also vital if any questions, concerns, or property issues arise"
 - I whole heartedly agree that there should be an on-island contact. That's not the issue. The issue is whether we are mandated to turn-over our property into the hands exploitative Property Managers.
 - We've had many tsunami and typhoon scares, and during this time, don't expect the Property Managers to be anywhere in sight. Everybody on-island is in line at the grocery store or gas station or tending to the properties they own and care about and worrying about their own and family's safety. Don't think for a moment that an on-island Property Manager adds value in this situation. Quite the contrary is true: from my mainland location, I can focus on communicating information to my guests and watch maps, news, and video feeds without worrying about my own safety nor the safety of other guests or properties, focusing on the guest and property I care about most... and have my on-island contacts via the AOA relay the information needed to me and all the other owners, which I can then personally forward to my guests, along with detailing the other disaster preparations I have already made for them.
 - And who knows more than me when it comes to "questions about [my] property"? Would you think a property manager with their plethora of mandated properties would know anything specific about one of their customers? A Property Manager would just forward the questions to the owner. Again, they are no value-add for the guest, just an extra step in relaying information.
 - I've also had issues with the property, for example: backed-up sinks. Again, the Property manager adds no value here... it's my on-island agent, the Building Engineer, who will rush to the rescue. Unless you are requiring Real Estate agents to also hold plumbing licenses, they are not going to fix the problem. If the guest calls the owner-manager, I know whom to call and all the different ways to contact my Building Engineer and his subordinates if he's not on site or not in cell phone range. Furthermore, I can be much quicker

at locating the right person, as the Property Manager would not be as familiar with my property nor readily have the contact information for the maintenance person to fix the issue at hand.

- I have no qualms with the next paragraph: requiring condo associations to provide the names of the owners, as this would help catch those not paying taxes. As this is not a huge burden (as would be mandating Property Manager thieves control our property), this is the approach you should be taking, rather than punishing those of us in compliance with the laws.
- The final argument says these changes "foster consumer protection... and ensure greater compliance".
 - The exact opposite is true. As I've clearly shown, requiring Property Managers to control our business is a step backwards, both to a bygone era when global communication wasn't instantaneous, as well as assuring the guest/consumer has the best possible vacation (as they are my only customer, not one of many as would be the case if Property Managers are mandated).
 - This bill's purpose is solely aimed at enriching Property Manager's wallets. It will not benefit the consumer/guest, in fact, it will be to their detriment.

I'd rather you just raise our property taxes directly (which, Kaua'i has already doubled them this year... mostly because our TA taxes are not distributed fairly to the islands as they used to be) than put us out of business or our guests at the mercy of unnecessary and disreputable Property Managers.

Christian Worley

Koloa HI/SLC UT

brower1-Luke

From: Christopher Green <cgreen53@uaa.alaska.edu>
Sent: Monday, February 09, 2015 4:30 PM
To: TOUtestimony
Cc: Mark Meinen
Subject: HB803-OPPOSE

Dear Legislators,

To Whom It May Concern:

Thank you for accepting input on this measure. I am a recent owner of a transient vacation accommodation in Kihei, Maui.

I OPPOSE HB803 and fully support the position offered by RBOAA which is to align Act 326 with both HRS 467 and HRS 521.

As new owners of a vacation rental, we manage the rental, and determine the guests as we see fit. I am a previous resident of Hawaii. We take great pride in this new investment, and may eventually make Hawaii our residency again. HB803 would not allow us to manage our rental as our own property. This fact alone disturbs me. But I also believe HB803 would have negative consequences on the value of transient vacation accommodations across the state, and/or it would make travelling to Hawaii more expensive, which would decrease tourism. We pay our GE and TA taxes on time and to their full extent, and will continue to do so, as proud owners.

Chris Green
University of Alaska Anchorage
Head Volleyball Coach
3211 Providence Drive
Anchorage, AK 99515
907-301-1809 (Cell)
907-786-1226 (Work)



From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 12:36 PM
To: TOUtestimony
Cc: cfojtik@pepperdine.edu
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------|--------------|--------------------|--------------------|
| Charles W Fotik | Individual | Oppose | No |

Comments: As an off-island condo owner, I oppose this bill · I support the requirement to have a contact who is resident on island · I OPPOSE the requirement that the on-island agent be a real estate licensee o The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. o Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. o Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. o These bills fail to regulate the rate at which realtors can be compensated for this role. I propose the language in ACT 236 in respect of “agent”, “on-island agent” and “local contact” be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467 Mahalo for your time, effort and support.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 6:07 AM
To: TOUtestimony
Cc: chad_767@yahoo.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Chad Lopez | Individual | Oppose | No |

Comments: HB803 is one sided and only helps the real estate companies that are after this. If HB803 passes this will bring harm to the rental community in the State.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 4:43 AM
To: TOUtestimony
Cc: carabirk@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Cara Birkholz | Individual | Oppose | No |

Comments: Mahalo for the opportunity to provide testimony. I am a Hawaii resident, living in Kihei which is where my vacation rental properties are located. As a local owner I am my own on-island agent. As a Hawaii resident I strongly oppose this bill due to the restrictions placed on the definition of the on-island agent. I absolutely support the right of the government to collect its taxes due and am frustrated when I hear of property owners cheating the system. The government needs to enforce its existing legislation by using the data it already collects. This proposed bill will do two things: 1. Create a monopoly situation, forcing all off-island owners to hire property management companies which is incredibly self-serving for these property management companies who are effectively eliminating their competition and significantly increasing their bottom line. 2. Make it financially impossible for many off-island owners to afford their properties as property management companies take anywhere from 20-50% of the gross rental income. This will in the long run create a complete collapse of the vacation rental property market resulting in significantly less taxes for all levels of government. Please do not change the definition of the on-island agent. Mahalo. Cara Birkholz 808-281-7934

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House of Representatives
Twenty-eighth Legislature, 2015
State of Hawaii

RE: HB803 Relating to Transient Accommodations

In 2010 my husband and I purchased a condo in Kihei in a lovely short term vacation rental complex and spend a two week vacation there every year. We do not live on the Island. When we are not there we rent it out to guests from all over the world.

After we purchased the unit we totally renovated it spending approximately \$75,000.00 on upgrades, including new lighting, new fixtures, new shower, appliances, furniture, flooring, etc. This money went to local contractors, electricians, locksmiths, welders (for the new hot water tank), floor layers, kitchen installers and everything was purchased from local retailers. We spend lots of money every year to keep everything top notch including new bedding and towels, new drapes, kitchen items and supplies and whatever else we think should be done to maintain a perfect rental unit.

We pay both General Excise Taxes and Transient Accommodation taxes to the state. We are always early with our remittances and never late.

I manage this rental condo from home and have never had an unsatisfied customer. All our review are five star with wonderful comments. Our guests are told to contact us if there is anything needed or things are not in order. We would then contact the proper professionals to send to fix whatever. We have a general contractor or cleaners that will come on a moment's notice. Our hired staff work hard to prepare the condo including flowers and macadamia nuts for our customers. There is no one that would do a better job of tending to our customers than us. We have a great deal of money invested and can't afford for things to get sloppy or our customers to be disappointed.

It seems this bill you are proposing is forcing property owners to hand over control of their units to someone who has no monetary interest in the property and therefore nothing to lose if things are not handled properly.

The 'on island agents' as you call them want to take 20 to 50% of the rental proceeds from our customers without any investment.

We cannot afford to hire an agent for our unit as it already operates at a loss so if this bill passes we will be selling our unit. There will not be an 'on island agent' to purchase it as they only want the revenue for so called 'managing' it. There is no one that will do a better job than we will. We pay our personal state and federal taxes, property taxes, complex management fees, vehicle expenses, cleaning supplies and staff, flower arrangements, repair people and management fees all locally. We work hard to keep our customers happy and encourage them to tour and take part in island activities bringing outside monies to the Island.

If there are illegal rental suites for which the taxes are not being paid then please use existing laws to force them to pay or shut them down. Do not penalize the upstanding property owners who pay more than their fair share. Making it harder for off island property owners to break even will not help the dishonest people to come forward, they will still be hiding. It only causes owners to sell their units which will not help the economy of Hawaii. You will find a glut of properties at distressed prices which will only serve to bring in less in the way of property taxes and other benefits to the state.

Hawaii is just recovering from six years of poor economy with many foreclosures. This loss in property value was absorbed by the local banks as the units could not support themselves. By adding extra expenses to the legal property owner, it will have an adverse effect on the housing market. I believe the state will not benefit if this bill becomes law but will create more problems and less taxes overall.

Thank you for taking the time to consider the ramifications of passing a bill that could force a lot of owners to sell their units. I for one, will not be handing over such an expensive property to some stranger to 'manage' that has no investment in my property other than taking fees off the top of an already losing proposition.

We would sell and invest our hard earned dollars somewhere other than Hawaii.

Kindest regards,
Brenda & Kelly Clausen
250-339-4455

Brandon Mullenberg
515 W Prospect St
Seattle WA 98119
Hawaii Tax ID Number W66092269-01

Feb 6, 2015

To whom it may concern;

I am greatly concerned about HB803 and its companion bill SB1031 which requires that a 'local contact' to now be "on-island agent" who must be a licensed realtor. Custodian/caretaker must be an employee and work for only one owner.

My background: I own 4 transient rental condos. I purchased my first in 2012 and subsequently 3 more for investments. I am an out of state owner that uses an on island agent who is not a licensed realtor. His business is a registered Hawaii corporation. He works for a few different owners and takes care of approximately 15 properties. Many of his owners own more than 1. This is his living and he does a very good job at it. I take pride in my home ownership and being able to service my guests with great service. I work hand and hand with my on island agent and my guests and together we make a great team.

I am registered with the Hawaii Department of Taxation and pay my taxes. I have always paid both GET and TAT on time in full. I am in full compliance with Hawaii's Tax Act 326.

My Hawaii condo's is how I make a living. Because I use an on-island agent and not a real estate agent / broker I am not asked to pay a commission of 25-30% of my earnings. If I had to pay this, I would not make a living. Thus, I would never have ever purchased a Hawaii condo, and even more so, definitely not more than 1.

I strongly appose HB803 and SB 1031 for the following reasons: By requiring that an on-island agent only be able to represent one owner, it would essentially put my on-island agent and myself out of our livings. Unless that one owner has 10+ properties (which is rare) my on island agent could not make a living in this business. I would be forced to move to a real estate agent and pay comissions I would be out of my living as well. If this were to come to pass, I would likely immediately sell my 4 vacation rental and would not purchase more (which I am considering). I imagine several others are in this same boat. This would likely result in an influx of properties on the market and a less buyers.

It seems to me that the only ones to profit would be the large real estate agents / brokers, hotel operators, etc. while hurting smaller individuals like me.

I understand that this bill is being brought forth out of the fear that not all GET and TAT taxes are being paid and due to illegal vacation rentals. I am all for diligent enforcement of the current statues governing vacation rentals. I must respectfully oppose this bill however as it has unforeseeing consequences hurting the smaller guys like mysely.

Thank you for your time,

Brandon Mullenberg
206-755-1104

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 11:38 AM
To: TOUtestimony
Cc: pullbuoy@hotmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Brad Tomlinson | Individual | Oppose | Yes |

Comments: I am opposed to the use of an on island agent and feel having a local contact is adequate. Use of an agent may require the payment of professional fees and this will drive up the cost of doing business for me. I like most others doing business renting cond os are small owners who generally only have one property. We cannot afford to be paying these costs ourselves and they will be passed on to renters. This will drive up the cost of rentals and make Hawaii a less attractive tourist destination. This will have a negative effect on the economy in many ways as tourists drive the economy. In a free country like the USA where we pride ourselves on freedom and the capitalist system we should not be over regulating small business people who are the backbone of the economy. The only valid reason to change the legislation would be to serve the interests of a special interest group like realtors and others who wish to make money off the changes. I fail to see why everyone else should suffer economically in order that one group might profit. In a free country I expect to be able to run my business with a minimum of interference from government. Do not cave in to the special interest lobby. I urge you to defeat this bill.

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brower1-Luke

From: KrellersGetaway <krellersgetaway@gmail.com>
Sent: Sunday, February 08, 2015 8:48 AM
To: Rep. Tom Brower
Subject: Opposing HB 803

Representative Bower, aloha!

We, Brad and Wendy Kreller, strongly oppose HB 803 in that the language requiring the "on-island agent" be a licensed realtor or custodian/caretaker and an employee that works for only one owner is unfair and could create a monopoly-like situation. There are many other unfair issues with this proposed language change that could produce manipulative outcomes as well. We sincerely hope this bill is voted down and we thank you for your consideration.

Brad and Wendy

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 1:21 PM
To: TOUtestimony
Cc: blseverson@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

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| Bonnie Severson | Individual | Oppose | No |

Comments: as an owner of a condo, I support the requirement to have an contact who is resident on island · I oppose the requirement that the on-island agent be a real estate licensee o The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. o Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. o Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. o These bills fail to regulate the rate at which realtors can be compensated for this role.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 8:39 PM
To: TOUtestimony
Cc: bonnie@mauiownercondos.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

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| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Bonnie Pauli | Individual | Oppose | No |

Comments: As a property owner, part time resident of (4-5 months a year) and tax payer in the county of Maui, I appreciate the hard work the committee puts into looking out for the interests of the residents of Hawaii. Though I support the requirement that properties offered for rental and owned by off island residents have a contact who is a resident of the island, I am writing in opposition to HB803 as it seems to me the purpose of this bill is to once again try to create a near monopoly for one professional group when there is no justification for a monopoly. I believe the intended purpose of the on island contact in the current Act 326 is to insure someone is readily available to help renters, insure their comfort and safety, and act for the owner if the owner is not able to act quickly. Any responsible Hawaiian resident could handle these responsibilities. For us, our housekeeper currently acts in that capacity. She is familiar with every aspect of the physical plant of our Maui home (condo), has worked for us and other owners in this capacity for over 15 years, and has answered the phone and comes to the condo 24/7/365 if a problem occurs. We are proactive in caring for our home but sometimes rains cause flooding or an appliance doesn't function as expected or a renter loses a key or gets locked out. My housekeeper is the perfect recourse for a quick fix, an easy smile and caring concern. She conveys the Aloha spirit to all our guests when I'm not around to do so and handles these small "emergencies" quickly and efficiently. We, and other owners know she has done a job above and beyond that expected by Act 326. She is not a licensed realtor. She doesn't collect money, pay bills or offer the condo for rental so she doesn't need to be licensed. I do all those things and if a 90% rental rate when I'm not on property and many public reviews from satisfied renters is any indication, the market place would indicate I manage my property well. I pay GET and TAT taxes monthly and file a Hawaii tax return on the rental income I make. From that return the state can see how close the margin is on this "business". There just isn't room for higher fees paid to someone who isn't needed. Just because someone is licensed it doesn't mean they do a good job. Many of us initially used a management company to handle our rentals and maintain our properties. We have stopped because the companies did not maintain the property to our expectations, did not get us the number of bookings they promised and the 30-40% commissions plus cleaning fees meant we could not cover costs. I know several realtors who act as on island contacts for other owners. They handle many more properties than my housekeeper does but there is no way they are knowledgeable about them. In fact they call the housekeeper to handle most problems, This extra step means it takes longer to fix the issue. Those of us who have the time and inclination and are willing to follow the rules and are appropriately licensed should be allowed to manage our own properties and hire the person we think best to help insure the comfort and safety of our guests. The current Act allows us to

do this Are you to tell me I must hire a nanny service because they are licensed to take care of children by the state and not allow me to use the teenager next door who has been working with me for several years and knows my children and how I expect them to be cared for? Taking away competition and forcing vacation rental owners to use a realtor is likely to result in some unintended consequences if this part of the bill passes. I hope you will show the same good judgment you showed in 2012 and wipe the changes regarding the definition of on island contact from this bill.

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Aloha Representative Brower and honorable members of the committee.

I oppose HB803

My name is Bonnie Aitken and I have owned my condo on Kauai for 10 years. When I purchased, I did so knowing this property was in the TVR zoned area. That is why I purchased. I started out with what was purported to be the best property management company on Kauai, a real estate agency providing "exceptional service".

What they did to me was reprehensible. I discovered they sometimes rented my property without my knowledge and without compensation. Did they pay taxes to the state when they did this? They took advantage of the fact that I was not near to check on things and thought they could get away with this. This company was supposed to keep the condo spotless. On one of my announced visits, I found the condo filthy, mold growing in the tub, and not a place I would want to stay. My occupancy was at 10%. When I complained, the manager said "we have to fill our own rental properties first, we have mortgages too". Talk about a conflict of interest!

The second property manager I tried, allowed a group twice the size zoning permitted, to rent the condo. These guests trashed the condo and annoyed the residents in other nearby units. So much for property managers that are licensed real estate agents. It is the owner who cares about the property.

I decided to manage my own condo, hired my staff and pay them well. Since Act #326 was created in 2012, I have also hired an on-island contact whose job is to take care of my guests and property in my absence. No Real Estate agent could offer this level of care for a vacationing guest. My occupancy is now at the point that I am almost breaking even.

I advertise on Home Away and VRBO and guest payments are 95% by credit card. The funds go into my company bank account. I pay all taxes, I do not cheat. I have 55- 5 star reviews on the website. You don't get that by running a shoddy business. My first Real Estate Property Managers were horrible. I do not trust them to look out for my property as it is simply not a concern to them. It is a concern to me.

HB803 changes the definition of the on-island contact, requiring an off- island owner to hire a Real Estate agent to manage the property. I have found the on-island contact to be very helpful to my guests. I have found Real Estate Management personnel to be dishonest and a detriment to my business. HB803 would force me to hire someone I do not want to hire. I do not understand why the legislature is attempting to help real estate agents at the expense of property owners exercising their rights of property ownership.

I respectfully ask you to oppose HB803.

Mahalo for the opportunity to testify

brower1-Luke

From: Bob - VSHL <bob@vshl.ca>
Sent: Monday, February 09, 2015 4:03 PM
To: TOUtestimony
Subject: Oppose HB803

Dear Legislators

Thank you for the opportunity to provide comments

I am an owner of a transient accommodation in Maui in a Hotel Zone. I have my certificate of registration, pay GE and TA taxes, have a local contact and provide the local contact information to my guests and post my taxpayer ID on all internet advertisements.

I Oppose HB803.

All essential legal elements and assurances to the state, namely measures to support consumer protection and payment of taxes owed to the state are in place today and are enforceable by the appropriate agencies

The naysayers, the ones looking to change the law with the introduction of this bill, conveniently aside important and irrefutable facts...

Laws exist today to support consumer protection and tax payment to the state and are codified into Act 326. The efforts to create this Act involved direct participation by the Key Stakeholders and many meetings.

Property Managers today are unhappy to see their share in the market for TVRs decline. As consumers tastes and travel styles have evolved, today's traveler, and especially repeat visitors and experienced travelers have discovered how to contract for lodging that more clearly meets their needs.

Traveler reviews play a significant role in identifying well run vs. poorly run VRs. Companies, Operators, and individual owners who self-manage are completely incentivized by this fact to ensure their guest experience was a positive one from the initial point of contact to their departure and beyond. The internet is therefore, by default, providing a consumer protection mechanism for Hawaii's lodging consumers and these reviews are encouraging visitors to choose lodging options that have received favorable reviews.

PMs motivations would have legislators ignore travelers' preferences and ignore the welfare and the rights of investor-owners of vacation grade real estate. Owners of vacation rentals are stewards of Hawaii who have worked hard to create and offer an attractive accommodation/lodging experience.

Rather than reflecting on changes affecting the travel industry and innovating to make their offering more desirable, PMs instead seek to influence legislators to pass laws to prop up an industry and reward it in spite of its failure to adapt. The most appropriate response by this industry should be to determine how to create more value for the tourist as well as the property owners, and to become attractive alternatives rather than a legalized mandate.

Property Managers have had ample opportunity to change their business model to make it an attractive and welcoming option for self-managing owners rather than a legal threat. Are they not listening or reading the hundreds of pages of owner testimony from the past several years that articulate our hesitations in turning the management of their property over to a third party?

Property Managers today charge the typical range of 20-50% of the gross proceeds --- for services I don't desire and easily perform myself and with the occasional aid of my local contact. I estimate that my paid local contact is receiving about 1% of my gross rental proceeds for activities performed relating to being a local contact.

When I purchased my Condo I left in a management company for a few months. They overcharged me services performed and left our unit in a bare bones state.

Once we took charge we hired local people to renovate our place, purchased goods from local stores and now have cleaners and a on island contact in place who care. I pay fare rates and continue support the local economy.

Property Manager arguments are based in some truths and some falsehoods.

Claim by HAVRM: Millions of dollars in owed taxes are not paid by owners of VRs.

Fact: It is TRUE that not all taxes owed to the state are paid AND the amounts involved are likely significant.

But the devil is always in the details and those are not freely shared or clearly articulated and that's because they don't really support the objectives of the Property Managers. Among the largest reason for unpaid taxes is that there exist a very large number of illegal VRs.

The single largest source of illegal VRs exist on Oahu and this is directly tied to Oahu's failure and/or decision to NOT change their permitting laws for 30 years, and to apply insufficient resources to affect a crackdown. This has served to encourage the illegal, unpermitted VR properties to proliferate across the island and has had many unintended and serious consequences.

Property Managers do not have a role in solving this problem. It is up to the County to reassess their laws on providing permits and up to the County and State Administration to direct and provide proper support to the enforcement agencies to achieve the desired level of compliance.

Hawaii Association of Realtors testified in 2012 on a similar measure offering the following which is directly counter to HAVRM's claims that only licensed realtors can solve Hawaii's problems, namely: Real estate licensees may be in jeopardy of losing their licenses if they are involved in the management of illegal, nonconforming, or unpermitted transient accommodations".

So essentially what is being explained here is that the tax collections for 20KU unpermitted TVRs in operation will not be facilitated or improved by inserting a Property Manager into the picture for this problem, in fact it would do nothing at all

Similar challenges for enforcement shall exist on each island, and the level of challenge will vary depending different circumstances in each area. The other islands have been significantly more proactive, however, in revising laws to be more relevant to changing market conditions and the needs of their residents. Each county has been addressing the island-specific problems of illegal TVR proliferation, just to a greater or lesser degree of success.

But there is no need for additional laws to help identify to the enforcement agencies who the law breakers are, rather there simply needs to be the will to enforce the law.

Act 326, and per the request of the DOT in its testimonies before HB2078 was enacted into law, require VR advertisers to show their Tax ID, thereby identifying themselves to the enforcement authorities.

In testimony the Director of the Department of Taxation (Frederick D. Pablo) the letter in full read:

"The Department of Taxation (Department) supports this measure

HB2078 SD1 requires that all advertisements and solicitations for transient accommodations conspicuously display the registration certification number issued under the Department under Section 237-D Hawaii Revised Statutes.

The Department believes this measure will aid transient accommodations tax compliance.

HB803 does not provide for enhancement of protections for consumers or the collection of taxes for the state that are already provided by Act 326. Rather it is conceived to achieve personal financial gain for Property Managers in exchange for no additional benefit for the State.

The effect of this measure would be to transfer funds from permitted and registered TVR owners (but not the illegal, unpermitted, non-taxpaying ones) to Property Managers. Why would the legislation pass such a bill? It does not solve the State's problems.

Please refer to the RBOAA position in its entirety for HB803. This is the position I fully endorse.

I support the State's efforts to administer and enforce Act 326 and ask you to vote NO on this measure.

Thank you for the opportunity to submit comments.

Robert Emslie

Owner

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Bob Emslie
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TESTIMONY OF BOB MACCALLUM. I AM A CANADIAN WITH TWO TVR'S ON KAUAI. 808 431 4441

After reading bills 1031, 968, 825, 198, 519, and 201 it is evident that the motivation behind this proposed legislation is to stop tax cheats and protect visitors from fraud and enhance visitor experience. This is laudable, however, the following underlined wording in SB 1031 is less than laudable and has perhaps some unintended consequences such as the contravention of Anti Trust Law.

"1 If the person performing the role of an operator's on island agent is not licensed or registered under chapter 467, the Person shall be considered to be acting as a custodian or caretaker. as defined in section 467-1. The unlicensed person shall be an employee of the operator and may act as an on-island agent for only one operator. "

We are all aware that the internet has revolutionized vacation travel. Visitors can now choose from thousands of non hotel units. For example 7 years ago at our resort all owners were in the hotel rental pool, now up to 50 % or more of these resort condo owners have left the hotel rental pool and operate as VRBO's. This phenomenon, of lower cost owner operated TVR's, is happening all over Hawaii. Condotel operators are losing rooms in droves.

Hotel and Condotel operators such as Aston are now facing immense and unprecedented competition and may be tempted to try and put (lobby for) unreasonable, unwarranted and specious requirements on TVR operators. When one reads that "an on-island agent may act for only one operator", one may well wonder what the motivation was for that type of requirement. It is of no benefit to visitors or the tax department and seems only to be there to place a restriction on an operating a TVR .

As TVRs are in direct competition with hotels, unreasonable restrictions (restraints) placed on TVR operators are a matter of restraint of competition contrary to the Sherman Anti Trust Act, the tenets of which are " to prevent restraints of free competition in business and commercial transactions which tended to restrict production, raise prices, or otherwise control the market to the detriment of purchasers or consumers of goods and services, all of which had come to be regarded as a special form of public injury"

In regard to realtors vs anyone else to act as on - island agent. Lets look at the reality of the situation. The ideal on-island contact is a person like JP who I employ. Why because in the actual operation of a TVR a whole slew of

issues can crop up, at any time of day or night. TV remotes malfunction or are dropped and broken which may require replacement by a universal remote so you need someone who knows how to program them right away as a guest may just have arrived and have no TV. The same can be said for AC remotes. Guests lock themselves out of bathrooms, drop earrings down the bathroom sink drain (requiring removal of the P trap) or jam a screen door, etc, etc. JP is a highly skilled handyman who is available 24/7 and looks after all these kinds of issues for me and also 15 other TVR operators.

TVR operators need someone like JP who can handle all these issues quickly and efficiently in order offer the best possible guest experience.

So in the actual operation of a TVR having a realtor as an on - island contact is definitely not the best situation.

Also, notwithstanding the Anti Trust issue and with all due respect, forcing JP to work for only one operator is unfair to him and serves no useful purpose.

Now in regard to stopping tax cheats. I think we can reasonably assume that anyone who owns a condo or house on a Hawaiian Island that they do not reside on most probably rents that property out as a TVR. As the County property tax office has the off Island addresses of every such property owner, simply by matching such to properties to the e-file database would result in a list of possibly illegal TVR's

The DOT could also develop software to monitor tax remittances to insure operators with a TAX ID number are actually remitting an appropriate amount of tax.

Whoever programmed the e-file software, which by the way is **a world class piece of software** , could I am sure develop the software to accomplish all this.

Making it a class C felony to operate a TVR without a tax ID number goes without saying. Metaphorically hanging people in the public square who break the law usually gets everyone's attention

In regard to consumer protection, a publicly accessible data base as proposed by the DOT in SB 201 is an excellent idea.

The data base proposed by the DCCA in SB 825 is a unnecessary duplication of effort in relation to the data base proposed by the DOT and would be very expensive to develop. The DOT already has 80 plus % of the required data on file and necessary software elements whereas the DCCA would be starting basically

from scratch. Also the DOT obviously has some crackerjack programmers.

In regard to SB 519

"The purpose of this Act is to require operators of transient accommodations and plan managers of resort time share vacation plans to indicate in advertisements that they are complying with registration requirements under law"

This seems fair enough, however, the wording

"For a first violation, guilty of a misdemeanor and subject to an initial fine of \$500
"

..... is not and here's why,

Legitimate TVR operators are happy to display their TAX ID number and do so as a matter of course in their units and on websites such as Flipkey, HomeAway, Airbnb, etc , however, occasionally an operator may have a cancellation and throw an add up on Craigslist or Kijiji for those specific dates. In doing so they may inadvertently omit to include their TAX ID number.

Should they, for this minor slip up, be faced with such an onerous fine ?

SUMMARY

I think that by thoughtful analysis the TVR market and how TVRs actually operate and analyzing the data on data bases already in existence the best way to ferret out tax cheats and protect the public interest is not by imposing more requirements and restrictions on TVR operators, but by developing software as outlined above. **Tax cheats can, for example, simply post bogus TAX or registration IDs in on line ads, but they cannot beat powerful computer software that matches absentee owner property to the e-file TAT and GET database.**

I would respectfully suggest that before going any further on these bills that the IT experts at the DOT be consulted to see how they can generate programs to far better and far easier achieve the objectives of catching tax cheats and protecting the public interest.

Thank you,

Bob MacCallum , 808 431 4441

brower1-Luke

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Sent: Monday, February 09, 2015 12:55 PM
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Cc: blakethemilkman@gmail.com
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| Blake Cronin | Individual | Oppose | No |

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|--------------|--------------|--------------------|--------------------|
| Bill Rudolph | Individual | Oppose | No |

Comments: This issue was discussed in 2012 and defeated. I believe a question for those house members voting should be who will gain from the passage of this legislation? I believe those most likely to benefit are the realtors-this is a conflict of interest if I am correct. There are enough curves in existence so this issue is already taken care of without imposing additional constraints on owners who already have 'agents' who are registered. Bill Rudolph, Owner Whaler 1063

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February 9, 2015

Aloha Representative Brower and honorable members of the committee:

Mahalo for the opportunity to testify.

I oppose HB803.

In 2001, I was finally able to put my savings together to purchase a condo on Maui and have been able to help pay for it by renting it to guests. It is my love for Hawaii and my dream of being able to afford to spend more time here that drew me to investing in the State.

HB803 states that the purpose of the act is to foster consumer protection in the State's transient accommodations market and ensure greater compliance with applicable state and county laws by operators of transient accommodation in the State." I support these goals of the bill. My opposition to the bill is because its primary provision changes the requirement that out of state owner-operators provide an "on-island contact" to requiring that out of state owner-operators designate an "on-island agent" with agent being defined as a licensed real estate broker or sales representative working for a broker or a caretaker who is an employee of the owner/operator. This change does nothing to foster the purported goals of the bill but has serious negative financial consequences for those of us who are in compliance with current laws and pay all required taxes.

The bill, through its provisions, seems to be drawing on an assumption that ONLY off-island owner-operators engage in activities that require the state to intervene to protect consumers. The bill's licensed agent requirement seems to assume that only licensed real estate agents or full-time employees are capable of calling plumbers or other repair people, fixing problems, or otherwise deal with the variety of issues that surface in taking care of vacationing guests. It also assumes that on-island agents who have no financial stake in the properties that they will now be an agent for will provide better consumer protections than those provided by owner-operators who have a financial stake in maintaining a strong reputation so as to have high occupancy rates.

There is no logic or evidence to support these assumptions and legislation based on false assumptions is not likely to be good for the State or solve the problems it purports to address. All one has to do is go to some review sites such as Trip Advisor to see that many of the most negative reviews are written by guests who have stayed in vacation rentals managed by management companies. Some sample reviews of units in my complex which are managed by management companies are attached to this testimony. Similarly owners who advertise on websites such as VRBO are motivated to bend over backwards to keep their guests happy because negative reviews are the kiss of death for future bookings.

The change from required "contact" to "agent" as defined by this bill does nothing to bring those (who live on-island or off-island) who are non-compliant with current laws into compliance. All it does is place an unequal financial burden on one group of investors without evidence to justify that unequal treatment. Most investors are like me – barely making a profit or breaking even. Even without a mortgage, until the recession, I could have earned a better return by investing in Certificates of Deposit.

Finally, the bill, because it does not solve the problems it addresses and without justification, creates a financial burden only on off-island investors, is likely to be unconstitutional under the equal protection clause of the United States Constitution. I strongly urge that the legislature reject this unfair bill which will solve no problem and focus its attention on measures that will make it easier to enforce current laws.

"Total disappointment with no offer to help rectify the situation."

●●●●● Reviewed November 24, 2014

Although we requested ground floor, view and king bed; when we arrived we were give a tiny apt. on the second floor with a queen bed.and "garden view". No one was available to assist with our bags, nor were there any carts to transport our luggage and groceries. The property is far from pristine - quite dirty!

We returned to the office, called " Maui condo and home" (the property mgmnt. company involved) and were told there was nothing else available. After some time spent on the phone, they came up with an upgrade. This upgrade partially satisfied our request, still no king bed and no air-conditioner. The upgrade was an additional \$169.00 per night!! Their attitude was "take it or leave it.

If you decide to stay at the Akahi, we would advise against dealing with Maui Condo and Home!!

Room Tip: Make sure your requests have been satisfied prior to finalizing payment.

[See more room tips](#)

Stayed November 2014, traveled as a couple

●●●●● Location

●●●●● Cleanliness

●●●●● Service

[Less](#)

Was this review helpful? [Yes](#) 1

[Ask travel19551955 about Kihei Akahi](#)

This review is the subjective opinion of a TripAdvisor member and not of TripAdvisor LLC.

"Mis"

●●●●● Reviewed September 27, 2014 via mobile

Awful customer care we arrived here after a long flight from sacramento, ca only to find a very dirty room that was stinky and dusty that I had to start cleaning even the comforter had stains really bad



Was this review helpful? [Yes](#) 3

MauiCondoMarina, Property Rental Manager, Maui Condo at Kihei Akahi, responded to this review

Aloha and thank you for your feedback. I would like to extend our sincerest apology for the condition in which you found the condo. We are the managing agent for this unit and take all cleanliness issues very seriously. We do contract licensed and experienced cleaners who do a great job for us. Our notes show that you did call...

[More](#)

"Worst experience in Hawaii - if you have any alternative go for it"

●●●●● Reviewed August 24, 2013

Maui is an incredible island, you are close to the beach here and you have great snorkeling places close by - so the island itself makes any stay good by itself, though this condo only took away from the experience. Looking backwards I would have probably stayed all the time in Lahaina, I decided to spend a few days in...

[More](#)

Was this review helpful? [Yes](#) 1

CondoRentalsHI, Condo Rental Agency at Kihei Akahi, responded to this review

Thank you for your review of Kihei Akahi. I am sorry that you felt mislead with your experience booking a condo through Booking.com. We just tried making a sample booking on the site and it appeared to correctly list the accurate taxes and cleaning fees throughout the booking. We will check with Booking.com to assure the confirmation email they send...

[More](#)

"D515 Kihei Akahi"

●●●●● Reviewed March 7, 2013

We love the resort and have stayed here MANY times. We rented this 2 bedroom and were very disappointed! There is dirty,stained shag carpet through out and one bathroom was disgusting with holes drilled in the bottom of the tub, hidden by a bathmat. Under the rubber mat was some disgusting black stuff that looked suspiciously like mold. The kitchen...

[More](#)

Was this review helpful? [Yes](#) 7

CondoRentalsHI, Condo Rental Agency at Kihei Akahi, responded to this review

Aloha, I am glad to hear that you are frequent guest to Kihei Akahi and love the property. I agree it is a great place. I am sorry you did not enjoy your particular two bedroom condo. We take your comments very seriously. We have coordinated a convenient time with the guests that are currently in the condo to have...

[More](#)

Aloha,

I OPPOSE HB803.

Thank you for the opportunity to submit my statement.

The Hawaiian legislators, in my opinion, are in the process of ruination of thousands, perhaps hundreds of thousands of lawful and respectful island home owners at the behest of a narrow-minded, special interest group who are embarking on an unconstitutional effort to force property owners to buy their services.

There are Senators who are seriously influenced in the favor of those special interest groups -- which I find shocking. It is shocking to know that elected officials, representatives of all of the people, are not conversant enough in the US Constitution. It is unconstitutional to force a property owner to turn the management of their personal rental property -- their small business...and it is a very small business income, indeed, over to special interest groups who clamour to have control of the people's business.

The Government regulation of transient vacation rentals (regardless of whether they are owned by non-residents or residents of Hawaii) can be a net positive and can, indeed, can address any tax issues and address the "unhappy neighbor" issues if and only if the regulations provide a reasonably fair and equitable way of addressing the needs of everyone. **The challenge is to make sure that one or more special interest groups do not hijack the crafting of those regulations to the benefit of one group and at the expense of many others. The challenge is to avoid encouraging a monopoly benefiting one group over hundreds of thousands of individuals.**

Does the Great State Of Hawaii really want to provoke a class-action lawsuit against it? There are hundreds of thousands of law-abiding Hawaii property owners networking as I write this -- joining together to confront Hawaii State. Personally, my heart is broken knowing what people here, on the mainland, in Canada and in other further off countries are thinking about the State of Hawaii. I am heartbroken. I love this State; I love its people. I chose it to be my home. I thought it was a Democratically functioning heaven on earth.

If there are some people in the Great State of Hawaii, resident or non-resident, cheating on their taxes, then it is the job of the Department of Taxation to put their minds, hearts and technology together to figure out how to find those tax cheaters.

Instead, the Hawaii Legislator come up with various convoluted ways to single out and force an entire group non-resident owners (what's next residents?) ... to hire licensed real estate and property managers to manage their private property...with the mindset that, somehow, the Government will catch the tax cheats. You will fail...not only your goal but your people, your State's economy.

Frankly, it's one of the most unintelligent, dangerously unconstitutional, ineffective, and frightening mindsets ...and I'm disgusted that the real estate, hotel lobbyists, and labor unions would turn on the good people of Hawaii (non-resident and resident alike) in such an alarming manner --- but --- mostly I am shocked and appalled that elected officials would support this mindset.

Where are we - in Germany 1935? In the Aloha State, why is one group of property owners being harassed by Hawaii's Government at the behest of a certain special interest group?

With each and every Bill that Hawaii's Legislature comes up with proposes to take more and more civil rights away from respectful property owners. For the first time in my life living in this beautiful place, I am ashamed of Hawaii.

The more versions of the various Bills that appear the more frightening the Aloha State becomes for home owners and visitors alike who are watching, reading the Press, listening to the conversations in the forums and organizations...and deciding to boycott our beautiful State which relies on the visitor industry. Why are you permitting the special interest group for hotels and real estate agents to destroy this Aloha State; to attack the law abiding property owners? The lawmakers will put them out of business -- a business that is not generating large profits for these owners in the first place -- the overwhelming majority of these home owners make just enough to pay their mortgages, utilities, upkeep while they contribute to all of the local economies.

It is exhausting, demoralizing and disheartening for hundreds of thousands of lawful, respectful home owners in this State to be assumed "tax cheats". There is no evidence to support that accusation in fact the evidence supports the property owners. **Look for the tax cheats but not at the expense of the rest of the property owners with draconian laws, drafted with the help of greedy special interest groups who'd love to convince everyone that property owners are cheaters who are involved in a risky trade.** Lies.

These Bills will destroy Hawaii. The Aloha State will be dead in spirit among every single non-resident (and many resident) property owners and millions of travelers who will travel to **more welcoming, affordable tropical destinations ...many of which are easier to reach in travel time, effort and investment than Hawaii. Properties will either go on the block for sale, or property owners will flip the switch and rent longer term (to the same tourists) which will deny the Hawaii State any taxes. So, kill the visitor industry and lessen the tax coffers, if you will.**

These Bills and the mindset which supports them are also contributing to hate in Hawaii. Among the Aloha State lives a group of hateful, accusatory residents who abhor the very presence of visitors who spend a few days or weeks, exercising their right to travel to one of the United States of America. Yet, a small number of hateful, jealous, greedy, ignorant residents with loud voices protest. Yesterday, I met two middle-aged women from England at the grocery store spending over \$300 dollars in a local family's shop in my

village. They were loving their visit; loving Hawaii, loving shopping in the local shops and loving their small rental which was owned by a Californian. They told me how well the owner took care of them during the rental contracting and during the stay -- how easy it was to connect (technology baby) with the owner ...and how easy it was to connect with the owner's "on island contact person" --- who was available at any hour to help them. It was uplifting to speak to those English Ladies. Then, a disheartening incident occurred as we were walking out of the grocery shop together, still chatting and laughing when an island local resident walked between us and loudly said a four-letter word starting with the letter F -- clearly directed at the English Ladies. And, Sir --- they were Ladies -- capital L. I said nothing to that individual but I glanced at him...and he told me to “go back to the mainland”.

Instead of helping to fan the wind of resentment, Hawaii's Government Officials *should* be working to foster the vacation trade for your State, Our State, with a constructive, fair and balanced mindset ---with a Democratic, Constitutional mindset --- instead of favoring the misrepresentations cast around the State, supporting negative opinions, and conjuring draconian Bills which diminishes the entire Aloha Spirit. The People Of Hawaii are being fed lies ...and elected officials are seeming to be in the pockets of special interest groups --- working AGAINST a "selected" group of people to target. This is not German 1935 --- this is the United States Of America in the 21st Century; and ALL the people of this Great and wonderful, God-given State of Hawaii should be protected from any groups that exist to harm the personal, private and business interests of others.

Travelers, non-resident property owners as well as residents, such as myself, are deeply disappointed in the lack of heart, compassion, empathy and understanding in this issue.

As a permanent Hawaii resident, a property owner who has invested and contributed millions to Hawaii, who wants this State to continue to be loved by all who will do the same as I -- move to Hawaii, work in Hawaii, contribute, pay their share and live freely and unabused by special interest groups, I OPPOSE HB803.

From: Mischke <seamaui@gmail.com>
Sent: Sunday, February 08, 2015 10:38 AM
To: Rep. Tom Brower
Subject: Opposing HB 803

Dear Sir or Madam,

My wife 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 and my wife no longer working, there was no way we could have afforded the condo without renting it out. In the beginning we used an on site rental agent, then after being charged for work that was not done, countless other small charges each month, and terrible guest reviews we switched to other on island real-estate agents. This was a terrible experience, as we had no control of who was in our unit or what it was being used for. Many items were missing from the unit, one time a VCR was replaced with a broken one that wasn't even ours and the worst part was we had no one to be held accountable. On one of our trips we replaced our mattress with a new pillow-top queen mattress, and the next year when returned it was missing and replaced with an old stained mattress. We certainly didn't suspect our guests with doing this and it could have only been done by our on island management company or one of their employees. We also suspected that the agents were using it themselves or allowing others to use it without paying. Our guest book documented cleaning and other problems, then apparently, someone started cutting the reviews out of the book, finally the guest book missing completely.

We considered selling the condo as we were so frustrated with our "On Island Agents" then out of desperation we decided renting it ourselves. We hired a local cleaner who is now responsible for the unit and if there is something wrong she notifies us immediately along with taking photos of any problems. We then hired a local handyman who maintains the unit and is able to make any repairs. Our guests sign in at the front office and we paid last year over \$3500 in GE and TA tax along with the property taxes. Since we eliminated our Rental Agents and now are in direct control of our property our guests have never been so happy, I included two of our recent guestbook entries:

Tory January 2015

"The condo and property were well maintained. The condo was well stocked with essentials (dishware, silverware, towels, etc.) and all of the appliances were clean and worked properly. The washer and dryer were a nice bonus.

The property seems very well managed. The other occupants were very quiet and peaceful. There were no wild parties or loud outbursts at night."

Gary September 2014

"Donald was excellent to deal with as a host. He was very friendly and available for any questions. The condo is very well equipped in a lovely resort. All the amenities you can need for a comfortable stay. We would rent this condo again!"

We are now rated with 5 stars and as I am sure you know a happy guest will not only return again but also pass their positive experience on to others. This would have never been the case had we been using an on island rental agent.

I would urge you to vote "NO" on HB 803.

--

Anne & Donald Mischke

<http://www.deluxeoceanfrontcondos.com/>

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 7:08 AM
To: TOUtestimony
Cc: relaxonmaui@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Anita Schwalbe | Individual | Oppose | No |

Comments: This bill is unreasonable, excessive, and unnecessary. Thank you.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 10:12 AM
To: TOUtestimony
Cc: aaquitaine@yahoo.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Andrea Butter | Individual | Oppose | No |

Comments: The requirement that a local "agent" has to be an employee of the owner or a licensed realtor is very damaging. Being the on-island contact is not a full-time job, or even a part-time job. It takes less than an hour a week on average, maximum. The requirement to make such a person a W-2 employee is impossible for the owner of a single or even two or three rental properties. That forces owners into paying the exorbitant and extortionary fees that realtors generally charge, and would increase rental prices on vacation properties a lot. The result will be fewer visitors to Hawaii, damaging the economy. These days, tourists have become very price sensitive, and the availability of vacation rentals softens the overall expense of a vacation in Hawaii. Without it, tourists will go to cheaper locations like the Bahamas or Mexico. I am the owner of a single vacation rental, and comply 100% with the requirements of the law. My online contact is even a realtor, but he is also a close friend, and does not charge me the exorbitant prices. So the proposed changes to the law (which seem written by a realtor and property management lobby) do not even affect me. But they are damaging to Hawaii.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 2:13 PM
To: TOUtestimony
Cc: californiamy@charter.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Amy Siroky | Individual | Oppose | No |

Comments: Hello, my name is Amy Siroky and I own two properties on the Big Island. HB 803 requires 'local contact' to now be 'on-island agent' who must be a licensed realtor or a custodian/caretaker who must be an employee and work for only ONE owner. I Oppose this bill • I support the requirement to have an contact who is resident on island • I oppose the requirement that the on-island agent be a real estate licensee o The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. o Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. o Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. o These bills fail to regulate the rate at which realtors can be compensated for this role. - Realtors who do handle this function currently charge higher rates than what I am being charged by my current "caretaker". This wouldn't enable me to be able to pay the mortgage and I would lose the property, thus adding to the reduction in prices. - I have relationships with on-island cleaner, plumbers, electricians, handy man, air conditioning service; all of these services are familiar with me and my units. I prefer choosing my servicers rather than having a realtor choose them for me. I propose the language in ACT 236 in respect of "agent", "on-island agent" and "local contact" be made consistent with the landlord tenant code and the responsibilities of the owner be made consistent with the real estate brokers and salesperson code HRS 467. Thank you.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 7:38 AM
To: TOUtestimony
Cc: buzz@mahana308.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------------|--------------|--------------------|--------------------|
| Albert W Merrill, PhD | Individual | Oppose | No |

Comments: Dear Hawaii representatives, Passage of this measure and having to pay someone to do what I do very effectively and responsibly, will no doubt mean the difference between whether I can retire or not. For others of my fellow owners, it may mean they will need to sell their units at the reduced value caused by this measure. These sales will lead to reduced property tax valuation thus reducing Hawaii revenue. All this to benefit the realtor special interest group. Not right. I have owned my condo unit in The Mahana at Kaanapali since 1978 and am 75 years old. I have been working full time at the same non-profit company for 45 years supporting our nations defense in space. I have a high security clearance and my integrity must be and is impeccable. I have always paid all my tax accurately including the Hawaii GE and TA taxes. I love my personal relationships with the people I rent to and it sort of fills a void that exists due to the failure of my marriage. Please allow me to love my condo, my work on it, the renters, and the freedom my management gives me. If this law intends to control tax law breakers, please find a focused technique for doing so like correlating the rental tax with property tax payments. I will be glad to help you in creating such if you wish. My view is that for every law breaker this legislation attacks, there will be 10- 100 innocent people harmed by having their livelihood reduced. On balance, Hawaii will be damaged by this measure. Mahalo for having an open mind. Please do the right thing. Aloha, Albert W. Merrill, PhD

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brower1-Luke

From: Albert Kim <amtkim@gmail.com>
Sent: Monday, February 09, 2015 2:35 PM
To: Rep. Tom Brower
Cc: Mimi Kim
Subject: Opposing HB 803

Categories: Tourism Chair

Dear Representative Brower,

we would like to hereby voice our opposition to HB 803. We are proud owners of Unit Hokulani 112 in the Honua Kai on Maui and have been renting it out, while we continue towards retirement and hopefully be able to someday live there long term. We have engaged a great individual to see after all our needs on the island and could not be happier with the current engagement. We don't believe requiring any special licensing (or anything similar) would add any value, but rather be a big distraction, deterrent and frankly unnecessary expense for both owners and the state.

We oppose HB 803

Respectfully,

Albert Kim
Mimi Kim

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 08, 2015 5:22 PM
To: TOUtestimony
Cc: agtft@aol.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Alan G Taylor | Individual | Oppose | No |

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 1:50 PM
To: TOUtestimony
Cc: adamleamy@gmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Adam Leamy | Individual | Oppose | No |

Comments: Dear Members of the Committee: I oppose HB803 in its current form and urge you to do the same. The points raised by the Hawaii Rental By Owner Awareness Association (RBOAA) regarding this bill are most helpful, and you will have seen them under separate cover. Act 326 from the 2012 Session did an effective job in addressing the issues raised in respect of its need. Indeed, in its final form, Act 326 enabled all to witness the balanced outcome achieved through proper consultation. No doubt, many were enticed to invest in Hawaii real estate as a result of the practicality of Act 326 in achieving its stated purpose. Regrettably, HB803, in reverting to a declaration that the "Local Contact" now be an "On-Island Agent, i.e., a licensed real estate agent or broker or the like, would represent a bait-and-switch approach to consumers who relied upon the laws of Hawaii (Act 326) and various protections afforded them — be they through constitutions and trade agreements — in considering an investment in real property in the state to be a sound one. Again, I wholeheartedly agree with the assertion within Act 326 that it is appropriate to have a contact for a vacation rental property who is resident on the Island on which the transient accommodation is located. That said, our experience with our two properties has been that despite some 'big weather' that has reached Hawaii these past few years, we have been, and remain, the only contacts for our guests, despite our compliance with posting contact information for our Local Contact and including same within the rental agreement. Indeed, with the Internet, and National Weather Service information so immediately accessible, we're often ahead of Hawaii in letting our both our guests and our neighbours in our complex know of these kinds of developments. As for lockouts and similar, we have not had any. We have an excellent check-in process, and all our dozens of on-line reviews are five-star reviews. I note that the agency active in our building receives regular online criticism for botched check-ins; we experienced this ourselves when staying with them in 2006; inexperienced staff, uncaring, poor oral and written communications, and sloppy process for after-hour access. Local, yes, but consumer-oriented not at all. Indeed, still the very last people we'd look to for assistance were we in need of same whilst on-Island. Indeed, what on earth do they know or can they do that we or others can't do as or more effectively? In respect of the "On-Island Agent," as RBOAA has noted, and which bears repeating here, these individuals have no fiduciary responsibilities and therefore do not need to be licensed or regulated. In respect of HB803, realtors possess no special skills which are relevant to dealing with lockouts, broken appliances, or natural disasters. I'm not sure why state legislators in Hawaii believe that visitors to Hawaii should seek realtors for this kind of support when legislators themselves would surely find it inadequate for their families. But the deeper point to be found in the RBOAA perspective on HB803, and one that certainly resonates loudly, particularly in a global

context, is the bill's requirement that investors in Hawaii transient accommodations cede control and management of their properties to the Hawaii government's selected agent, i.e., realtors. Put simply, 'monopoly creation' by government is never a pathway to consumer protection. It's this spurious link that offers such insult to Hawaii, those who would visit it, and those who support true consumer protection. Indeed, in HB803 — in creating this monopoly — the bill's drafters then abandon ship and all pretense of "consumer protection" by failing to regulate the rate at which realtors can be compensated for the state-created monopoly by which they, alone, benefit. Surely this "On-Island Agent" reference in HB803 is a drafting error, and the intent was to reauthorize Act 326 complete with its effective use of "Local Contact" Act 326 demonstrated the better nature of Hawaii legislators and government language. I agree with the RBOAA suggestion that the way forward is to renew Act 326, and give it greater effectiveness by ensuring that the terms "agent," "on-island agent," and "local contact" be made consistent with the Landlord Tenant Code and that the responsibilities of the owner be made consistent with the Real Estate Brokers and Salesperson Code HRS 467. Finally, it bears emphasis here that many of the Canadians who have invested in Hawaii have done so through the opportunities and protections for cross-border investment created by The North American Free Trade Agreement (NAFTA). As legislators will be aware, NAFTA began on January 1, 1994, and from its start, removed most barriers to trade and investment among the United States, Canada, and Mexico. Bill HB803, in requiring owners to have an "On-Island Agent, i.e., a licensed real estate agent or broker or the like, establishes a new, onerous, and both specific and unclear requirement for cross-border investors. Part Five of NAFTA (Investment, Services, and Related Matters), at Chapter 11 ("Investment") sets out the behaviours each party (which, in this case, means the US and Canada and their respective states and provinces) agreed to extend to each other in signing NAFTA. Hawaii is bound by the requirements of, and protections offered by, NAFTA. That point is not in question. While it may have been the case that among all parties to NAFTA there were, at the time of signing, laws and regulations on their respective federal, state or provincial legislative books that pre-dated NAFTA, agreeing to NAFTA meant agreement to removal of most barriers to trade and investment. Moreover, when NAFTA was signed, all parties were able to identify and agree upon exceptions to NAFTA in areas of trade, commerce, and regulation where NAFTA provisions would not apply. In NAFTA, at neither Chapter 21 ("Exceptions") or at Annexes ("Reservations") is found any language that would exclude Hawaii from either offering or benefitting from the full protections and opportunities of NAFTA. In its current form, HB803 fails several NAFTA tests, and I would hope that its drafters have taken all care to ensure that legislators who introduced the bill, and those who may consider it, have been apprised of their role in upholding these NAFTA provisions and protections. If that's not the case, Hawaii legislators have again been misled by bill drafters. HB803, in requiring investors to turn over management and control of their property to a Hawaii realtor — just like another bill requiring owners of transient accommodation to use a Hawaii-based bank — is fully offside with Canadians' Chapter 11 NAFTA protections that Hawaii has a duty to honour and uphold. Under Article 1106, i.e., "No Party may impose or enforce . . . in connection with the establishment, acquisition, expansion, management, conduct or operation of an investment of an investor of a Party or of a non-Party in its territory . . . [a requirement] to purchase, use or accord a preference to goods produced or services provided in its territory, or to purchase goods or services from persons in its territory. . . ." The same is true for HB803 when it applies more onerous operational standards for those who live out-of-state than those who live in Hawaii. Indeed, NAFTA Article 1102: National Treatment, provides that each Party shall accord to investors — and investments of investors — of another Party treatment no less favorable than that it accords, in like circumstances, to its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments. Just to be clear, NAFTA further specifies that with respect to a state or a province, "treatment no less favorable than the most favorable treatment accorded, in like circumstances, by that state or province to investors, and to investments of investors, of the Party of which it forms a part." It is as true in Hawaii as it is anywhere in the world: The Digital Age has changed us all. It has brought opportunity, and it has brought challenge. That's

the way of innovation. But so far, those in Hawaii unable or unwilling to adapt and compete in the Digital Age — hoteliers and condo rental agencies particularly — have simply turned to state legislators for an easy-button solution. They've proposed bills that will force investors in Hawaii to cede control and management of their investment properties to state-sanctioned third parties, namely themselves. They have proposed legislation so confusing and complex, with penalties so high for any unintentional error in compliance, that such bills will surely cause some operators of legal transient accommodations to vacate the marketplace in search of more reliable and stable investment climates in other states or countries, thereby creating a hotel monopoly that such bill proponents seek. And most egregious, they are putting bills in front of Hawaii legislators who, if they accede to their content, will demonstrate that Hawaii's word as signatory to the foundations of our society — be they constitutions, trade agreements or contracts — cannot be relied upon. HB803 does not give new life to the admirable Act 326. It gives license to those who seek to gain by deceit, contrivance, and manipulation. It should generate opposition in its current form. And more than that, it deserves our scorn for the betrayal it represents of a commitment we make to constitutions, trade agreements, and the grand and noble principles upon which they are built. With kind regards, Adam

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 9:12 AM
To: TOUtestimony
Cc: adaeschen@yahoo.com
Subject: Submitted testimony for HB1288 on Feb 11, 2015 09:30AM

HB1288

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Ada Eschen | Individual | Oppose | No |

Comments: I OPPOSE HB1288 unless it is amended to remove from the Public Database information that allows anyone to access the Physical address of my transient accommodation.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 10, 2015 6:24 AM
To: TOUtestimony
Cc: chrysan@doshlaw.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/10/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Chrysan Dosh | Individual | Oppose | No |

Comments: I am an off island out of state property owner and am OPPOSED to being required to have an on-island licensed real estate agent to manage my property. I support having to have an on-island contact.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 8:49 PM
To: TOUtestimony
Cc: cyntravel@yahoo.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------------|--------------|--------------------|--------------------|
| Cynthia Richardson | Individual | Oppose | No |

Comments: Please consider dropping this further attempt by some real estate organizations to take on individual condo representation. Please leave the law stating that an on-island agent be a resident of the island and have no fiduciary responsibilities for the rental unit. Thank you for your time and service. Cynthia Richardson

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 10, 2015 5:51 AM
To: TOUtestimony
Cc: dtbenson@telus.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/10/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------------|--------------------|--------------------|
| Dale Benson | TADA Holdings Ltd. | Oppose | No |

Comments: We have an on island agent who is a licensed realtor and in all of the time we have rented our condos we have not had to call on him once because our on island manager/ housekeeper has attended to all of our needs and done so in a very professional and efficient manner. Therefore I see no need for a licensed realtor to be an agent and agree that any responsible Hawaiian resident can fulfill the homeowners requirements. I also feel that any person that is going to illegally rent out their condos is probably not going to register with a real estate agent therefore I don't see what would be gained.

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Opposition to HB803

I support the State and Counties' rights and authority to tax and enforce zoning and permit compliance.

Act 326 does this very sufficiently in its present form and its repeal date should be made permanent. For two years now we have been required to put our I.D. in the advertising. This provides the tax department the tools they need to determine who is paying GE/TAT and who is not. The tax department and DCCA have spent a year to provide education materials to TA operators so they may be educated as to the compliance issues. To change the rules, regulations and criteria at this point is premature, and worse, it creates further confusion for those operators who ARE trying to fully comply with the laws.

The Tax Department Director's testimony in 2012 hearings on this subject, testified that to require TA operators to put their I.D. in advertising would give them the tools they need to determine who was operating and not paying taxes

Transient accommodation operators must comply with three main areas:

1. Tax laws
2. Landlord-tenant provisions
3. Local zoning authorities.

Act 326 has provided an effective vehicle to accomplish these goals.

For tax compliance and county zoning enforcement:

- a. Registration I.D. numbers in advertising.
- b. TA provide AOA with pertinent information of TA operations
- c. AOA provide that information to the tax department
- d. Counties to share information with the tax department
- e. Tax department to share information with the counties

For Landlord-tenant provisions:

Act 326 focused also on consumer protection by requiring TA operators to designate a local contact.

Through Act 326 the State and Counties are given the means of obtaining tax compliance as well as zoning compliance. It is not necessary to create added burdens and restrictions on TA operators.

Additionally, the proposal of allowing only licensed realtors performs these functions has some serious legal hurdles. As noted, TA is under landlord tenant. The TA operator is a landlord and as such the Hawaii Statutes, as well as the US constitution, provides for a owner to be able to manage and sell their own property.

Thank you for the opportunity to testify.

R. Stewart

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 5:58 PM
To: TOUtestimony
Cc: joe@joedorsey.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Joe Dorsey | Individual | Oppose | No |

Comments:

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 8:24 PM
To: TOUtestimony
Cc: pahtri@yahoo.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Louis Trinh | Individual | Oppose | No |

Comments: Hello Legislators, I am writing to OPPOSE HB 803. As a transient rental owner on Maui, I pay my GET and TAT taxes monthly, have an on-island contact and advertise with my tax ID number. While I fully support an on-island contact, I strongly oppose that the on-island agent be a real estate agent. Since the on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated. Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities and in fact thousands do providing good paying jobs which support families in our local communities. From a consumer protection perspective, HB 803 would do more harm than good through stifling competition by providing realtors, who are the main beneficiaries and supporters of this bill, a near monopoly on providing these services. The bill does not regulate the rate which be charged for these services which in many cases will be minimal to non-existent. The higher fees imposed by realtors will be passed onto consumers with no added benefit. If this bill was to pass, it would force homeowners like myself and countless thousands others an additional 30-50% in fees, causing undue hardship and ultimately bankruptcy. This would have a devastating effect on the Maui real estate market and local economy. I have worked too hard for so many years in order to buy a condo for our retirement. Please do not pass HB 803. Respectfully submitted, Louis Trinh Honua Kai #514 130 Kai Malina Parkway Lahaina, HI 96761

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Testimony in Opposition to HB 803

I OPPOSE HB 803 which would change the definition of on-island contact to an on-island agent. I have owned a condominium in Kihei, Maui since 1990. I currently retain an on island manager who is available 24/7 to my guests. She is their direct contact for any problems or issues, repairs, emergencies, etc. She is diligent and reliable and responsible. This arrangement has worked fine for my guests.

I oppose HB 803 as it would require me to change the structure of my condo rental business. There is no added benefit to having a licensed real estate agent perform these services.

I pay Hawaii GET and TAT and am registered for the collection of these taxes. I file a Hawaii income tax return annually.

Michael DeAngelis
San Anselmo, CA 94960

brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 7:38 PM
To: TOUtestimony
Cc: h20minda@aol.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Randy Hominda | Individual | Oppose | No |

Comments: one more fee to add to our vacation condo which already has excessive taxes and expenses that make it difficult to afford already

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 10, 2015 6:44 AM
To: TOUtestimony
Cc: rickloans@aol.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/10/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------|--------------|--------------------|--------------------|
| Rick Scaramella | Individual | Oppose | No |

Comments: This measure is just another example of government bureaucracy proposing additional expense on the business owners at the request of big business hotels, which will ultimately increase costs to our guests and make Hawaii less competitive in the vacation market.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 10, 2015 12:32 PM
To: TOUtestimony
Cc: scchili@aol.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/10/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|--------------------|--------------------|
| Stephen Childers | Individual | Oppose | No |

Comments: Our on island agent does not handle any money, but keeps us informed as to the condition of our property. There is no fiduciary duty involved. There is no need for a licensed RE agent to be involved.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 10, 2015 2:26 PM
To: TOUtestimony
Cc: partnersinparadise@verizon.net
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

HB803

Submitted on: 2/10/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Gary Skardina | Individual | Oppose | No |

Comments: I OPPOSE HB 803, but propose amendments which, if adopted, would gain my support and the support of many others. To legislate real estate licensees into a role between the tenant and the property owner would put Act 326 into conflict with both the Landlord-Tenant Code and the Real Estate Broker and Salesperson Code. The Real Estate and Salesperson Code (467-2) permits an owner to rent, lease and manage their own property. The Landlord Tenant Code (521-43f) requires an agent residing on the same island as the property, but does not require the agent to be a real estate licensee. Nowhere in either statute does the term "on-island agent" exist (nor does it need to exist). The role of "local contact" was created in 2012 for the purposes of Act 326. I support the amendment being put forward by RBOAA to clearly align Act 326 with both HRS 467 and HRS 521. All owners of property who wish to offer transient accommodations must either: 1. Be an owner-operator who self manages, rents, leases and designates a local contact; or 2. Employ a custodian / caretaker; or 3. Engage the services of a real estate licensee.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 10, 2015 5:51 PM
To: TOUtestimony
Cc: pattimak@hotmail.com
Subject: Submitted testimony for HB803 on Feb 11, 2015 09:30AM

LATE

Categories: Dean

HB803

Submitted on: 2/10/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|--------------|--------------------|--------------------|
| Patricia McLaughlin | Individual | Oppose | No |

Comments: We support the requirement to have a contact who is resident on island We oppose the requirement that the on-island agent be a real estate licensee The on-island agent has no fiduciary responsibilities and therefore does not need to be licensed or regulated Realtors possess no special skills which are relevant to dealing with lock-outs, broken appliances, or natural disasters. Any responsible Hawaiian resident could handle these responsibilities. Designating one single professional body (and excluding all other professional bodies) to fulfill a regulatory requirement creates a near monopoly. There is no economic justification for a monopoly. These bills fail to regulate the rate at which realtors can be compensated for this role.

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brower1-Luke

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 10, 2015 6:54 PM
To: TOUtestimony
Cc: kalanikalei@gmail.com
Subject: *Submitted testimony for HB803 on Feb 11, 2015 09:30AM*

Categories: Dean

LATE**HB803**

Submitted on: 2/10/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Dieter Heinz | Individual | Oppose | No |

Comments:

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Rental By Owner
Awareness Association

LATE TESTIMONY

House of Representative
The Twenty-Eighth Legislature
Regular Session of 2015

To: Rep. Tom Brower, Chair
Rep. Takashi Ohno, Vice Chair

Date: February 11, 2015

Time: 9:30 a.m.

Place: Conference Room 312
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

RE: House Bill 803, Relating to Transient Accommodations

Chair Brower, Vice Chair Ohno and Members of the Committee:

Rental By Owner Awareness Association (RBOAA) is a non-profit entity incorporated in Hawaii that speaks for hundreds of very small business that consists of law-abiding Hawaiians and non-Hawaiians who rent their homes out to visitors.

RBOAA would like to voice our **OPPOSITION** to H.B. No. 803.

We understand the intent of the bill is to address the sunset clause, penalties associated with the AOA that we do support but we **STRONGLY** oppose the deletion of local contact.

In 2016, we all spent a large amount of time working on HB 2078, currently referred to as TAX Act 326. It was only implemented 1 year ago and it clearly states on page one of DOT Announcement No, 2013-02 dated 3.4.2013 the definition of a local contact.

“Designate a local contact residing on the same island as the transient accommodation. The local contact can be any individual residing on the island or any entity with its principal place of business on the island. The contact need not be a licensed real estate broker or be accredited in any other matter.”

2 HB 803 RELATING TO TRANSIENT ACCOMODATIONS

We oppose the addition of the term "on-island agent". The definition in the bill requires a licensed professional or a caretaker/custodian. Which is in conflict with the current laws.

The real estate code clearly permits an owner to manage, lease, rent or sell his own property, regardless of residency.

We propose the attached amendment which would build on the existing laws in which states:

The legislature wishes to clarify that all owners of property who wish to offer transient accommodations must either.

1. Be an owner/operator who self manages, rents leases and designates a local contact; or
2. Employ a custodian/caretaker; or
3. Engage the services of a real estate licensee

We believe the proposed changes will make ACT 326 consistent with both the real estate code and the landlord tenant act.

It will also make clear the 3 option available to owners of the TVR's as there well as for all other landlords.

Mahalo for the opportunity to submit our testimony.

Respectfully,



Alicia Humiston



HAWAII TOURISM
AUTHORITY

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Neil Abercrombie
Governor

Mike McCartney
President and Chief Executive Officer

Testimony of
Ronald Williams
President and Chief Executive Officer
Hawaii Tourism Authority
on
H.B. No. 803
Relating to Transient Accommodations
House Committee on Tourism
Wednesday, February 11, 2015
9:30 a.m.
Conference Room 312

The Hawaii Tourism Authority opposes H.B. No. 803, which proposes various amendments to Act 326, Session Laws of Hawaii 2012, which attempted to regulate transient accommodations by requiring the designation of a local contact and assigning various regulatory duties to the Department of Taxation. H.B. 803 amends "local contact" with "on-island contact" and proposes amendments to clarify information required to be reported to the Department of Taxation.

We prefer, instead, H.B. 825, which was heard earlier by this Committee, and takes a more comprehensive approach to regulate transient vacation rentals.

Mahalo for the opportunity to offer these comments.

HB 803

HB 803 is nothing more than a blatant attempt by realtors to monopolize the travel rental business by taking away the rights of owners to manage their own condo investments independently. Realtors bring no special expertise or benefits in being an on-island contact to address guest/condo issues. All they will do is call a plumber handyman to handle the problem. A regulation requiring a plumbers license would make more sense than this travesty.

Furthermore, to insure their monopoly realtors have the gall to want to limit on-island contacts to only one client. This is as fair as restricting realtors to only be able to show one property. It's absurd, but so is the justification the realtors are trying to make for punishing owners who they see as competition. Fair competition may be the American Way; the question is – is it the Hawaiian way?