



STATE OF HAWAII
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To: The Honorable Donovan M. Dela Cruz, Chair
and Members of the Senate Committee on Ways and Means

Date: Tuesday, April 3, 2018
Time: 10:00 A.M.
Place: Conference Room 211, State Capitol

From: Linda Chu Takayama, Director
Department of Taxation

Re: H.B. 2605, H.D. 2, S.D. 1, Relating to Transient Accommodations

The Department of Taxation supports the intent of H.B. 2605, H.D. 2, S.D. 1, and offers the following comments regarding the tax provisions for the Committee's consideration.

The following is a summary of key tax provisions of Part I of H.B. 2605, H.D. 2, S.D. 1, which is effective upon approval:

Duties as Tax Collection Agent

- A transient accommodations broker who voluntarily registers as a tax collection agent will be required to report, collect, and pay general excise tax (GET) and transient accommodations tax (TAT) on behalf of all of its operators and plan managers for transient accommodations booked directly through the registered agent.
- The registered agent's operators and plan managers will be required to be licensed under chapters 237 and 237D, Hawaii Revised Statutes (HRS).

Reporting Requirements

- The registered agent must provide the following information in a cover sheet with every tax return filed with the Department: the name, address, and license identification number of each operator; the address of each transient accommodation; the number of nights that each transient accommodation was rented; the amount of tax being remitted for each transient accommodation; and the amount of income reportable on federal form 1099 for each transient accommodation.
- The registered agent must disclose the information in the cover sheet to the planning director or any county official.

Compliance with Land Use Laws

- Prior to advertising a property, the registered agent shall: (1) notify the operator that the property is required to be in compliance with applicable land use laws; (2) require the operator to provide the transient accommodations number and local contact and include said information in the advertisement; (3) require the operator to provide verification of compliance with state and county land use laws; and (4) require the operator to attest that the property is in compliance with applicable land use laws.

The Department requests that the bill is amended to make Part I apply to tax years beginning after December 31, 2018 to allow the Department sufficient time to make the necessary form and computer system changes.

Thank you for the opportunity to provide comments.

Harry Kim
Mayor



Wil Okabe
Managing Director

Barbara J. Kossow
Deputy Managing Director

County of Hawai'i
Office of the Mayor

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March 29, 2018

Senator Donovan M. Dela Cruz, Chair
Committee on Ways and Means
Hawai'i State Capitol, Room 211
Honolulu, HI 96813

Senator Gilbert S.C. Keith-Agaran, Vice-Chair
Committee on Ways and Means
Hawai'i State Capitol, Room 211
Honolulu, HI 96813

Dear Chair Dela Cruz, Vice-Chair Keith-Agaran, and Committee Members:

Re: HB 2605, HD 2, SD 1 Relating to Transient Accommodations
Hearing Date: 04/03/2018 – 10:00 am; Conference Room 211

Thank you for the opportunity to comment on HB 2605, HD 2, SD 1. I will leave most of the details of this bill to others, and limit my remarks to the proposed civil penalty and to Section 7 of SD 1.

SECTION 7

“SECTION 7. Upon the establishment by a county of a process for providing verification of compliance by an operator or plan manager with that county's land use ordinances, the State shall transfer, from the transient accommodations tax revenues, up to \$1,000,000 to each county for implementation or enforcement of those land use ordinances.

First, I cannot be certain from the language whether these monies are meant to replace or to supplement the TAT funds that the counties presently receive. Only if these payments would be in addition to current allocations, could Hawai'i County support it. This issue is especially important since the Attorney General, in a hearing on an earlier version of this bill, raised a question as to whether “the \$4,000,000 allocation to the counties is meant to come out of the TAT revenues before section 237D-6.5(b)(4)'s \$103,000,000 allocation to the counties.” We think it is clear that this “up to \$1,000,000” for each county is separate and in addition to the \$103,000,000 County portion of the TAT, but would ask that this be reemphasized.

County of Hawai'i is an Equal Opportunity Provider and Employer.

A separate question is the amount. What is the right amount for the State to invest in fixing this problem? As formerly provided, a \$1 million allocation per county seemed viable. Anything less would be inadequate to solve the problem with vacation rental enforcement.

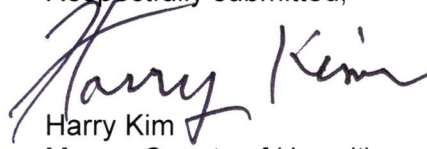
Third, if the State is looking for increased enforcement of vacation rentals, what is the financial impact of that increased enforcement? It is more inspectors, and more appeals, and contested cases on enforcement of vacation rentals, and the problem will persist indefinitely. Therefore the payments to the counties should be every year. I think that Section 7 is providing a one-time allocation to the counties. I would ask that the provision be amended to provide annual payments.

Finally, Section 7, as written, seems unworkable, since it does not provide language as to who decides how much of the available funds are given to a county, nor what criteria are to be used in exercising that discretion. We strongly urge that the "up to" language be deleted.

CIVIL PENALTY

SD 1 calls for a civil penalty of "not less than \$25,000 to be levied by the county planning director" for "any violation of a county transient accommodations ordinance." While we want to encourage compliance with all ordinances, one can imagine that there may be minor violations that do not warrant such harsh treatment. Perhaps a penalty of "not more than \$25,000" would allow the punishment to better fit the crime, or leave it entirely to the county ordinance to set the parameters rather than specifying an arbitrary amount in statute.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Harry Kim", written in a cursive style.

Harry Kim
Mayor, County of Hawai'i



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David Y. Ige
Governor

George D. Szigeti
President and Chief Executive Officer

Statement of
George D. Szigeti
Chief Executive Officer
Hawai'i Tourism Authority
on
HB2605 HD2 SD1
Relating to Transient Accommodations
Senate Committee on Ways and Means
Tuesday, April 3, 2018
10:00 a.m.
Conference Room 211

Chair Dela Cruz, Vice-Chair Keith-Agaran and Committee Members:

The Hawai'i Tourism Authority (HTA) offers the following **comments on HB2605 HD2 SD1**, which proposes a system to regulate operators of Transient Vacation Units (TVUs) to ensure that operators pay General Excise Tax (GET) and Transient Accommodation Tax (TAT) and comply with State and county land use laws and regulations.

Without commenting on the precise structure and terms of the bill, HTA supports the intent of the bill to implement a clear and fair regulatory framework that ensures TVU operators pay applicable taxes and operate in compliance with State and county laws. As Hawai'i competes in the global tourism market, it is critical that we ensure safe and enjoyable visitor experiences whether our guests stay in traditional or alternative accommodations, which are becoming increasingly popular with travelers from around the world. To help ensure that Hawai'i remains a highly desirable place for our residents, HTA supports the implementation of stronger government regulations of alternative accommodations. In particular, providing guidelines for registration and reporting, along with rules for enforcement to curb the spread of illegal vacation rentals and hold operators accountable, will strengthen the quality of life for residents in communities on all islands and ensure a more positive visitor experience.

Mahalo for the opportunity to offer this testimony.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

UBJECT: GENERAL EXCISE, TRANSIENT ACCOMMODATIONS, MISCELLANEOUS,
Transient Accommodations Brokers as Tax Collection Agents; Amnesty

BILL NUMBER: HB 2605, HD-2, SD-1

INTRODUCED BY: Senate Committees on Economic Development, Tourism, and Technology
and Public Safety, Intergovernmental, and Military Affairs

EXECUTIVE SUMMARY: Allows a transient accommodations broker to serve as a collection agent for general excise and transient accommodations taxes. This type of arrangement would probably enhance collection of taxes because of the difficulty of policing individual owners. However, the number of caveats, conditions, and restrictions that are placed on the broker signing up for this program is so large that it is unlikely that any broker in its right mind would sign up. If no broker is motivated to sign up, this legislation will accomplish nothing.

SYNOPSIS:

Part I:

Adds a new section each to HRS chapter 237 and chapter 237D allowing the director of taxation to permit a transient accommodations broker to register as a tax collection agent on behalf of all of its operators and plan managers. A registrant must secure the consent of its operators and plan managers to the disclosure to county governments prescribed. However, the tax collection agreement shall be subject to any requirements under state or county law, and does not permit the broker, operator, or plan manager to opt out of any requirements or obligations under state or county law. Defines “operator,” “plan manager,” and “transient accommodations broker” the same as in the TAT law.

The department is required to accept or deny an application for registration within thirty days. Upon acceptance as a tax collection agent, the broker shall report, and collect, and pay over the tax due on behalf of all its operators and plan managers as it relates to activity booked through the broker. Registration does not relieve the broker from any of its own tax obligations, and the operators and plan managers are not protected as to any business activity other than that booked through the broker. Furthermore, owners and plan managers are subject to all requirements of state and law (including county zoning law) as if the agreement did not exist.

A registered broker shall be issued separate licenses with respect to taxes payable on behalf of its operators and plan managers in its capacity as a registered transient accommodations broker tax collection agent and, if applicable, with respect to any taxes payable under this chapter for its own business activities. The broker is to file periodic returns reporting income and exemptions as collection agent separately from its own business activity. With respect to taxes collected, the broker is jointly and severally liable with the operator or plan manager for the taxes. If the

broker is an entity, responsible officials of the entity are made personally liable for the tax collected but unpaid, together with applicable penalties and interest.

A broker may cancel its registration by delivering a written cancellation notice to the department and its customers; the cancellation will be effective no earlier than 90 days after delivery of the notice. The department may also cancel a registration for any cause, including violations of the tax laws or a breach of the registration agreement.

Requires a broker, before placing an advertisement for a property for lease or rent on behalf of an operator or plan manager, to: (1) notify the operator or plan manager that the subject property must be in compliance with applicable state and county land use laws; (2) require the operator or plan manager to provide the broker with the operator or plan manager's transient accommodations number and local contact information required under section 237D-4, and to include this information in the advertisement, in compliance with section 237D-4; (3) require the operator or plan manager to provide the broker with verification of compliance with state land use laws and county land use ordinances in the form of a written certification, verification, or permit, as applicable, issued by the appropriate county agency; and (4) require the operator or plan manager to provide a statement to the transient accommodations broker confirming compliance with all land use laws and ordinances. If a broker is officially notified that a property being advertised is out of compliance, the broker is required to remove the advertisement.

Provides that returns filed on behalf of an operator may be disclosed to a mayor or county planning director (in addition to county tax officials) to ensure compliance with local land use and zoning laws.

Adds a new section to chapter 481B, HRS, making it a class C felony for a transient accommodations broker (whether or not registered for tax collection under any of the previously mentioned sections) to:

- (1) Engage in business with an operator or plan manager, including any person or entity employed, contracted, or otherwise engaged by the operator or plan manager for property management or as an activity provider, that is not in compliance with all state laws and county ordinances, including but not limited to laws and ordinances regarding land use, taxes, and professional licenses; or
- (2) On behalf of an operator or plan manager, employ, contract, or otherwise engage in business with any person or entity to manage any property of the operator or plan manager or to act as an activity provider for transients served by the operator or plan manager if the person or entity is not in compliance with all state laws and county ordinances, including but not limited to laws and ordinances regarding land use, taxes, and professional licenses.

Makes conforming amendments to sections 46-1.5, 46-4, 237-34, and 237D-13, HRS.

Additional amendments to section 46-1.5, HRS, provide that county ordinances may be enforced by appropriate fines, penalties, and remedies for disgorgement of all profits and restitution of any

money, real property, or personal property that was obtained through unfair or unlawful business acts and practices, civil or criminal, or by court order at the suit of the county or the owner or owners of real estate directly affected by the ordinances. In any action brought under an ordinance adopted pursuant to this section, the court or zoning agency, in addition to any fine imposed upon the ordinance violator, may allow costs of action, including costs and fees of any nature and reasonable attorney's fees, to be paid by the ordinance violator.

In addition, provides that the county may enact an ordinance providing that an operator or plan manager who fails to remove an advertisement within seven days of receiving a notice of noncompliance shall be subject to a civil fine of not less than \$25,000, to be levied by the county planning director of the county where the subject property is located.

Also, allows the counties to enact ordinances prohibiting transient accommodations brokers from engaging in business with an operator or plan manager who is not in compliance with all state laws and county ordinances, including but not limited to laws and ordinances regarding land use, taxes, and professional licenses.

Part II:

Adds a new chapter to the HRS, imposing similar requirements upon “booking services” to those imposed by part I on transient accommodations brokers. Violation of that chapter by a transient accommodations broker is punishable as a class C felony. Violation of that chapter by a booking service is punishable by a yet unspecified penalty.

EFFECTIVE DATE: This Act shall take effect upon its approval.

STAFF COMMENTS: Act 143, SLH 1998, amended HRS section 237-9 to allow multi-level marketing companies to act as agents to collect and pay over GET on behalf of their independent entrepreneurs. At the time, it was considered beneficial for the marketing companies to collect and pay over tax as opposed to having the Department of Taxation chase down a myriad of independent owners with varying degrees of tax compliance among them.

This bill presents an opportunity for the same logic and policy considerations to apply to transient vacation rental (TVR) activity operating through transient accommodation brokers such as AirBnB, Flipkey, Homeaway, and VRBO, except that the stakes may be a little higher because TAT as well as GET is being collected. This bill would appear to be necessary or desirable to enhance the Department’s collection ability given the limited resources available for all of state government including the Department.

TVR activity is a business and the dollars earned in that business are subject to Hawaii state taxes. Specifically, General Excise Tax (GET) and Transient Accommodations Tax (TAT) both apply, so those hosts that are in this business need to register appropriately and pay these taxes. But alas, not everyone does. So, the bill proposes to allow the broker to register with the Department of Taxation and to remit the GET and TAT to the State on behalf of the hosts. Once registered, any time a host earns money on the broker’s platform, the broker will pay the taxes and will pay over the balance to the host. The concept is like withholding, with which those of us who receive a paycheck are quite familiar: we work for an employer, the employer pays us

our wages, but the employer deducts some taxes and pays them to the Department of Taxation and IRS.

A similar measure, HB 1850 (2016), passed two years ago but was vetoed by Governor Ige. The principal objection concerns county-level restrictions on property use. Some TVR activity violates county zoning laws. Some counties, as well as neighboring residents, see withholding as described in this bill as enabling hosts to hide illegal activities from county law enforcement. Some people have gone further. They blame TVR hosts for wrecking the sanctity of neighborhoods with an unending stream of tourists or for yanking housing units off the market in the name of greed, resulting in stratospheric housing prices that are yet another crippling blow to hardworking families struggling to make ends meet. Then, they turn to the brokers and demand that the brokers stop encouraging and facilitating such illegal, anti-societal, and morally depraved activity.

But do we really want a withholding agent to be our brother's keeper? Is it right to ask our employers to call up our banks and credit card companies to see if we are current on our mortgage and paying our bills on time? If we aren't timely or break the law, should we blame our employers for facilitating illegal or immoral activity by paying us our wages (after the tax authorities have, of course, gotten their share) instead of first making sure that those monies are applied to payment of our debts?

At some point, we need to recognize that TVR hosts, like most employees, are adults. They have chosen to go into business, and they are responsible for running their business and all that it entails. They, as the property owners, are answerable to the counties for the use or misuse of those properties. Certainly, the brokers need to be aware of and compliant with laws that pertain to their business if they are going to be doing business here. But it seems a bit much to ask the brokers to be policemen for the counties when the counties, for whatever reason, can't or won't enforce their own zoning laws.

Ultimate responsibility as to both State tax and county zoning laws rests with the owners of the accommodations, not the broker. Owners may be in varying degrees of compliance with the zoning laws just as they are in varying degrees of compliance with the tax laws. The broker is not in an efficient position to police the former, but effectively can do something about the latter because money from the transient guests flows through the broker's system.

It needs to be kept in mind that the bill is attempting to set up a system for collection of tax that is VOLUNTARY. Brokers will need to WANT to sign up for it for the system to have any effect whatsoever, and at least one broker already told state lawmakers, in no uncertain terms, that if a bill substantially similar to this one passes, they ain't playin'. With all of the caveats and conditions and requirements and personal liability, who would want to sign up? This is not God laying down the Ten Commandments at Mt. Sinai. We need to make a deal in order for something like this to work.

Digested 3/29/2018

Testimony of
Christopher Delaunay, Government Relations Manager
Pacific Resource Partnership

THE SENATE
THE TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2018

COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

NOTICE OF HEARING
Tuesday, April 3, 2018
10:00 a.m.
State Capitol
Conference Room 211

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Members of the Committee:

Pacific Resource Partnership strongly supports HB 2605 SD1 because it provides for long-neglected enforcement that would deter illegal activity. It would compel platforms like Airbnb to exclude illegal units from their listings, asking them to live up to their promise of belonging to a community by only prompting properties that are contributing to it, paying their fair share of taxes and playing by the same zoning and regulatory rules that other hospitality providers abide.

And while HB 2605 SD1 is a good start, we also advocate for each county to enact regulations that complement and support the intent of HB 2605 SD1. Already, over half of all rental units in Hawaii are owned by out-of-state owners, according to SMS Research. If more short-term rentals are approved, there is a high likelihood that more apartments owned by non-Hawaii residents will convert to short-term vacation rentals. That would drastically reduce the rental pool for locals. Similar to San Francisco's solution, county ordinances should only allow permanent residents to offer a residential unit for transient use, and the units should be owner-occupied.

Let's create a framework for short-term rental owner-occupants and their platform to operate legally in a way that works for all of Hawaii.



(Continued From Page 1)

Thank you for allowing us to express our strong support on HB 2605, SD1, and we respectfully request your favorable consideration.

About PRP

Pacific Resource Partnership (PRP) is a not-for-profit organization that represents the Hawaii Regional Council of Carpenters, the largest construction union in the state, and more than 240 of Hawaii's top contractors. Through this unique partnership, PRP has become an influential voice for responsible construction and an advocate for creating a stronger, more sustainable Hawaii in a way that promotes a vibrant economy, creates jobs and enhances the quality of life for all residents.



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April 2, 2018

SENATE COMMITTEE ON WAYS AND MEANS

Chair Donovan M. Dela Cruz, Vice Chair Gilbert S.C. Keith-Agaran

Via email to: WAMtestimony@capitol.hawaii.gov;

HEARING DATE: Tuesday, April 3, 2018

TIME: 10:00 a.m.

PLACE: Conference Room 211

Re: TESTIMONY ON BEHALF OF AIRBNB OPPOSING H.B.2605, H.D. 2,
S.D. 1 DUE TO SERIOUS LEGAL CONCERNS

Dear Senators:

We write on behalf of our client, Airbnb, to oppose H.B.2605, H.D. 2, S.D. 1 due to serious legal concerns regarding the language of this bill. Airbnb provides a marketplace for people to list, discover, and book unique accommodations and experiences, connecting travelers at any price point in more than 65,000 cities and 191 countries.

H.B. 2605, H.D. 2, S.D. 1 contains problematic language that will render it invalid, unworkable, and unenforceable. The intended purpose of H.B. 2605, H.D. 2, S.D. 1 is to address the issue of taxation relating to transient accommodations. H.B. 2605, H.D. 2, S.D. 1 allows transient accommodations brokers to register as a tax collection agent on behalf of all of its operators and plan managers. H.B. 2605, H.D. 2, S.D. 1 also requires a transient accommodations broker to obtain and publish certain information in any online advertisement.

Unfortunately, the current language of H.B. 2605, H.D. 2, S.D. 1 violates the federal Communications Decency Act, 47 U.S.C. § 230 ("Section 230" or "CDA"). Section 230 is a law which provides vital protections that ensure a free and open internet. H.B. 2605, H.D. 2, S.D. 1 is therefore preempted by federal law, and would thus be unenforceable if passed.

We will first discuss Section 230 before discussing the specific provisions of H.B. 2605, H.D. 2, S.D. 1 which violate federal law and are unenforceable.

Section 230 of the Communications Decency Act.

Although a municipality may regulate in various areas, it must do so in a manner that does not conflict with federal law. Section 230 is considered the cornerstone of the legal framework that has allowed the internet to thrive, and it “protects websites from liability for material posted on the website by someone else.” *Doe v. Internet Brands, Inc.*, No. 12-56638, 2016 WL 3067995, at *3 (9th Cir. May 31, 2016). It does so through two key provisions. First, “[n]o provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider.” 47 U.S.C. § 230 (c)(1). Second, “[n]o liability may be imposed under any State or local law that is inconsistent with this section.” *Id.* at § 230 (e)(3). As the United States District Court for the District of Hawaii observed, “so long as a third party willingly provides the essential published content, the interactive service provider receives full immunity regardless of the specific editing or selection process.” *Sulla v. Horowitz*, No. CIV. 12-00449 SOM, 2012 WL 4758163, at *2 (D. Haw. Oct. 4, 2012) (quoting *Carafano v. Metrosplash.com, Inc.*, 339 F.3d 1119, 1124 (9th Cir. 2003)).

Accordingly, courts across the country have regularly found that Section 230 preempts state laws that attempt to hold websites liable for third-party content. *See, e.g., Backpage.com, LLC v. McKenna*, 881 F.Supp.2d 1262, 1273 (W.D. Wash. 2012). Section 230 also protects websites from being forced to screen or otherwise verify third-party content. *See, e.g., Doe v. Friendfinder Network, Inc.*, 540 F.Supp.2d 288, 295 (D.N.H. 2008) (“§ 230 bars the plaintiff’s claims that the defendants acted wrongfully by . . . failing to verify that a profile corresponded to the submitter’s true identity.”); *Doe v. MySpace, Inc.*, 474 F.Supp.2d 843, 850 (W.D. Tex. 2007) (Section 230 barred claims that MySpace was liable for policies relating to age verification); *Fair Hous. Council of San Fernando Valley v. Roommates.Com, LLC*, 521 F.3d 1157, 1180 (9th Cir. 2008) (“webhosts are immune from liability for . . . efforts to verify the truth of” third-party statements posted on the website); *Prickett v. InfoUSA, Inc.*, 561 F.Supp.2d 646, 651 (E.D. Tex. 2006) (“The Plaintiffs are presumably alleging that . . . the Defendant is liable for failing to verify the accuracy of the content. Any such claim by the Plaintiffs necessarily treats the Defendant as ‘publisher’ of the content and is therefore barred by § 230.”); *Mazur v. eBay Inc.*, No. C 07-3967 MHP, 2008 WL 618988, at *9 (N.D. Cal. Mar. 4, 2008).

H.B. 2605, H.D. 2, S.D. 1 impermissibly violates the CDA.

Section 2 of H.B. 2605, H.D. 2, S.D. 1 adds a new section to Section 237. Section 3 of H.B. 2605, H.D. 2, S.D. 1 adds a new section to Section 237D. Both new sections appear to contain the same language with some minor variations. The new section (a) under both provisions of Sections 8 and 9 of H.B. 2605, H.D. 2, S.D. 1 (applicable to both Sections 237 and 237D) provides, in part, that:

“The director may permit a transient accommodations broker to register as a tax collection agent on behalf of all of its operators and plan managers by entering into a tax collection agreement with the director or by submitting a tax collection agent registration

statement to the director: provided that the transient accommodations broker agrees in writing:

- (1) To obtain written consent from all of its operators and plan managers for the disclosure of periodic returns and information required under subsection (g);
- (2) To furnish information to the counties as required in subsection (g); and
- (3) That continuing to collect fees for booking services in connection with a transient vacation rental, seven days after receiving written notice from a state or county governmental authority that the subject property is not in compliance with state law or county ordinance, is a violation of the tax collection agreement.”

The new section (i) under both provisions of Sections 2 and 3 of H.B. 2605, H.D. 2, S.D. 1 (applicable to both Sections 237 and 237D) provides that (variation for Section 3 noted in brackets):

“(i) All transient accommodation brokers, **prior to publishing [placing] an advertisement, including an online advertisement**, on the availability of a property for lease or rent on behalf of an operator or plan manager: ***

(2) **Shall require the operator or plan manager to provide the transient accommodations broker with the operator’s or plan manager’s transient accommodations number and local contact information and include this information in the advertisement**, pursuant to section 237D-4;

(3) **Shall require the operator or plan manager to provide the transient accommodations broker with verification of compliance with state and county land use laws** in the form of a written certification, verification, or permit, as applicable, issued by the appropriate county agency;.... (Emphasis added.)”

In other words, H.B. 2605, H.D. 2, S.D. 1 requires that before publishing any online advertisement, a transient accommodations broker must obtain written consent from each and every operator or plan manager that it deals with for the disclosure of certain information, and must also obtain specific information regarding the transient accommodations number and local contact information, and include this information in the advertisement. The transient accommodations broker must also obtain written verification of compliance with state and county land use laws from the appropriate county agency before publishing any online advertisement.

H.B. 2605, H.D. 2, S.D. 1 thus makes an internet platform responsible for the content (or lack of content) of any online advertisement, and makes an internet platform responsible for the obligations, and the violation of any obligations, of the people and entities using the internet platform. H.B. 2605, H.D. 2, S.D. 1 penalizes a hosting platform for the status of its users’

homes or units or the lack of verification from a county agency, and requires a hosting platform to determine such status before allowing a user to use the internet website to post an online advertisement. H.B. 2605, H.D. 2, S.D. 1 thus penalizes hosting platforms for the actions of their users. H.B. 2605, H.D. 2, S.D. 1 seeks to make the internet platform an enforcement agent for the state or the county with regard to land use laws. This impermissibly conflicts with and violates Section 230.

Section 5 of H.B. 2605, H.D. 2, S.D. 1 amends Section 46-4(a), Hawaii Revised Statutes, to state, in pertinent part, that:

“The council of any county shall prescribe rules, regulations, and administrative procedures and provide personnel it finds necessary to enforce this section and any ordinance enacted in accordance with this section. **The ordinances may be enforced by appropriate fines, penalties, and remedies for disgorgement of all profits and restitution of any money, real property, or personal property that was obtained through unfair or unlawful business acts and practices, civil or criminal, or by court order at the suit of the county or the owner or owners of real estate directly affected by the ordinances.** In any action brought under this part, the court or zoning agency, in addition to any fine imposed upon the ordinance violator, may allow costs of action, including costs and fees of any nature and reasonable attorney's fees, to be paid by the ordinance violator. ***

Each county may adopt ordinances prohibiting transient accommodations brokers from engaging in business with an operator or plan manager who is not in compliance with all state laws and county ordinances, including but not limited to laws and ordinances regarding land use, taxes, and professional licenses. (Emphasis added.)”

H.B. 2605, H.D. 2, S.D. 1 thus subjects an internet hosting platform to “fines, penalties and remedies for disgorgement of all profits and restitution of any money” for the mere act of “engaging in business” with an operator or plan manager who is “not in compliance with all state laws and county ordinances”. Thus, an internet hosting platform may be punished with penalties if a person or entity who it does business with is not in compliance with each and every applicable state tax law, traffic law, zoning ordinance or land use law. Even if this is limited only to land use laws, H.B. 2605, H.D. 2, S.D. 1 thereby seeks to make an internet hosting platform financially responsible for the content (or lack of content) of any online advertisement, and seeks to financially penalize the internet platform, for the actions or inactions of other people and entities using the internet platform, not for anything that the internet platform has done. These proposed penalties against internet platforms are unfair, unwarranted and clearly violate Section 230.

Moreover, the definition of a “transient accommodations broker” which is currently set forth in H.R.S. 237D-1 is extremely broad, and would thus include many persons and companies in addition to internet hosting platforms:

“‘Transient accommodations broker’ means any person or entity, including but not limited to persons who operate online websites, online travel agencies, or online booking agencies, that offers, lists, advertises, or accepts reservations or collects whole or partial payment for transient accommodations or resort time share vacation interests, units, or plans.”

Persons and companies “who operate online websites, online travel agencies, or online booking agencies” would include newspapers, realtors, travel agents and others. All such persons and companies would be subjected to “disgorgement of profits” and penalties for “engaging in business” with an operator or plan manager who “is not in compliance with all state laws and county ordinances”. This overbroad scope thus threatens ordinary companies and persons, as well as internet hosting platforms, for the actions of people who they do not control. Such penalties are unfair and unreasonable.

Section 8 of H.B. 2605, H.D. 2, S.D. 1 adds a new chapter to the Hawaii Revised Statutes entitled Transient Accommodations, which states, in pertinent part, that:

§ ___-1 Definitions. As used in this chapter:

“‘Booking service’ means any reservation or payment service provided by a person or entity that facilitates a transient vacation rental transaction between a transient vacation rental operator and a prospective renter, and for which the person or entity collects or receives, directly or indirectly through an agent or intermediary, a fee in connection with the reservation or payment services provided for the transient vacation rental transaction.

§ ___-2 Transient accommodations brokers. (a) **It shall be unlawful for a person acting as, or on behalf of, a transient accommodations broker to engage in business with an operator or plan manager**, including any person or entity employed, contracted, or otherwise engaged by the operator or plan manager for property management or as an activity provider, **who is not in compliance with all state laws and county ordinances**, including any laws and ordinances regarding land use, taxes, and professional licenses.

(b) **It shall be unlawful for a person acting as, or on behalf of, a transient accommodations broker, to act on behalf of an operator or plan manager, to employ, contract, or otherwise engage in business with any person or entity to manage any property of the operator or plan manager or to act as an activity provider for transients served by the operator or plan manager if the person or entity is not in compliance with all state laws and county ordinances**, including laws and ordinances regarding land use, taxes, and professional licenses.

§ ____-3 Booking services. **It shall be unlawful for a person acting as, or on behalf of, a hosting platform to provide, and collect a fee for, booking services in connection with transient vacation rentals located in the State if those transient vacation rentals are not lawfully certified, registered, or permitted as a transient vacation rental under applicable county ordinance at the time the transient vacation rental is rented.**

§ ____-4 Penalties. (a) **A violation of section -2 shall be subject to a class C felony.** (b) **A violation of section -3 shall be subject to _____. (Emphasis added.)**

H.B. 2605, H.D. 2, S.D. 1 thus subjects an internet hosting platform to class C felony criminal penalties for “engaging in business”, “employing”, or “contracting with” an operator or plan manager who is “not in compliance with all state laws and county ordinances”. Class C felonies are punishable by up to five years’ imprisonment and a fine of up to \$10,000. (Haw. Rev. Stat. Sections 706-640, 706-660.) H.B. 2605, H.D. 2, S.D. 1 seeks to criminalize the mere act of “engaging in business” with an operator or plan manager who is not in compliance with all state laws and county ordinances. Thus, an internet hosting platform may be punished with criminal penalties (fines and imprisonment) if a person or entity who it does business with is not in compliance with each and every applicable state tax law, traffic law, zoning ordinance or land use law. Even if this is limited only to land use laws, H.B. 2605, H.D. 2, S.D. 1 thereby seeks to make an internet hosting platform financially responsible for the content (or lack of content) of any online advertisement, and seeks to financially penalize and imprison the internet platform, for the actions or inactions of other people and entities using the internet platform, not for anything that the internet platform has done. These proposed class C felony criminal penalties against internet platforms are unfair, unwarranted and clearly violate Section 230.

This section further purports to impose unstated and undetermined liability on all hosting platforms, regardless of whether they collect tax or not, for providing “booking services” in connection with transient vacation rentals. Holding internet platforms liable for “booking services” also violates Section 230 of the CDA

Conclusion.

For the foregoing reasons, the problematic language in H.B. 2605, H.D. 2, S.D. 1 renders it invalid. We therefore urge that H.B. 2605, H.D. 2, S.D. 1 be held. Thank you for your consideration.

Very truly yours,



DAVID M. LOUIE

for

KOBAYASHI SUGITA & GODA, LLP

HB-2605-SD-1

Submitted on: 3/30/2018 11:47:14 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
James Long	Testifying for Timberline Land Co. HI, LLC	Oppose	No

Comments:

We support the testimony provided by RBOOA



HAWAI'I LODGING & TOURISM
ASSOCIATION

Testimony of

Mufi Hannemann
President & CEO
Hawai'i Lodging & Tourism Association

Senate Committee on
Ways and Means

House Bill 2605 HD2, SD1 – Relating to Transient Accommodations

Chair Dela Cruz and members of the committee, mahalo for the opportunity to offer this testimony on behalf of the nearly 700 members of the Hawai'i Lodging & Tourism Association, the state's largest private sector visitor industry organization.

We appreciate the amendments made in House Bill 2605 HD2 SD1 as it reflects language from Senate Bill 2963 SD1 a major priority bill of HLTA which was originally passed out of the Senate with a 25-0 vote. The HLTA **strongly supports** this measure, as we did a similar measure last session, which would allow online hotel and vacation booking companies to collect the TAT and GET from their hosts, as well as add layers of transparency, enforcement and accountability to the short term online rental markets and their operators.

It is the goal of the hospitality industry, which we represent, to ensure a level playing field for all visitor accommodations, from the traditional hospitality businesses to the alternative accommodations offered online. There are an estimated 25,000 alternative accommodations in the Hawaiian Islands competing with hotels, resorts, timeshares, and bed-and-breakfasts, except that the majority of them are most likely avoiding proper tax registrations, county zoning laws, and are skirting our 10.25 percent Transient Accommodations Tax, and our General Excise Tax.

Through HB 2605 HD2 SD1 we are glad to see that many of the visitor industry's concerns from the past two years have been addressed. This includes the issues of transparency, registration, accountability, and enforcement. We strongly support this measure as it requires the transient accommodations brokers to ensure their operators obtain a GET license and TAT registration as well as ensure they are compliant with county zoning and land use ordinance, it requires the tax collection agents to file proper periodic returns with the state, it requires the operators or plan managers to remove any advertisement that isn't compliant with state or county laws, it makes it unlawful for hosting platforms to collect fees from booking services of non-compliant transient vacation rentals and it also allocates up to \$1,000,000 to each of the counties to support enforcement of land use ordinances.

This bill will help us achieve a level playing field in regard to collecting taxes owed, provide for greater transparency and accountability for hosting platforms and their operators, as well as safeguard the proliferation of illegal rentals in our communities. Affordable housing opportunities for our local

residents are increasingly difficult to come by in a number of communities that are witnessing the growth of illegal rentals in their neighborhoods.

We commend the committees on Economic Development, Tourism and Technology, and Public Safety, Intergovernmental, and Military Affairs for their deliberations on HB2605 HD2 SD1, and we thank the Senate Ways and Means Chair Dela Cruz and Senate Economic Development, Tourism and Technology Chair Wakai for their leadership in championing this very important issue.

Mahalo.

Sincerely,



Mufi Hannemann
President & CEO



Gregg Nelson
Chairman of the Board



Glenn Vergara
Chairperson Elect



Michael Jokovich
Vice Chairperson



Bonnie Kiyabu
Oahu Chapter Chairperson



Angela Nolan
Maui Chapter Chairperson



Steve Yannarell
Hawai'i Island Chapter Chairperson



Jim Braman
Kaua'i Chapter Chairperson

The Following is a list of hotels represented by the Hawaii Lodging & Tourism Association:

Aqua-Aston Hospitality, LLC	Aston at the Executive Centre Hotel
Castle Resorts & Hotels	Aston at the Maui Banyan
Colony Capital, LLC	Aston at the Waikiki Banyan
Halekulani Corporation	Aston at The Whaler on Kaanapali Beach
Hawaiian Hotels & Resorts, LLC	Aston Islander on the Beach
Highgate Hotels	Aston Kaanapali Shores
Hilton Grand Vacations	Aston Kona by the Sea
InterContinental Hotels Group	Aston Mahana at Kaanapali
Ko Olina Resort	Aston Maui Hill
Kyo-ya Company LLC	Aston Maui Kaanapali Villas
Kyo-ya Management Company, Ltd.	Aston Shores at Waikoloa
Lucky Hotels U.S.A. Co., Ltd.	Aston Waikiki Beach Hotel
Marriott International, Inc.	Aston Waikiki Beach Tower
Outrigger Enterprises Group	Aston Waikiki Beachside Hotel
Prince Resorts Hawaii, Inc.	Aston Waikiki Circle Hotel
Pulama Lana`i	Aston Waikiki Sunset
Sasada International, LLC	Aston Waikoloa Colony Villas
Aina Nalu Lahaina by Outrigger	Aulani, a Disney Resort & Spa
Airport Honolulu Hotel	Best Western Pioneer Inn
Ala Moana Hotel	Best Western The Plaza Hotel
Alohilani Resort Waikiki Beach	Breakers Hotel
Ambassador Hotel Waikiki	Coconut Waikiki Hotel
Andaz Maui at Wailea Resort	Courtyard by Marriott Kaua'i at Coconut Beach
Aqua Aloha Surf Waikiki	Courtyard by Marriott King Kamehameha's Kona Beach
Aqua Bamboo & Spa	Courtyard by Marriott Waikiki Beach
Aqua Kauai Beach Resort	Courtyard Oahu North Shore
Aqua Oasis	Doubletree by Hilton Alana Waikiki Hotel
Aqua Pacific Monarch	Embassy Suites by Hilton Oahu Kapolei
Aqua Palms Waikiki	Embassy Suites by Hilton Waikiki Beach Walk
Aqua Park Shore Waikiki	Ewa Hotel Waikiki - A Lite Hotel
Aqua Skyline at Island Colony	Fairmont Orchid Hawaii
Aqua White Sands Hotel	Four Seasons Resort Lana`i
Aston at Papakea Resort	Four Seasons Resort Maui
Aston at Poipu Kai	Four Seasons Resort O'ahu at Ko Olina

Grand Hyatt Kauai Resort & Spa
Grand Naniiloa Hotel
Grand Wailea
Hale Koa Hotel
Halekulani
Hampton Inn & Suites, Kapolei
Hapuna Beach Prince Hotel
Hilton Garden Inn Kauai Wailua Bay
Hilton Garden Inn Waikiki Beach
Hilton Grand Vacations at Waikoloa Beach Resort
Hilton Grand Vacations Club
Hilton Hawaiian Village Waikiki Beach Resort
Hilton Waikiki Beach
Hilton Waikoloa Village Resort & Spa
Hokulani Waikiki by Hilton Grand Vacations Club
Holiday Inn Express Waikiki
Holiday Inn Waikiki Beachcomber Resort
Honua Kai Resort & Spa
Hotel Coral Reef Resort
Hotel Renew by Aston
Hotel Wailea Maui
Hyatt Centric Waikiki Beach
Hyatt Place Waikiki Beach
Hyatt Regency Maui Resort & Spa
Hyatt Regency Waikiki Beach Resort & Spa
Ilikai Hotel and Luxury Suites
Ilima Hotel
Ka'anapali Beach Club
Ka'anapali Beach Hotel
Kahana Falls
Kauai Marriott Resort & Beach Club
Kiahuna Plantation Resort by Castle Resorts
Ko'a Kea Hotel & Resort
Kona Coast Resort
Lawai Beach Resort
Lotus Honolulu at Diamond Head
Luana Waikiki Hotel and Suites
Marriott's Kauai Lagoons, Kalanipu'u
Marriott's Ko Olina Beach Club

Marriott's Maui Ocean Club
Marriott's Waiohai Beach Club
Maui Beach Hotel
Maui Coast Hotel
Maui Condo & Home, LLC
Maui Eldorado Kaanapali by Outrigger
Mauna Kea Resort
Mauna Lani Resort
Mauna Loa Village IOA
Moana Surfrider, A Westin Resort & Spa
Montage Kapalua Bay
Napili Kai Beach Resort
OHANA Waikiki East by Outrigger
OHANA Waikiki Malia
Ohia Waikiki Hotel
Outrigger Kiahuna Plantation
Outrigger Napili Shores
Outrigger Palms at Wailea
Outrigger Reef Waikiki Beach Resort
Outrigger Regency on Beachwalk
Outrigger Royal Sea Cliff
Outrigger Waikiki Beach Resort
Pacific Marina Inn
Pagoda Hotel
Pearl Hotel Waikiki
Plantation Hale Suites
Prince Waikiki
Queen Kapiolani
Raintree - Kona Reef Raintree Vacation Club
Ramada Plaza Waikiki
Royal Grove Hotel
Royal Kahana Maui by Outrigger
Royal Kona Resort
Royal Lahaina Resort
Sheraton Kauai Resort
Sheraton Kona Resort & Spa at Keauhou Bay
Sheraton Maui Resort and Spa
Sheraton Princess Kaiulani
Sheraton Waikiki Resort

Shoreline Hotel Waikiki
St. Regis Princeville Resort
Stay Hotel Waikiki
The Cliffs at Princeville
The Club at Kukui`ula
The Fairmont Kea Lani, Maui
The Imperial Hawaii Resort At Waikiki
The Kahala Hotel & Resort
The Laylow, Autograph Collection
The MODERN Honolulu
The New Otani Kaimana Beach Hotel
The Point at Poipu, Diamond Resorts International
The Ritz-Carlton Residences, Waikiki Beach
The Ritz-Carlton, Kapalua
The Royal Hawaiian, A Luxury Collection Resort
The Surfjack Hotel & Swim Club
The Westin Maui Resort & Spa
The Westin Princeville Ocean Resort Villas
Travaasa Hana
Trump International Hotel Waikiki
Turtle Bay Resort
Vive Hotel Waikiki
Waikiki Beach Marriott Resort & Spa
Waikiki Grand Hotel
Waikiki Parc Hotel
Waikiki Resort Hotel
Waikiki Sand Villa Hotel
Waikiki Shore
Waikoloa Beach Marriott Resort & Spa
Wailea Beach Marriott Resort & Spa
Waipouli Beach Resort & Spa by Outrigger
Westin Ka'anapali Ocean Resort Villas
Wyndham at Waikiki Beach Walk
Wyndham Vacation Resorts Royal Garden at Waikiki

HB-2605-SD-1

Submitted on: 3/30/2018 11:49:03 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ronald Bridges	Testifying for Bridges to Paradise Rentals Inc.	Oppose	No

Comments:

Ways and Means Chair Dela Cruz,
Vice Chair Keith-Agaran
Committee Members

On behalf of the Coalition for Equal Taxation, we respectfully OPPOSE this Bill and request that it be held.

While the State's interest is tax compliance, this Bill reaches far beyond that scope, is unduly harsh, and enacts laws that are not consistent with requirements of other tax payers in the State of Hawaii. Most provisions of this Bill are directed at LEGALLY operating short term rentals.

1. This Bill seeks to create a provision for "**disgorgement**" of money, personal and real property for *unfair* or unlawful business acts or practices for any violation of an ordinance or rule. As written, this is overly broad and the punishment of disgorgement is extremely disproportional.

For example, the Hawaii Attorney General participated in one disgorgement event in the past year. The AG office joined other States Attorneys General in suing a pharmaceutical company for price fixing and over charging the general public by hundreds of millions of dollars. It is very clear, that though the counties do not want "any violations of an ordinance or rule" this punishment is extreme and should be struck from this Bill.

2. This Bill seeks to **phase out conforming (legally operating in zone) and non-conforming (legally operating with a permit).** **This is an attack on legally operating STVR.**

This adversely hurts the very people who have obeyed the laws. The counties already have the power to regulate whether or not they issue any more non-conforming permits. Honolulu has not issued them since 1989. Maui and Kauai have well defined ordinances for the issuing of non-conforming with both creating moratoriums. County of Hawaii ordinances will be forthcoming.

If legally operating STVR were eliminated, according to the economic impact report prepared by JLL for the HTA (an unbiased independent report) the State would lose out on: (2016 statistics) 3.1 Billion in total spend; 5.1 Billion economic impact; 1.4 Billion household income to locals; and 34,000 jobs.

Is it good policy to eliminate this source of economic benefit to the State for legally operating STVR.

3. Are STVR proliferating and taking away housing stock:

According to the JLL report "The home and vacation rental market in Hawaii is **already well established and not an exploding phenomenon.**" Thus, there is not a proliferation happening. In fact, as noted by the University of Hawaii Economic Research Organization tourism on the neighbor islands was encouraged by the State in 1960 as part of a strategic plan to provide economic benefits beyond Waikiki. Hotels were built as part of a master plan resort area which included individually owned properties. These properties in resort zones were built and sold for tourism/resort use. As a result of this, Kauai has Visitor Destination Zones where short term rental is a legal activity, Maui starting in the 1960s developed tourism zones where short term rental is a legal activity, County of Hawaii Kohala Coast was developed for resort use. Tempting as it is to declare that nonresidents are "buying up local housing stock" you would need to ignore 50 years of property development history in Hawaii and that would be a disservice to anyone seeking a factual understanding of the subject. Short term rental in tourism zones has existed on the neighbor islands as far back as 50 years. Many operators have rented far longer than any of the advertising platforms that exist today.

4. Is Hawaii inundated with vacation home property owners?

According to the United States Census Bureau, Hawaii is not even in the top ten for percentage of vacation homes property. For actual number of properties owned within the State for vacation/second home use Hawaii ranks 37th. Only 13 states have less than Hawaii.

5. Do the counties lack enforcement authority?

Counties already possess the authority to zone, create ordinances, rules and regulations relating to short term rentals.

6. Due Process: This Bill would eliminate the constitutional provision of due process that any governmental agency should be required to provide to all persons under their jurisdictions. Due Process is provided in the US and Hawaii constitutions as a right of the people.
7. Excessive fines: This Bill provides a minimum fine of not less than \$25,000 for any violation of county ordinance. This is vague and excessively high. The most minor violation of an ordinance would incur a fine of at least \$25,000 with no cap. For example, this will apply to an elderly person who has an unkempt yard and is in violation of an ordinance. This illustration makes it very clear how excessively punitive this would be. This also creates excessively broad and subjective power for the planning director.
8. Local contact name in advertising. The purpose of the local contact is to answer questions of the renter and to be available in the event of a natural disaster. Putting a local contact's name in a public advertisement is beyond the scope and duties of the role and serves no purpose. Worse, it will confuse the consumer who will think they must call the person who is named in the ad to make the reservation. The consumer does not need a local contact's information to *make* a reservation.
9. Tax Collector information to counties. As noted in the testimony of the former attorney general representing AirBnB this is in violation of Federal law. Also STVR operators should be allowed the same privacy provided to all other tax payers in Hawaii.
10. Operator to provide platform with permit, certificate. This is doable for those who are non-conforming which is a very small percentage. The vast majority of legally operating STVR are done so through zones where no separate piece of paper is issued by the county. The counties are not equipped to issue the amount of certificates needed for every operator who is legal through zoning. This provision is inoperable.



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Testimony in Support of HB 2605 HD 2, SD 1

March 29, 2018

The Honorable Donovan M. Dela Cruz
Chair, Committee on Ways and Means
Hawaii State Senate
Hawaii State Capitol
415 South Beretania Street, Room 208
Honolulu, Hawaii 96813-2425

Dear Honorable Chair Dela Cruz and Honorable Members of the Senate Committee on Ways and Means:

Hilton strongly supports HB 2605 HD 2, SD 1. This bill advances enforcement of existing state laws and county land use ordinances and is legally sound.

HB 2605 HD 2, SD 1 Advances Enforcement of Existing State Laws and County Land Use Ordinances

Passage of HB 2605 HD 2, SD 1 is important in order to advance, and not hinder, the enforcement of existing State laws and County land use ordinances. Significantly, the enforcement provisions of the bill apply to **all** transient accommodations brokers, whether or not they enter into tax collection agreements. The Counties testified in strong support of the enforcement provisions in HB 2605 HD 2, Proposed SD 1, and similar provisions in SB 2963 SD 1 and SB 2999:

- City and County of Honolulu, Department of Permitting and Planning: “[HB 2605, HD 2, Proposed SD 1] introduces significant new tools to help the counties better administer and enforce appropriate regulations on short-term vacation rentals, particularly in our residential neighborhoods.”
- County of Kauai, Planning Department: “The improved County zoning authority in [HB 2605 HD 2, Proposed SD 1] will help us to hold illegal vacation rental operators responsible. We believe it will have a positive trickle down impact on preserving our local neighborhoods, keeping resort





uses in resort neighborhoods, preserving our residential housing stock, and minimizing procedural barriers to insure timely due process.”

- County of Hawaii, Planning Department: “Although Hawaii County does not have a transient vacation rental ordinance at this time, SB 2963 will support our eventual enforcement of illegal vacation units[.]”
- County of Maui, Department of Planning (on SB 2999): “From a land use perspective, we appreciate that this bill addresses the counties’ concerns and have incorporated specific requirements therein. . . All of the enforcement tools will aid us in providing compliance with local laws[.]”

HB 2605 HD 2, SD 1 Is Legally Sound

HB 2605 HD 2, SD 1 is modeled after San Francisco’s Ordinance 178-16 (effective September 1, 2016), which made it a misdemeanor for hosting platforms to collect booking fees on illegal rentals. Airbnb and Homeaway challenged Ordinance 178-16 based on the federal Communications Decency Act, strict criminal liability, and the First Amendment. On November 8, 2016, the U.S. District Court for the Northern District of California ruled **against** Airbnb and Homeaway, finding that the platforms were unlikely to prevail on the merits of their legal challenges.

On March 9, 2018, the U.S. District Court for the Central District of California issued another similar ruling against Homeaway. Homeaway had challenged Santa Monica’s Ordinance Number 2535, which prohibited certain short-term housing rentals, on the basis of the federal Communications Decency Act and the First Amendment, among other things. Citing the San Francisco case with approval, the district court found, “Like the San Francisco ordinance, the [Santa Monica] Ordinance does not penalize [Homeaway’s] publishing activities; rather, **it seeks to keep them from facilitating business transactions on their sites that violate the law. This type of regulation falls outside of the scope of CDA protections**” (emphasis added).

HB 2605 HD 2, SD 1 is likely to withstand any similar legal challenges by Airbnb.

Residents of Hawaii Deserve As Much Respect for Their Communities and Local Laws as the Residents of San Francisco

Airbnb represented in its testimony on HB 2605 HD 2, Proposed SD 1, that it is committed to being a good partner with the State. A recent Reuters interview with Airbnb’s Chief Executive Officer, Brian Chesky,¹ describes Airbnb’s evolution from a culture of taking no responsibility for what happens on its platform to changing its point of view and working to

¹ See <https://www.reuters.com/article/us-airbnb-expansion-chesky/airbnb-ceo-pledges-to-take-more-responsibility-for-impact-to-housing-idUSKCN1G708C>





understand how Airbnb's business can alter neighborhoods and housing markets. The interview concluded by saying that Airbnb is coming to terms with its responsibility.

In its settlement with San Francisco, Airbnb voluntarily agreed to a number of requirements related to registration, data reporting, and transparency, as well as mandatory verification of compliance and delisting of illegal units. Airbnb should also take responsibility for its impacts in Hawaii. The residents of Hawaii deserve as much respect for their communities and local laws as the residents of San Francisco.

Conclusion

In addition to facilitating collection of tax revenues, HB 2605 HD 2, SD 1 advances enforcement of local land use laws and provides for more significant penalties for violations. The enforcement provisions of HB 2605 HD 2, SD 1 represent the first step for hosting platforms in taking responsibility for the impacts of their business on Hawaii communities and complying with the rule of law in Hawaii.

Thank you for your consideration of Hilton's position.

Mahalo nui loa,

Gerard C. Gibson
Area Vice President
Hilton Hawaii



HB-2605-SD-1

Submitted on: 3/30/2018 4:41:49 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Wayne Warrington	Testifying for Rocky Point Properties, LLC	Oppose	No

Comments:

I support testimony provided by RBOOA for the following reasons:

1. The advertising broker (i.e. AirBnB) may collect and remit tax on behalf of all advertisers. However, if they mess up, AirBnB and the owner are jointly and severally liable for all taxes. So, if AirBnB collects TAT and doesn't remit it, you are potentially on the hook.
2. The bill also requires AirBnb to provide details of how many nights were rented, the rates per night, the address and name and number of the local contact – and this information can be made available to the Counties. The County of Honolulu has been asking for this for years to help detect compliance with their complex permitting requirements. No other tax payer is required to provide this level of information without a subpoena.
3. The advertising broker is required to share your 1099 information with the county. The State Department of Tax is, by federal law, strictly forbidden to release this information to anyone. The bill requires all operators to waive their right of privacy and permit the advertising platform to share all of their information. (Facebook didn't ask, but you knew they were doing it anyways!)
4. All operators must provide proof of compliance with all zoning, land use and tax laws. Our concern here is in providing positive proof of compliance – how do you prove you are legal in every regard. The Counties have no system to accommodate this.
5. Failure to comply with any tax or zoning law – or commit any act which the county doesn't like - may result in a fine of \$25000. Failure to respond within 7 days results in a second \$25,000 fine. This is better than the earlier draft which was a Class C Felony (more than one year in prison). The bill also provides for not only seizure of the property but also all income earned from operating a vacation rental.

You are going to fine some auntie \$25,000 a night for renting her Ohana suite to help pay her mortgage??? And then sieze her property if she dosent pay up?? And you wonder why people stand firm on their 2nd Ammendment rights??? Continue

their membership to the NRA and purchase AR-15's??? If this isnt an example of a tyrannical government, I dont know what is.

1. The bill also allows counties to phase out all transient accommodation in any zone for any reason. This is concerning as county councils and the state legislators are very prone to pressure from unions, neighborhood groups, and anyone else who might vote.

Considering the C&C of Honolulu hasnt issued a permit in 30 years this would clearly shut the door on any plan to responsible permitting in the future.

1. An amnesty program which was in an original draft has been deleted. If people want to come in from the cold, it helps if you hold the door open for them.



Thursday March 29th, 2018

Senate Committee on Ways and Means

Senator Donovan M. Dela Cruz, Chair; Senator Gilbert S.C. Keith-Agaran, Vice Chair

J. Kalani English	Michelle N. Kidani
Brickwood Galuteria	Gil Riviere
Breene Harimoto	Maile S.L. Shimabukuro
Lorraine R. Inouye	Glenn Wakai
Kaiali'i Kahele	

Tuesday, April 3, 2018, 10:00 A.M.
Conference Room 211

TESTIMONY IN OPPOSITION TO H.B. 2605, S.D. 1

Dear Chair, Vice-Chair, and Members of the Committee:

On behalf of Airbnb, I wanted to take the opportunity to share our concerns regarding H.B. 2605, S.D. 1. Let me first restate a point we have repeatedly made before -- we want to help the state solve the long standing problem of fully and effectively collecting taxes from the short-term rental industry in the islands. We already do this on behalf of hosts in more than 350 jurisdictions globally, generating hundreds of millions of dollars in revenue for local jurisdictions. We believe our experience in tax collection and remittance can greatly benefit Hawaii. We are committed to being a good partner with the state and can only help to solve this issue if we are allowed to collect and remit taxes on behalf of our hosts statewide. To that end, we continue to dedicate ourselves to working with the State Legislature and the Governor's Office and are hopeful that we can successfully reach an agreement after years of effort.

Unfortunately, while H.B. 2605, S.D. 1 allows platforms to collect and remit taxes on behalf of hosts, the measure only allows them to do so under onerous and unacceptable conditions which violate federal law. Because of this, Airbnb can not

agree to voluntarily collect and remit taxes under this bill as currently drafted, and we oppose this bill. We have summarized our concerns below:

- The bill violates two federal laws - the Communications Decency Act (CDA) and the Stored Communications Act (SCA) in a number of ways. The bill requires platforms, as a condition of collecting and remitting taxes, to turn over private information for people using the platform. Even if this provision were not in violation of federal law, no platform would agree to collect and remit taxes under these conditions since hosts would simply migrate to another rental platform that did not disclose their personal information. As a result, the state or county would neither receive the tax revenue nor the data, defeating the intent of the bill. Testimony from Airbnb's legal counsel, David Louie, provides a detailed analysis of the bill's legal flaws.
- When applied on Oahu, the bill would create extraordinarily onerous enforcement provisions for a 1989 ordinance, and does not take into account any of the current market realities, the changing nature of the global tourism market, the creation and establishment of the internet, and the growth of the alternative accommodations market since the regulations and permitting for short-term rentals were last updated nearly 30 years ago.
- This bill does not contemplate a fair process for regulating the industry but rather simply seeks to impose harsh punishments, including subjecting internet hosting platforms to class C felony criminal penalties for "engaging in business", "employing", or "contracting with" an operator or plan manager who is "not in compliance with all state laws and county ordinances". Class C felonies are punishable by up to five years' imprisonment and a fine of up to \$10,000. H.B. 2605, S.D. 1 seeks to criminalize the mere act of "engaging in business" with an operator or plan manager who is not in compliance with all state laws and county ordinances. Thus, an internet hosting platform may be punished with criminal penalties (fines and imprisonment) if a person or entity who it does business with is not in compliance with each and every applicable state tax law, traffic law, zoning ordinance or land use law. Even if this is limited only to land use laws, H.B. 2605, S.D. 1 thereby seeks to make an internet hosting platform financially responsible for the content (or lack of content) of any online advertisement, and seeks to financially penalize and imprison the internet platform, for the actions or inactions of other people and entities using the internet platform, not for anything that the internet platform has done. These proposed class C felony criminal penalties against internet platforms are unfair and unwarranted. The bill requires operators and/or property owners to provide the Transient Accommodations Broker, including platforms, "with verification of compliance with state land use

laws or county land use ordinances” when no such verification process exists at the state or local level. It asks the operators to generate evidence for which there is no uniform way to demonstrate compliance, and it asks the platforms to be responsible for verifying documents that do not currently exist and do not have a uniform standard.

- It makes it illegal for a Transient Accommodations Broker, including platforms, to do business with an operator “who is not in compliance with all state laws and county ordinances.” This is an impossible standard since there is no way to verify that an operator is in compliance with all laws at any given time. Moreover it subjects platforms who violate this unfair standard to extraordinary fines of a minimum of \$25,000.00, not for their own behavior, but for the misbehavior of someone else.
- Additionally, the bill requires that if counties impose a civil fine on operators of transient accommodations that the fine be set at a minimum of \$25,000.00, with no cap on the maximum fine that can be levied.
- As an example, on Oahu, if a local resident lives full time in their home outside of a resort area, but occasionally rents out a room in their house to generate extra income, that local resident would potentially be subject to a minimum \$25,000.00 fine.
- If a local Oahu resident goes on vacation for a week and wants to rent their home out while they are away, they will likely be subject to a minimum \$25,000.00, and potentially much more since there is no cap on the fines that can be imposed.
- While there has been much discussion among legislators about allowing local residents to share their home legally, this bill does nothing to protect those activities while at the same time imposing extraordinarily onerous and legally dubious penalties.
- There has been no discussion of the devastating impact this bill will have on the Hawaii economy, which will be significant, hurting local residents, small businesses, and the entire Hawaii tourism industry. Hundreds of millions if not billions of dollars in tourist revenue could be at risk if this bill were adopted as currently proposed.
 - Alternative accommodations support the state’s biggest industry and generate millions in annual tax revenue.
 - Lodging and non-lodging spending by guests staying at vacation rentals would have generated over \$120 million in GET and TAT statewide in 2016.
 - Efforts to over regulate alternative accommodations would have a significant impact on the health of the state’s largest industry.

- A 2016 HSA report found alternative accommodations generate \$5.1 billion in economic impact for the state and help support 34,000 jobs.
 - A large-scale reduction of the supply of alternative accommodations would likely result in decreases in visitor spending, GET and TAT collection as well as the reduction in air service to our island state.
 - According to a new study by the local economic consulting firm Kloninger and Sims stated “The current level of airlift into the state could not be sustained without alternative accommodations remaining a robust component of Hawai‘i’s visitor accommodations mix.”
- Alternative accommodations help support Hawaii’s visitor industry and are crucial to the health of the state’s economy.
- While visitor arrivals and airlift grew by 23% and 28.6% respectively between 2011-2016, the supply of traditional visitor accommodations in Hawai‘i has been growing at a much slower rate.
 - The additional elastic supply of alternative accommodations created by platforms such as Airbnb and HomeAway has allowed the state’s largest industry to continue to grow as visitor demand for accommodations has increased.

In conclusion, this bill will generate zero new revenue for the state while severely negatively impacting the local economy, hurting local residents and businesses. We will continue to work with local leaders to develop common sense regulations on short-term rentals, and remain willing to work with the state to develop a path to allow us to collect and remit taxes on behalf our hosts, but this bill is a significant step backward in that effort and is harmful to Hawaii’s economy.

Regards,



Matt Middlebrook
Head of Public Policy, Hawaii

April 3, 2018

TO: Senate Committee on Ways and Means
The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair

FROM: Amanda Pedigo, Vice President, Government and Corporate Affairs
Expedia, Inc.

Dear Chairman Dela Cruz, Chairman Keith-Agaran and distinguished members of the Senate Committee on Ways and Means,

While Expedia recognizes the Legislature's desire to find a reasonable way to collect taxes that are due to the State and *supports the tax amnesty provision* in this bill, we, unfortunately, cannot support HB2605 HD2 SD1. HB2605 HD2 SD1 includes provisions that violate federal law and would not withstand judicial scrutiny. It also includes provisions that are simply bad policy that will both impact the financial benefits that the state enjoys from having a robust vacation rental market and lead to some portion of vacations rentals going "underground" to avoid onerous regulation.

We explain those concerns in more detail below, but first it is important to recognize the benefits that the vacation rental industry provide—and that online vacation rental advertising platforms are not all the same.

First, we commissioned a study of the economic impact of transient vacation rental and found that the vacation rental industry in Hawaii contributes significantly to Hawaii's economy.¹

- ❖ Last year, over 608,000 visitors spent an average of eight days in vacation rentals.
- ❖ These visitors spent over \$444 million on lodging and over \$475 million on other expenses such as food, entertainment, and souvenirs for total expenditures of nearly \$920 million. Losing those dollars would impact thousands of workers and hundreds of small businesses, in addition to the homeowners who rent their homes.
- ❖ A large number of families who prefer to stay in vacation rentals will not stay in traditional resort accommodations for their vacations. They want to rent a home that has multiple bedrooms, a kitchen, a swimming pool, and a yard for their kids. For that growing segment of the tourist population, a hotel is not a suitable substitute for a vacation rental.
- ❖ And even if vacation rental visitors were to switch to traditional resort lodging, there would *not be enough hotel rooms* to accommodate them. If traditional options were at an annual 85% capacity (which is widely viewed as the maximum sustainable capacity for a hotel), there would still be demand for more than *2.5 million guest nights left unmet*.

¹ Completed by Hospitality Advisors LLC, Joseph M. Toy, President and CEO, Honolulu, Hawaii.

- ❖ Given the average length of stay of each vacation rental user in Hawaii is about eight days, the result is that nearly *320,000 visitors would have no place to stay*.
- ❖ While that might mean less crowded beaches, it would also mean *over \$430 million not spent in Hawaii on lodging and other local goods and services, causing a loss of over \$37 million in TAT and GET*. It would also result in lost jobs and potential loss of airlift into Hawaii.

Second, we'd like to tell you about HomeAway. For nearly three decades, HomeAway platforms have been the leaders in offering unique, family-focused vacation experiences for travelers. We take immense pride in our long-standing commitment to our local homeowners and their small business partners, as well as the millions of families that have used vacation rentals to experience Hawaii in a unique way.

- ❖ HomeAway/VBRO started out as a subscription service, and the majority of our owners have listing subscriptions today. That means owners pay only an annual fee for posting a property on our sites. For those bookings, the homeowner does not pay a fee per rental.
- ❖ Most of our owners include taxes as a line item cost in their listing and collect taxes directly, without HomeAway/VRBO doing so for them. We have no reason to believe that the owners—having collected taxes—do not remit them.
- ❖ The typical HomeAway/VBRO guest is a 47-year-old woman traveling with a family of four.
- ❖ The average stay for a HomeAway/VBRO guest is 6-7 days.
- ❖ The typical HomeAway/VBRO owner offers part-time use of their second home when they themselves are not in residence. There is no reason to expect these owners to make their homes available on the long-term rental market.

Hawaii would lose much of the benefit of vacation rentals by passing HB2605 HD2 SD1. It would also invite a legal challenge because significant sections of HB2605 HD2 SD1 violate federal laws. HomeAway and other hosting platforms have filed lawsuits in other jurisdictions based on these legal grounds. By summarizing the requirements of the Stored Communications Act and Section 230 of the Communications Decency Act, HomeAway hopes to persuade Hawaii to pass a workable state law that does not violate federal law.

Stored Communications Act – Privacy of Personal Information

HomeAway must protect the personal information of the homeowners and travelers who use its websites. A federal law, the Stored Communications Act (SCA), sets forth the legal process required before HomeAway may respond to a request for owner or traveler information from a governmental entity. Notably, the SCA provides a private cause of action to individuals whose information is provided to a governmental entity in violation of the statute's requirements.

18 U.S.C. § 2707. Should HomeAway fail to abide by the SCA’s legal requirements for disclosing information, it risks incurring civil liability to the individuals whose information is disclosed.

Paragraph (g) of Sections 3 would require a platform that is a “registered tax collection agent” to file “periodic returns” to the State that include personal, private information about homeowners who are listing their property, as well as information about each transaction they engaged in. *Absolutely no form of legal process is afforded to either the homeowners whose information is to be disclosed or to HomeAway.* Rather, HomeAway must simply file the reports as required.

HB2605 HD2 SD1 violates the SCA. To protect the privacy of online communications, Congress passed the SCA, which “creates a set of Fourth Amendment-like privacy protections by statute, regulating the relationship between government investigators and service providers in possession of users’ private information.” Orin S. Kerr, *A User’s Guide to the Stored Communications Act, and a Legislator’s Guide to Amending It*, 72 Geo. Wash. L. Rev. 1208, 1212 (2004). “The Act reflects Congress’s judgment that users have a legitimate interest in the confidentiality of communications in electronic storage at a communications facility.” *Theofel v. Farey-Jones*, 359 F.3d 1066, 1072–73 (9th Cir. 2004).

The SCA restricts government entities’ ability to compel disclosure of the contents of users’ communications and information from an electronic communications service (ECS) or a remote computing service (RCS). *See, e.g.*, 18 U.S.C. § 2703(a)-(c); *see also id.* § 2702(a). In simple terms, an ECS is any service that allows users to communicate electronically with one another, while a RCS is any service that stores or processes information submitted by users. *See* 18 U.S.C. §§ 2510(15), 2711(2). A single service may satisfy both definitions.

HomeAway is both an ECS and a RCS. HomeAway is fundamentally a communications platform and thus qualifies as an ECS because it enables communications between listing owners and travelers through the secured communication feature it provides on its websites. Indeed, most reservations are made through direct online communications between an owner and traveler. HomeAway is also a RCS because it stores and processes information provided by users, including communications, pictures of properties, and listing information provided by owners.

A federal court in Portland held that HomeAway was an ECS and RCS. *HomeAway.com, Inc. v. City of Portland* (D. Or. Mar. 20, 2017), No. 3:17-CV-91. And a federal court in Washington, D.C., recently held that Airbnb, which provides a similar secured communications service, is an ECS. *In re United States for an Order Pursuant to 18 U.S.C. § 2705(b)* (D.D.C. Jan. 30, 2018, No. MC-17-2490-BAH), 2018 WL 692923. An entity that is either an ECS or RCS is obligated to follow the SCA’s requirements.

The SCA limits the forms of process a government entity may use to obtain information from an ECS or RCS, depending on the type of information sought. It divides electronic information into two distinct categories: first, the *contents* of users’ communications, 18 U.S.C. § 2703(a)–(b), and second, non-content customer *records*, *id.* § 2703(c). Within the second

category, the SCA recognizes a “subset of noncontent records (sometimes known as ‘basic subscriber information’)” consisting *solely* of the customer’s name, address, phone number, and other basic information. 18 U.S.C. § 2703(c)(2).

When a government entity seeks the *contents* of communications, the protections of the SCA are at their highest. *See* 18 U.S.C. § 2703(a)–(b). A warrant based upon probable cause is sufficient to obtain the contents of communications, and is required for communications that have been in the electronic storage of an ECS for 180 days or less. *Id.* § 2703(a), (b)(1)(A), (c)(1)(A). If the government seeks non-content customer “records,” the SCA provides somewhat more limited protections. *See* 18 U.S.C. § 2703(c). But a subpoena is still insufficient to obtain most non-content records. For such records, the government generally must either obtain a court order authorizing disclosure, or demonstrate that the customer consented to disclosure. *Id.* § 2703(c)(1)(B)–(C). Section 2703 permits the disclosure of basic information only—which, as explained above, is limited to a customer’s name and address, and other discrete categories—if the government employs an administrative, grand jury, or trial subpoena. *Id.* § 2703(c)(2). Thus, in Portland, the court held that the SCA barred the City’s attempt to obtain user information from HomeAway without obtaining an appropriate subpoena or court order.

What this all means is that Paragraph (g), which would require HomeAway to hand over private homeowner information and transactional data particular to each owner *without any kind of legal process at all*, violates the process established by the SCA to protect individuals’ privacy.²

Communications Decency Act – Ensuring eCommerce Survives and Thrives

Section 230 of the Communications Decency Act (CDA) provides that “No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider.” 47 U.S.C. § 230(c)(1). The law bars liability “under any ... local law that is inconsistent with this section.” *Id.* § 230(e)(3). Section 230 provides broad immunity to online providers like HomeAway against attempts to impose obligations stemming from the publication of third-party user listings and advertisements. Put simply, Section 230 “protects websites from liability for material posted on the website by someone else.” *Doe v. Internet Brands, Inc.*, No. 12-56638, 2016 WL 3067995, at *3 (9th Cir. May 31, 2016). In contrast, SB2963 punishes websites for material posted by someone else.

Under Paragraph (i) of Section 3 HomeAway and all transient accommodations brokers, prior to publishing an advertisement, would have to require the homeowner to (i) provide their transient accommodations tax registration number and local contact information—and include that information in the advertisement; (ii) verify that they have complied with state and county laws; and (iii) provide a statement confirming compliance. Plus, HomeAway must remove any

² Although the Congress that enacted the SCA in 1986 believed that it was *supplementing* the protections of the Fourth Amendment, it now is well established that the Fourth Amendment extends to electronic communications and protects against government searches. The U.S. Supreme Court has warned against allowing technological advances to “erode the privacy guaranteed by the Fourth Amendment.” *Kyllo v. United States*, 533 U.S. 27, 34 (2001). Paragraph (g) also violates the privacy protections of the Fourth Amendment.

advertisements for which it cannot obtain those items, or upon notice from a state or county governmental authority.

Under Section 4, should HomeAway fail to follow these onerous and operationally crippling provisions, it is exposed to a fine of *at least* \$25,000, which, if imposed for every listing, would quickly reach into millions of dollars. There is no bad faith or knowledge requirement before fines can be imposed. This also violates federal law. The section also provides the counties with the authority to disgorge profits for any violation of a county ordinance. This is a broad provision that gives the counties extreme discretion. The bill would also change the standard for injunctive relief for cases involving transient vacation rentals granting injunctions in all cases. This change would undermine the current four-prong standard for granting of injunctive relief.

All three of the provisions listed above impose liability on HomeAway for content provided by *third-party* homeowners and property managers. The CDA flatly prohibits that result.

By way of example, in January 2017, the City of Portland, Oregon, passed an ordinance that expressly imposed liability on hosting platforms for advertising unregistered short-term rentals. Portland City Code 6.04.060 (platforms may not “advertise or otherwise represent that an accessory Short-Term Rental is available for Occupancy unless” the “Operator has registered” with the City). After HomeAway challenged that provision as preempted by Section 230, the City conceded in a court filing that it could not defend that provision. *HomeAway.com Inc. v. City of Portland*, No. 3:17-cv-00091 MO (D. Or.), Dkt. No. 30, p. 5 (“The City acknowledges that Section 230 ... prevents the City from holding HomeAway liable for its hosts’ failure to post their permit information in advertisements hosted by HomeAway.”).

The CDA’s immunity applies regardless of whether the online provider reviews, edits or otherwise processes the third-party content before it is posted. “[L]awsuits seeking to hold a service provider liable for its exercise of a publisher’s traditional editorial functions—such as deciding whether to publish, withdraw, postpone or alter content—are barred.” *Dowbenko v. Google Inc.*, 582 Fed. Appx. 801, 805 (11th Cir. 2014); *see also Sulla v. Horowitz*, No. CIV 12-00449 SOM, 2012 WL 4758163, at *2 (D. Haw. Oct. 4, 2012). Any effort to require HomeAway to remove or prohibit listings would violate Section 230, because doing so would be to treat HomeAway as the publisher or speaker of content created by third parties, not created by HomeAway.

* * * * *

The vacation rental industry plays a vital role in Hawaii’s economy. We would like to work with the state and local governments to modernize the regulations of this important economic sector. We note that the City and County of Honolulu considered several measures last year on transient vacation rentals that are being prepared for consideration by the Planning Commission. We want to work to protect communities while also protecting the State’s economy. This legislation does not meet those goals.

Thank you for the opportunity to share this testimony.

HB-2605-SD-1

Submitted on: 3/31/2018 11:53:04 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Hingkie Han	Testifying for Hale Ono Loa owners asociation	Oppose	No

Comments:



April 2, 2018

Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair
Senate Ways and Means Committee
Hawaii State Legislature

Dear Senator Dela Cruz, Senator Keith-Agaran and Members of the Ways and Means Committee,

Testimony in Support of HB2605 HD2 SD1

The Kohala Coast Resort Association (KCRA) is in support of HB2605 HD2 SD1 providing financial support to the counties to assist with establishing a specified property tax rate, as well as allowing enforcement funds for short term vacation rentals. We believe that all vacation accommodations should be treated equitably by taxing and governing authorities and hope this bill will help assist the counties with those initiatives.

KCRA is a collection of master-planned resorts and hotels situated north of the airport which represents more than 3,500 hotel accommodations and an equal number of resort residential units. This is approximately 35 percent of the accommodations available on the Island of Hawai'i. KCRA member properties annually pay more than \$20 million in TAT and \$20 million in GET.

We encourage your support of this measure.

Sincerely,

A handwritten signature in black ink that reads "Stephanie P. Donoho". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Stephanie Donoho
Administrative Director

HB-2605-SD-1

Submitted on: 4/1/2018 2:02:40 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ted Klassen	Testifying for Kona Coast Vacations	Oppose	No

Comments:

We are a small Hawaii Island based professional vacation rental management company currently operating under Chapter 467, Hawaii Real Estate Brokers and Salespersons, as well as the laws and guidelines under Chapter 237D. Why is this important; there are already laws in place which govern most of the current situations this legislation is trying to address.

We do not support this legislation in its current form. We do support some regulations for those not following the two Chapters/laws already in force. By reviewing Chapters 467 and 237, tightening up the descriptions to eliminate loop holes, these laws could be enforced and provide you with many of the outcomes you are seeking.

We have managed homes for both on island and off island property owners since 2006. Since we chose to be governed under the Real Estate guidelines, we have a broker's license in play making sure we follow all the applicable guidelines or we can be reported to the DCCA. WE have something to lose. We use trust accounting for the protection of guests and owners, carry E&O insurance, and follow all applicable laws. We have insured that our owners are only operating in areas zoned, or allowed through HOA and CCRs, to offer short term rentals. We insure our owners register for GE and TA tax licenses, as well as collect and remit taxes on their behalf. Our small company remitted on our property owners' behalf over \$1 million dollars in GE and Ta Taxes for 2017. We directly employ 23 full time on island residents that include healthcare and 401k plans, and through 1099s we contracted 32 full time on island equivalents, suggesting we are responsible for 55 full time local positions. We care and are judged if the homes are managed correctly, that guests are respectful and that our neighbors are happy.

By suggesting that operators, management companies and listing sites are going to held responsible for submitting taxes you are compelling the opposite. To avoid the liability, all management companies will immediately stop submitting taxes on behalf of owners and let the owners be responsible for their own submissions. Exactly, what I suggest is the wrong thing to do.

One of the latest Hawaii News Now reports suggested 4% of all homes are vacation rentals (1/24). This number includes those resort area condo hotels, which are designed as short-term rental properties and they are not suitable for a family to rent with some

as small as 450 square feet, no yards, and new neighbors every two days. Most of the homes we manage are second homes, in condo hotel resort areas or are private homes valued from \$1 million and up. These owners and their families use the property from two weeks to six months a year, depending on their vacation schedules, and will not rent it as a long-term rental.

Based on the current long-term rental market, many developers should be eager to invest just based on the potential return. However, I believe, the time from plans to permitting scares potential investors away. I believe some time should be spent on the permitting process which will entice investors and developers to invest in our great state providing the affordable housing that is needed.

As a professional in the industry, we would be happy to be part of the discussion. However, it appears everyone is being heard but the people that are operating under the proper guidelines. Please do not support this bill in its current form, invite some professional operators to the table and let's create a bill that will satisfy the needs of the State and all of the residents.



The Senate
The Twenty-Ninth Legislature
Regular Session of 2018

To: Senator Dela Cruz, Chair

Senator Keith-Agaran, Vice-Chair

Date: Tuesday April 3, 2018

Time: 10:00 a.m.

Place: Conference Room 415

RE: House Bill 2605 SD1, Relating to Transient Accommodations

Chair Dela Cruz and Members of the Committees:

RBOAA must **OPPOSE** the bill. There are myriad problems with this bill.

1. Requiring operators to be jointly and severally liable for taxes when the tax collection agent collects the taxes is unfair.
2. Listing the local contact in the advertisements will allow travelers to circumvent the booking platform and book directly with owners, nullifying the entire intent of this bill.
3. Requiring operators to waive their rights to privacy afforded to them under federal and state law is unjust and punitive. No other taxpayer has to waive their constitutional rights in order to earn income.
4. Requiring certificates of compliance from the counties is impractical as most counties don't have the capability to issue positive certificates.
5. Allowing counties to phase out conforming units in any zoning classification is nothing more than an attack on the tourist industry in Hawaii. The committee is fully aware that there are not enough hotel rooms to accommodate all tourists who arrive on the islands every day.

RBOAA is an advocate for compliance with all tax regulations and zoning ordinances. HB2605, as written, strips transient accommodation owners of many rights that other taxpayers and property owners are accorded and granted.

RBOAA believes that laws must be consistent with the Hawaii State Constitution and the Taxpayer's Bill of Rights, which are guaranteed to all people. Transient accommodation operators should not be deprived of these fundamental rights.

This Bill provides for confidential tax information to be inappropriately shared with County personnel. If the DoT were to pass this information to the County, they

would be guilty of a Felony. Since the counties do not administer the tax collection function that the Department of Taxation does, it is not appropriate that they be deemed entitled to private information of taxpayers. This provision is over-reaching and violates taxpayers' rights to confidentiality and privacy. Further, it creates an inconsistency in tax policy by divulging information on only one form of taxpayer, i.e. taxpayers collecting transient accommodation tax, and is therefore discriminatory in nature.

Recommendation: Remove the reference to 1099.

This Bill provides an amendment granting authority to counties as follows: *“Each county may impose civil fines, in addition to criminal penalties and remedies for disgorgement of all profits and restitution of any money, real property or personal property that was obtained through unfair or unlawful business acts and practices.”*

The counties wish to be granted power to seize money, real property and personal property for violations of county ordinance pertaining to “unfair” (undefined) or unlawful business acts and practices. Current law provides for fines and penalties for code and ordinance violations. The power of the government to seize a person's money, or real and personal property, should not be granted lightly. The remedy of disgorgement exists currently in the State of Hawaii Penal Codes for felonies such as *murder, kidnapping, extortion, drug trafficking*, etc. Hawaiian law explicitly guards against governmental forfeitures that are grossly disproportionate to the nature and severity of the owner's conduct.

RBOAA believes it is inappropriate to impose the same consequences as conviction of serious felonies upon those who violate county ordinances. We ask that the Committee strike this language from this Bill.

Allows counties to phase-out conforming or non-conforming single family transient vacation rental units in any zoning classification. Phasing out conforming units would equate to a “government taking” and therefore property owners would be entitled to just compensation. It should also be pointed out that to adopt a law that eliminates the conforming use of single family homes in any zoning classification would be a breach of public trust in government who has made this activity legal since the 1960s. Hawaii has developed master planned resort properties that included individually owned homes and condominiums. Owners purchased these properties with the legal right to provide lawful vacation rental as provided by approved zoning for such activity.

Tax laws not uniformly applied: The Department of Taxation has established rules for tax compliance that ALL businesses, regardless of nature, abide by. By establishing a new method of tax payment that is unique to one type of business, HB2605 is depriving transient accommodation operators of rights provided to other taxpayers. The State of Hawaii, Department of Taxation Bill of Rights provides for the department's *“pledge that the tax laws will be administered with fairness, uniformity, courtesy and common sense.”*

RBOAA does not object to taxpayers voluntarily using the services of an intermediary to provide tax payment services, but it should be voluntary, not mandatory.



Bill holds operators liable for wrongdoing on the part of agent: The bill provides that if the agent fails to report or pay the taxes on behalf of operators, the operator will be jointly and severally liable for taxes due. It is inappropriate to hold the operator liable for the actions or omissions of the agent who is registered or possessing an agreement with the DOT. Additionally, an operator will not have knowledge of payments between the agent and DOT, leaving the operator responsible for something they have no knowledge or control over.

Agent to turn over to counties, periodic and annual returns, electronic data sheet with information on each TA rented including address, number of nights, price, amount of Tax and 1099 income: The counties do not have the responsibilities of a tax collection department and have no valid claim to review periodic and annual returns nor is there a compelling need for information detailing number of nights, prices and income to determine if zoning compliance is, or is not, taking place. The DOT Bill of Rights provides: *“Taxpayers have a right to be assured that their dealings with the Department of Taxation will be kept confidential. Taxpayers have a right to be assured that their tax returns and tax information will not be disclosed.”* The State of Hawaii Constitution provides *“the legislature shall take affirmative steps to implement the right of the people to privacy”* and *“The right of the people to be secure in their persons, houses, papers and effects against unreasonable searches, seizures and invasions of privacy shall not be violated.”* Operators of TA should not be excluded and disenfranchised from these protections afforded all other taxpayers.

This Bill provides for the tax collection agent to obtain written consent from operators to disclose periodic returns and other information. The Bill should be explicit about what the consent is, as the consent appears to be a waiver of the person’s constitutional right to privacy.

Upon request by a county, agent shall disclose any information in returns or cover sheets to planning director or any county official designated by the mayor. An agent should not be providing confidential tax information any county personnel as they are not designated tax personnel for state TAT or GET receipts. This would violate TA operators of the rights of privacy afforded to other taxpayers. This information should only be obtainable through proper subpoena power.

Requires operators to obtain verification of compliance with written certificate, verification or permit. The counties of CC Honolulu, Kauai and Maui all have designated zones where it is legal to conduct transient accommodation rental. For example, on Maui’s short term rental website page, they note “16,000 units are eligible by zone without obtaining a permit.” Kauai has several thousand units in visitor destination zones, and CC Honolulu has thousands of units in resort zones. It is not practical for each legally zoned operator to obtain a written consent when it is easily identified as operating legally by its zoning category on the applicable zoning map for

each county. There needs to be a more practical solution to verification that doesn't require each operator to request a written consent letter from the counties.

The counties are not equipped to be able to provide such documentation in a timely fashion.

Requires operators to provide to agent a statement of compliance with land use laws and ordinances. This is redundant when other forms of proof are required. It is also unduly burdensome to the counties and operators to prove compliance.

Require broker to publish name of local contact in advertising. This will be confusing to the consumer and worse, lends itself to possible unscrupulous activity against a guest by anyone who impersonates as an on-island contact. Further, it provides an easy work-around to any traveler trying to book accommodation and avoid the traveler booking fee levied by AirBnB and Homeaway.

Thank you for the opportunity to testify on this measure.

Sincerely,

Neal Halstead
President,
Rental by Owner Awareness Association

Rental By Owner Awareness Association (RBOAA) is a Hawaii non-profit corporation founded in 2011, with over 1000 members. Our mission is to provide Hawaii vacation-rental property owners with information to help them comply with the applicable State and County regulations, support the Hawaii economy by offering visitors choice in accommodation, and advocate for the rights of Hawaii vacation property owners. RBOAA members provide transient vacation rentals in full compliance with existing tax and County regulations. RBOAA fully supports enforcement of existing regulations.

HB-2605-SD-1

Submitted on: 3/28/2018 8:55:30 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Foster	Testifying for Hawaii Advocates For Consumer Rights AND The Kupuna Caucus of The Democratic Party of Hawaii	Support	No

Comments:

HB-2605-SD-1

Submitted on: 4/2/2018 3:27:10 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
alarson	Testifying for HVROA (Hawaii Vacation Rental Association)	Oppose	No

Comments:

I OPPOSE HB2605

This Bill requires all operators to waive their right of privacy.

Federal law prohibits the Department of Taxation to release tthis information to anyone.

Angie Larson

Board Member

HVROA 501c6

HB-2605-SD-1

Submitted on: 4/2/2018 6:49:29 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mark Ruedy	Testifying for RBOOA	Oppose	No

Comments:

I support the testimony provided by RBOOA



KOBAYASHI SUGITA & GODA, LLP
Attorneys at Law

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April 2, 2018

SENATE COMMITTEE ON WAYS AND MEANS

Chair Donovan M. Dela Cruz, Vice Chair Gilbert S.C. Keith-Agaran

Via email to: WAMtestimony@capitol.hawaii.gov;

HEARING DATE: Tuesday, April 3, 2018

TIME: 10:00 a.m.

PLACE: Conference Room 211

Re: TESTIMONY ON BEHALF OF AIRBNB OPPOSING H.B.2605, H.D. 2, S.D. 1 DUE TO SERIOUS LEGAL CONCERNS

Dear Senators:

We write on behalf of our client, Airbnb, to oppose H.B.2605, H.D. 2, S.D. 1 due to serious legal concerns regarding the language of this bill. Airbnb provides a marketplace for people to list, discover, and book unique accommodations and experiences, connecting travelers at any price point in more than 65,000 cities and 191 countries.

H.B. 2605, H.D. 2, S.D. 1 contains problematic language that will render it invalid, unworkable, and unenforceable. The intended purpose of H.B. 2605, H.D. 2, S.D. 1 is to address the issue of taxation relating to transient accommodations. H.B. 2605, H.D. 2, S.D. 1 allows transient accommodations brokers to register as a tax collection agent on behalf of all of its operators and plan managers. H.B. 2605, H.D. 2, S.D. 1 also requires a transient accommodations broker to obtain and publish certain information in any online advertisement.

Unfortunately, the current language of H.B. 2605, H.D. 2, S.D. 1 violates the federal Communications Decency Act, 47 U.S.C. § 230 ("Section 230" or "CDA"). Section 230 is a law which provides vital protections that ensure a free and open internet. H.B. 2605, H.D. 2, S.D. 1 is therefore preempted by federal law, and would thus be unenforceable if passed.

We will first discuss Section 230 before discussing the specific provisions of H.B. 2605, H.D. 2, S.D. 1 which violate federal law and are unenforceable.

Section 230 of the Communications Decency Act.

Although a municipality may regulate in various areas, it must do so in a manner that does not conflict with federal law. Section 230 is considered the cornerstone of the legal framework that has allowed the internet to thrive, and it “protects websites from liability for material posted on the website by someone else.” *Doe v. Internet Brands, Inc.*, No. 12-56638, 2016 WL 3067995, at *3 (9th Cir. May 31, 2016). It does so through two key provisions. First, “[n]o provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider.” 47 U.S.C. § 230 (c)(1). Second, “[n]o liability may be imposed under any State or local law that is inconsistent with this section.” *Id.* at § 230 (e)(3). As the United States District Court for the District of Hawaii observed, “so long as a third party willingly provides the essential published content, the interactive service provider receives full immunity regardless of the specific editing or selection process.” *Sulla v. Horowitz*, No. CIV. 12-00449 SOM, 2012 WL 4758163, at *2 (D. Haw. Oct. 4, 2012) (quoting *Carafano v. Metrosplash.com, Inc.*, 339 F.3d 1119, 1124 (9th Cir. 2003)).

Accordingly, courts across the country have regularly found that Section 230 preempts state laws that attempt to hold websites liable for third-party content. *See, e.g., Backpage.com, LLC v. McKenna*, 881 F.Supp.2d 1262, 1273 (W.D. Wash. 2012). Section 230 also protects websites from being forced to screen or otherwise verify third-party content. *See, e.g., Doe v. Friendfinder Network, Inc.*, 540 F.Supp.2d 288, 295 (D.N.H. 2008) (“§ 230 bars the plaintiff’s claims that the defendants acted wrongfully by . . . failing to verify that a profile corresponded to the submitter’s true identity.”); *Doe v. MySpace, Inc.*, 474 F.Supp.2d 843, 850 (W.D. Tex. 2007) (Section 230 barred claims that MySpace was liable for policies relating to age verification); *Fair Hous. Council of San Fernando Valley v. Roommates.Com, LLC*, 521 F.3d 1157, 1180 (9th Cir. 2008) (“webhosts are immune from liability for . . . efforts to verify the truth of” third-party statements posted on the website); *Prickett v. InfoUSA, Inc.*, 561 F.Supp.2d 646, 651 (E.D. Tex. 2006) (“The Plaintiffs are presumably alleging that . . . the Defendant is liable for failing to verify the accuracy of the content. Any such claim by the Plaintiffs necessarily treats the Defendant as ‘publisher’ of the content and is therefore barred by § 230.”); *Mazur v. eBay Inc.*, No. C 07-3967 MHP, 2008 WL 618988, at *9 (N.D. Cal. Mar. 4, 2008).

H.B. 2605, H.D. 2, S.D. 1 impermissibly violates the CDA.

Section 2 of H.B. 2605, H.D. 2, S.D. 1 adds a new section to Section 237. Section 3 of H.B. 2605, H.D. 2, S.D. 1 adds a new section to Section 237D. Both new sections appear to contain the same language with some minor variations. The new section (a) under both provisions of Sections 8 and 9 of H.B. 2605, H.D. 2, S.D. 1 (applicable to both Sections 237 and 237D) provides, in part, that:

“The director may permit a transient accommodations broker to register as a tax collection agent on behalf of all of its operators and plan managers by entering into a tax collection agreement with the director or by submitting a tax collection agent registration

statement to the director: provided that the transient accommodations broker agrees in writing:

- (1) To obtain written consent from all of its operators and plan managers for the disclosure of periodic returns and information required under subsection (g);
- (2) To furnish information to the counties as required in subsection (g); and
- (3) That continuing to collect fees for booking services in connection with a transient vacation rental, seven days after receiving written notice from a state or county governmental authority that the subject property is not in compliance with state law or county ordinance, is a violation of the tax collection agreement.”

The new section (i) under both provisions of Sections 2 and 3 of H.B. 2605, H.D. 2, S.D. 1 (applicable to both Sections 237 and 237D) provides that (variation for Section 3 noted in brackets):

“(i) All transient accommodation brokers, **prior to publishing [placing] an advertisement, including an online advertisement**, on the availability of a property for lease or rent on behalf of an operator or plan manager: ***

(2) **Shall require the operator or plan manager to provide the transient accommodations broker with the operator’s or plan manager’s transient accommodations number and local contact information and include this information in the advertisement**, pursuant to section 237D-4;

(3) **Shall require the operator or plan manager to provide the transient accommodations broker with verification of compliance with state and county land use laws** in the form of a written certification, verification, or permit, as applicable, issued by the appropriate county agency;.... (Emphasis added.)”

In other words, H.B. 2605, H.D. 2, S.D. 1 requires that before publishing any online advertisement, a transient accommodations broker must obtain written consent from each and every operator or plan manager that it deals with for the disclosure of certain information, and must also obtain specific information regarding the transient accommodations number and local contact information, and include this information in the advertisement. The transient accommodations broker must also obtain written verification of compliance with state and county land use laws from the appropriate county agency before publishing any online advertisement.

H.B. 2605, H.D. 2, S.D. 1 thus makes an internet platform responsible for the content (or lack of content) of any online advertisement, and makes an internet platform responsible for the obligations, and the violation of any obligations, of the people and entities using the internet platform. H.B. 2605, H.D. 2, S.D. 1 penalizes a hosting platform for the status of its users’

homes or units or the lack of verification from a county agency, and requires a hosting platform to determine such status before allowing a user to use the internet website to post an online advertisement. H.B. 2605, H.D. 2, S.D. 1 thus penalizes hosting platforms for the actions of their users. H.B. 2605, H.D. 2, S.D. 1 seeks to make the internet platform an enforcement agent for the state or the county with regard to land use laws. This impermissibly conflicts with and violates Section 230.

Section 5 of H.B. 2605, H.D. 2, S.D. 1 amends Section 46-4(a), Hawaii Revised Statutes, to state, in pertinent part, that:

“The council of any county shall prescribe rules, regulations, and administrative procedures and provide personnel it finds necessary to enforce this section and any ordinance enacted in accordance with this section. **The ordinances may be enforced by appropriate fines, penalties, and remedies for disgorgement of all profits and restitution of any money, real property, or personal property that was obtained through unfair or unlawful business acts and practices, civil or criminal, or by court order at the suit of the county or the owner or owners of real estate directly affected by the ordinances.** In any action brought under this part, the court or zoning agency, in addition to any fine imposed upon the ordinance violator, may allow costs of action, including costs and fees of any nature and reasonable attorney's fees, to be paid by the ordinance violator. ***

Each county may adopt ordinances prohibiting transient accommodations brokers from engaging in business with an operator or plan manager who is not in compliance with all state laws and county ordinances, including but not limited to laws and ordinances regarding land use, taxes, and professional licenses. (Emphasis added.)”

H.B. 2605, H.D. 2, S.D. 1 thus subjects an internet hosting platform to “fines, penalties and remedies for disgorgement of all profits and restitution of any money” for the mere act of “engaging in business” with an operator or plan manager who is “not in compliance with all state laws and county ordinances”. Thus, an internet hosting platform may be punished with penalties if a person or entity who it does business with is not in compliance with each and every applicable state tax law, traffic law, zoning ordinance or land use law. Even if this is limited only to land use laws, H.B. 2605, H.D. 2, S.D. 1 thereby seeks to make an internet hosting platform financially responsible for the content (or lack of content) of any online advertisement, and seeks to financially penalize the internet platform, for the actions or inactions of other people and entities using the internet platform, not for anything that the internet platform has done. These proposed penalties against internet platforms are unfair, unwarranted and clearly violate Section 230.

Moreover, the definition of a “transient accommodations broker” which is currently set forth in H.R.S. 237D-1 is extremely broad, and would thus include many persons and companies in addition to internet hosting platforms:

“‘Transient accommodations broker’ means any person or entity, including but not limited to persons who operate online websites, online travel agencies, or online booking agencies, that offers, lists, advertises, or accepts reservations or collects whole or partial payment for transient accommodations or resort time share vacation interests, units, or plans.”

Persons and companies “who operate online websites, online travel agencies, or online booking agencies” would include newspapers, realtors, travel agents and others. All such persons and companies would be subjected to “disgorgement of profits” and penalties for “engaging in business” with an operator or plan manager who “is not in compliance with all state laws and county ordinances”. This overbroad scope thus threatens ordinary companies and persons, as well as internet hosting platforms, for the actions of people who they do not control. Such penalties are unfair and unreasonable.

Section 8 of H.B. 2605, H.D. 2, S.D. 1 adds a new chapter to the Hawaii Revised Statutes entitled Transient Accommodations, which states, in pertinent part, that:

§ __-1 Definitions. As used in this chapter:

“‘Booking service’ means any reservation or payment service provided by a person or entity that facilitates a transient vacation rental transaction between a transient vacation rental operator and a prospective renter, and for which the person or entity collects or receives, directly or indirectly through an agent or intermediary, a fee in connection with the reservation or payment services provided for the transient vacation rental transaction.

§ __-2 Transient accommodations brokers. (a) **It shall be unlawful for a person acting as, or on behalf of, a transient accommodations broker to engage in business with an operator or plan manager**, including any person or entity employed, contracted, or otherwise engaged by the operator or plan manager for property management or as an activity provider, **who is not in compliance with all state laws and county ordinances**, including any laws and ordinances regarding land use, taxes, and professional licenses.

(b) **It shall be unlawful for a person acting as, or on behalf of, a transient accommodations broker, to act on behalf of an operator or plan manager, to employ, contract, or otherwise engage in business with any person or entity to manage any property of the operator or plan manager or to act as an activity provider for transients served by the operator or plan manager if the person or entity is not in compliance with all state laws and county ordinances**, including laws and ordinances regarding land use, taxes, and professional licenses.

§ ____-3 Booking services. **It shall be unlawful for a person acting as, or on behalf of, a hosting platform to provide, and collect a fee for, booking services in connection with transient vacation rentals located in the State if those transient vacation rentals are not lawfully certified, registered, or permitted as a transient vacation rental under applicable county ordinance at the time the transient vacation rental is rented.**

§ ____-4 Penalties. (a) **A violation of section -2 shall be subject to a class C felony.** (b) **A violation of section -3 shall be subject to _____. (Emphasis added.)**

H.B. 2605, H.D. 2, S.D. 1 thus subjects an internet hosting platform to class C felony criminal penalties for “engaging in business”, “employing”, or “contracting with” an operator or plan manager who is “not in compliance with all state laws and county ordinances”. Class C felonies are punishable by up to five years’ imprisonment and a fine of up to \$10,000. (Haw. Rev. Stat. Sections 706-640, 706-660.) H.B. 2605, H.D. 2, S.D. 1 seeks to criminalize the mere act of “engaging in business” with an operator or plan manager who is not in compliance with all state laws and county ordinances. Thus, an internet hosting platform may be punished with criminal penalties (fines and imprisonment) if a person or entity who it does business with is not in compliance with each and every applicable state tax law, traffic law, zoning ordinance or land use law. Even if this is limited only to land use laws, H.B. 2605, H.D. 2, S.D. 1 thereby seeks to make an internet hosting platform financially responsible for the content (or lack of content) of any online advertisement, and seeks to financially penalize and imprison the internet platform, for the actions or inactions of other people and entities using the internet platform, not for anything that the internet platform has done. These proposed class C felony criminal penalties against internet platforms are unfair, unwarranted and clearly violate Section 230.

This section further purports to impose unstated and undetermined liability on all hosting platforms, regardless of whether they collect tax or not, for providing “booking services” in connection with transient vacation rentals. Holding internet platforms liable for “booking services” also violates Section 230 of the CDA

Conclusion.

For the foregoing reasons, the problematic language in H.B. 2605, H.D. 2, S.D. 1 renders it invalid. We therefore urge that H.B. 2605, H.D. 2, S.D. 1 be held. Thank you for your consideration.

Very truly yours,



DAVID M. LOUIE

for

KOBAYASHI SUGITA & GODA, LLP

HB-2605-SD-1

Submitted on: 3/30/2018 11:38:17 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Wanda Porter	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 3/30/2018 11:50:24 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Cameron Tamblyn	Testifying for RBOAA	Oppose	No

Comments:

Support the testimony provided by RBOAA

HB-2605-SD-1

Submitted on: 3/30/2018 11:52:34 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Wendy Anderson	Individual	Oppose	No

Comments:

We agree with all points raised by RBOOA and do not support this bill as currently written.

Wendy and Scott Anderson

HB-2605-SD-1

Submitted on: 3/30/2018 12:01:44 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jason Kim	Individual	Oppose	No

Comments:

HB2065, while well-intentioned, remains a very problematic bill. As someone who owns and operates a legal vacation rental on the Big Island, I understand the need to properly collect and remit taxes (I paid over \$3,000 in GET and TAT in 2017). However, the wording in this bill is very worrisome. The fact that it allows counties to phase out all transient accommodation in ANY zone for ANY reason is downright frightening. In addition, while advertising brokers like AirBnB and VRBO should assist in collecting and remitting taxes on our behalf, the bill includes language that makes both the broker and advertisers (owners) jointly liable. How is this fair to owners if the brokers somehow make a mistake? Last, the potential fine of \$25,000 for failure to comply with any tax or zoning law seems extraordinarily excessive. While it's better than having a Class C Felony on your record (in previous drafts), the fine, as well as the potential for seizure of the property and all income earned from operating a vacation rental, sounds radically authoritarian. There are better ways to enforce compliance with vacation rental laws: education, working with-and not against-advertising brokers, creating intuitive and simple tax collection and remittance systems. HB2605 is not one of them.

Jason Kim: Kailua-Kona, HI

HB-2605-SD-1

Submitted on: 3/30/2018 12:02:23 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Chad Lopez	Individual	Oppose	No

Comments:

Support the testimony provided by RBOOA

Thanks

HB-2605-SD-1

Submitted on: 3/30/2018 12:07:59 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Cizek	Individual	Oppose	No

Comments:

I support the testimony provided by RBOOA.

HB-2605-SD-1

Submitted on: 3/30/2018 12:21:15 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
George Hu	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 3/30/2018 12:24:45 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jill Fletcher	Individual	Oppose	No

Comments:

Please do not pass this bill. I do support the testimony provided by RBOOA.

Mahalo for your service,

Jill Fletcher

HB-2605-SD-1

Submitted on: 3/30/2018 12:30:12 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Glen	Testifying for BUSINESS	Oppose	No

Comments:

Our family and business opposes this bill.

Our financial health and the wellbeing of our many dependents relies on our ability to rent a portion of our house out and maximize the opportunity. We care deeply about Hawaii, the aina and the people. We consciously support local businesses, the local economy and local people. We were not born into the type of privilege that most people in this neighborhood were. However, we understand the profound kuleana to give back to our community. We intend to pay it forward and instill that responsibility in our children. Our greatest desire is to coexist in harmony with our neighbors, our society and the global community. We strive to LIVE ALOHA and share aloha with everyone we meet. We are kind, peaceful and responsible people and parents.

In this complicated world filled with real problems and terrifying false alarms, we are called to accept and care for each other as brothers and sisters and children of mother earth.

Please allow us to continue to live on this island!!!

HB-2605-SD-1

Submitted on: 3/30/2018 12:38:29 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Monica Gere	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 3/30/2018 12:43:10 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

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

Comments:

We strongly Oppose this bill. We support the testimony of the RBOAA organization.

Respectfully,

Tim Hailey

HB-2605-SD-1

Submitted on: 3/30/2018 12:54:49 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
marci paddock	Individual	Oppose	No

Comments:

I oppose HB2605 HD2 SD1

HB-2605-SD-1

Submitted on: 3/30/2018 12:55:37 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joe Dorsey	Individual	Oppose	No

Comments:

I oppose this bill and I support the testimony provided by RBOOA

HB-2605-SD-1

Submitted on: 3/30/2018 12:55:44 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brandon Mullenberg	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 3/30/2018 1:17:17 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Stacey Kilarski-Jacobson	Individual	Oppose	No

Comments:

Aloha Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee,

My husband and I are residents of Ewa Beach. I have lived on Oahu for 12 years. We both work full time and have advanced degrees. My husband and I recently found out I am pregnant, and we are so excited to start our family in our home. We rely on renting out our detached ohana to an array of visitors to pay for our mortgage and deal with the extremely high cost of living in Hawaii. Without this source of income, we would be unable to afford to live in a home. And now with an added person to our family, the extra source of income we can generate from our Airbnb rental is paramount.

I am testifying in strong opposition to "HB 2605, SD1". I ask the Committee not to harm Hawaii's economy and the alternative accommodations sector of the tourism industry as they seek to secure taxes. Airbnb and other home sharing provides so many great benefits to Hawaii and the local community:

- Alternative accommodations help support Hawaii's massive visitor industry and are crucial to the health of the state's economy.
- Alternative accommodations provide visitors with different choices than mainstream tourism areas (e.g. Waikiki, where the majority of developments are owned by off-island companies or massive international corporations). Allowing visitors to explore other aspects and areas of Hawaii provides financial support to local commerce and communities that are not located in main tourist locations.
- They generate more than \$5.1 billion in economic impact and are responsible for more than 34,000 jobs
- Home sharing also enables local residents to generate extra revenue to help offset Hawaii's high cost of living

I appreciate your time and thank you,

Stacey

HB-2605-SD-1

Submitted on: 3/30/2018 1:19:27 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Luisa	Individual	Oppose	No

Comments:

I oppose to this bill. Thank you.

HB-2605-SD-1

Submitted on: 3/30/2018 1:21:02 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
LRL	Individual	Oppose	No

Comments:

I strongly support the testimony of the RBOAA! Thank you.

HB-2605-SD-1

Submitted on: 3/30/2018 1:34:43 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Samuel Levitz	Individual	Oppose	No

Comments:

We definitely support the testimony provided by RBOOA regarding this bill. Strongly oppose.

Mahalo

HB-2605-SD-1

Submitted on: 3/30/2018 1:34:47 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Janet Iliahi Curtis	Individual	Oppose	No

Comments:

This bill isn't just bad, it's unfair. The bill imposes extraordinarily severe penalties for hosts, making a violation of short-term rental laws a class C felony, while failing to update short-term rental laws that are outdated. By only imposing penalties without providing a means for hosts and property owners to share their homes, this bill will severely, and unfairly, restrict alternative accommodations in Hawaii. Restricting alternative accommodations could potentially hurt local residents, business owners, and severely damage the state's economy. **The livelihoods of thousands of Hawaii residents and hundreds of millions of dollars in revenue for the state are at risk if this bill is approved.**

HB-2605-SD-1

Submitted on: 3/30/2018 1:37:54 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kristian Hammer	Individual	Oppose	No

Comments:

Dear Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee,

My wife and I own a home on the Big Island of Hawaii in Pahoa (2nd district). The rural nature of our area is such that there are no hotels or resorts and we want to keep it that way. Visitors rely on home sharing to have a place to stay in our community.

While we support allowing websites like Airbnb to collect and remit taxes to the state on behalf of hosts. We are testifying in opposition to "HB 2605, SD1." It would impose harsh punishments and enforcement without consideration of the adverse economic consequences.

We ask the Committee not to harm Hawaii's economy and the alternative accommodations sector of the tourism industry as you seek to secure taxes.

We support home sharing:

- Alternative accommodations help support Hawaii's visitor industry and are crucial to the health of the state's economy
- They generate more than \$5.1 billion in economic impact and are responsible for more than 34,000 jobs
- Home sharing also allows local residents to generate extra revenue to help deal with Hawaii's high cost of living

Thank you Chair and Committee for your time.

Best regards,
Kristian Hammer & Jenn Hartnell

HB-2605-SD-1

Submitted on: 3/30/2018 1:38:16 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
lin wolen	Individual	Oppose	No

Comments:

Pleade do not pass HB2605 SD1

i will not be testifying in person, but I would like to write to tell you not to NEGATIVELY impact Hawaii's economy and the alternative accomodation sector of tourism in order to secure taxes. The way it is written is a violation of privacy.

alternative accomodations help support Hawaii's visitor industry. Many restaurants, shops and entertainment venues would be radically impacted by a loss of travelers who could not afford to come Hawaii if they had to pay for expensive hotel rooms. Many businesses depend on that income which no longer be in existance if it were not for the vacation rentals.

As a business owner in Kailua, I am very concerned about the future if this bill passes. i also have elderly neighbors on my street who are able to sustain because they have some income from their vacation rental. They are good neighbors who make sure that their guests do not impact our neighborhood in a negative way. We all like meeting people from all over the world!

Thank you Chair and Ways and Means committee for your time,

From a long time Kama 'aina

HB-2605-SD-1

Submitted on: 3/30/2018 1:39:14 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lani Loring Howell	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 3/30/2018 1:41:49 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
John McDaniel	Individual	Oppose	No

Comments:

This bill in its current form is not acceptable.

HB-2605-SD-1

Submitted on: 3/30/2018 1:46:36 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Martina Wing	Individual	Oppose	No

Comments:

Dear Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee,

I am a full-time resident of Hawaii Island. I strongly oppose **HB 2605, SD1**.

I ask the Committee not to harm Hawaii's economy and the alternative accommodations sector of the tourism industry as they seek to secure taxes. Legislation which proposes to make Hawaiian home owners into felons for trying to make ends meet, through sharing our homes, shows a serious lack of aloha and has no place in our State. I have a hard time believing this proposed legislation was written by a Hawaii resident.

Alternative accommodations help support Hawaii's visitor industry and are crucial to the health of the state's economy. They generate more than \$5.1 billion in economic impact and are responsible for more than 34,000 jobs. Home sharing also allows local residents to generate extra revenue to help deal with Hawaii's high cost of living.

I strongly urge you to keep the State out of individual county efforts at managing transient accommodations. On the Big Island, where I live, I see positive results for both those residents who choose to rent out all or part of our homes as short-term rentals—including the ability to make ends meet and keep our homes—plus a huge windfall to the many local restaurants, coffee farmers, markets, tour operators, cleaners, yard care providers, transportation providers, and even the airlines.

I encourage you to enact simple legislation that allows the platforms to collect and remit the TAT and GET taxes to the state without further burdens, and rules. And I urge you to eliminate the unbelievably anti-aloha threat of turning homeowners into felons.

Mahalo for taking the time to listen,

Martina Wing
Kailua-Kona

HB-2605-SD-1

Submitted on: 3/30/2018 1:48:24 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Tammy Russell-Rice	Individual	Oppose	No

Comments:

As the Owner of a fully licensed Vacation Rental, I do not understand WHY my status as such simply cannot be verified by the State of Hawaii Department of Taxation or County of Kauai? Both already have records verifying ALL the information otherwise required by HB2605, including the taxes and amounts paid--and when they are paid! I do not, nor should I be forced to share any of this sensitive information with an advertising platform such as HomeAway. This is especially true in this day and age when hacks are more frequent than my house bookings. There ought to be a better way of weeding out the owners/managers who, unlike me, do not support the Aloha State.

Mahalo ~ Tammy Russell-Rice, Owner of The Dolphin Hale

HB-2605-SD-1

Submitted on: 3/30/2018 1:50:53 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Anthony Cooney	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 3/30/2018 1:49:21 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Robert Capelli	Individual	Oppose	No

Comments:

My wife and I are full time Hawaii residents and use Airbnb to augment our income. Without this income we could not live in Hawaii. We are pretty much single-issue voters at this point and we and many friends both in the Airbnb business as well as some who are not will vote anyone out of office who inhibits our ability to make a living by changing legislation that will affect our short-term vacation rental.

Thank you for your consideration.

Sincerely,

Robert Capelli and Berta Chalco

HB-2605-SD-1

Submitted on: 3/30/2018 1:52:10 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kenneth Embree	Individual	Oppose	No

Comments:

we oppose hb2605 as written but would support the original bill to have airbnb collect get and tat on behalf of hosts..we believe the additions to the bill would violate hosts rights.

please do not let this bill out of committee!

ken and angelisa embree

HB-2605-SD-1

Submitted on: 3/30/2018 1:53:57 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Tamlyn Hunt	Individual	Oppose	No

Comments:

I strongly oppose this bill as written. It is severe and goes too far. There are many ways to sensibly regulate vacation rentals in Hawaii but this bill is far too harsh. I strongly urge you to vote no on this bill and go back to the drawing board.

HB-2605-SD-1

Submitted on: 3/30/2018 1:55:20 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Suite Aloha	Individual	Oppose	No

Comments:

Dear Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee:

I am testifying in opposition to "HB 2605, SD1 and humbly ask the Committee not to harm our economy and the alternative accommodations sector of the tourism industry while seeking to secure taxes.

We live on the Windward side of Oahua and need to be able to retain this income. My husband has been unable to find work in his field for 3 years and without this added income, we would be forced to sell our home.

The room for rent is not suitable for long-term renters as it does not have a full kitchen and really only lends itself for short stays.

We have been diligently paying GE and TA taxes since we started renting to short term renters and are dependent upon this income.

Please consider the impact your decision making will have on the little people that share the Aloha with our visitors in a way that no hotel can.

Mahalo for your time and consideration!

HB-2605-SD-1

Submitted on: 3/30/2018 1:58:42 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alyssa	Individual	Oppose	No

Comments:

This bill violates **federal law** by requiring companies like Airbnb to turn over private information for hosts to local governments. Since when does the State of Hawaii think that it's above the United States Constitution??

HB-2605-SD-1

Submitted on: 3/30/2018 2:12:52 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Valery Swint	Individual	Oppose	No

Comments:

Dear Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee,

My name is Valery, I live in Honolulu and have lived on Oahu for 10 years. I am testifying in opposition to HB 2605, SD1. I am writing to ask the Committee not to harm Hawai'i's economy and the alternative accommodations sector of the tourism industry as you seek to secure taxes. I support home sharing because it generates 34,000 jobs for the island residents, including myself. I would not be able to live on this island otherwise without tourism to generate extra revenue to help deal with Hawai'i's high cost of living. My proposal is to allow home sharing for Hawai'i residents but not for non-Hawaii residents who own houses here. These are the people who are pricing us out of homes. They purchase properties and have their mortgage covered by tourists while not residing in Hawaii and building equity. They have great jobs on the mainland or overseas where the economy is not so heavily reliant on tourism. Meanwhile, the residents of Hawai'i suffer because we are not able to afford homes. Home sharing is the only way for many of us to be able to afford the high cost of living here. Tourism is the primary economic force in Hawaii and the residents should be able to rely on this sector to make a living and provide for our families.

Thank you Senator Dela Cruz for your time.

HB-2605-SD-1

Submitted on: 3/30/2018 2:17:14 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Patti Coale	Individual	Comments	No

Comments:

Why is it so difficult to get the collection of taxes done without having a bunch of red tape? Make it clear and fair. This State is so pathetic that it can't get matters addressed and organized in a timely manner. Get it together! By passing a fair and simple bill **all** transient accommodations will be compliant in paying taxes.

v/r

Patti Coale

Kaneohe, HI 96744

HB-2605-SD-1

Submitted on: 3/30/2018 2:21:18 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Marsha Becht	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 3/30/2018 2:32:07 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
LINDA SCHUTT	Individual	Oppose	No

Comments:

To: Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran and members of the Ways and Means Committee

From: Tim & Linda Schutt, PO Box 377260, Ocean View HI 96737 808/939-9042

Re: HB 2605

We live in Ocean View (Kau) and we strongly oppose HB 2605. This bill isn't just bad, it's unfair. The bill imposes extraordinarily severe penalties for hosts, making a violation of short-term rental laws a class C felony, while failing to update short-term rental laws that are outdated. By only imposing penalties without providing a means for hosts and property owners to share their homes, this bill will severely restrict alternative accommodations in Hawaii. Restricting alternative accommodations could potentially hurt local residents, business owners, and severely damage the state's economy. **The livelihoods of thousands of Hawaii residents and hundreds of millions of dollars in revenue for the state are at risk if this bill is approved.**

We would like to see Air BnB as well as other platforms collect and remit state taxes but NOT with the draconian penalties attached.

PLEASE DO NOT SUPPORT THIS BILL!! It will have a devastating impact on our local economy as well as the state economy.

MAHALO FOR YOUR TIME.

Tim & Linda Schutt

HB-2605-SD-1

Submitted on: 3/30/2018 2:45:58 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

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

Comments:

I support the testimony provided by RBOAA.

HB-2605-SD-1

Submitted on: 3/30/2018 2:55:18 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
jeff dale	Individual	Oppose	No

Comments:

Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee,

My name is Jeff Dale and I live in Hilo. My wife and I own three vacation rentals on the Big Island and we are strongly against this legislation (HB 2605). We are a local family (my wife was born and raised here in Hilo) that cares about our community and counts on our rental income. We also have cleaning staff and tradespeople that earn income directly from our rentals. There are hundreds of local people like us who could potentially be hurt by new legislation.

There seems to be a misguided attempt to demonize vacation rentals lately and I really encourage the legislature to take a serious and thoughtful look into the situation before enacting any new laws. I understand that there are some specific communities where limiting future rentals may be appropriate, but East Hawaii is not one of them. Vacation rentals draw thousands of tourists who come to our state and spend money on restaurants, shopping etc. It would be a huge self-inflicted economic wound to our island and state to inhibit home owners from providing accommodations to travelers. There are limited hotel options in Hilo and Volcano and vacation rentals allow a significantly larger number of tourists to visit East Hawaii and pump money into our economy. That benefits all of us, not just the owners.

I think that looking into specific guidelines such as restricting parties or large groups from renting in certain neighborhoods (which most owners already do, we don't allow parties or large groups in any of our properties) makes more sense as a first step. I also think a long term economic impact study should be done before any changes are legislated. I'm not sure everyone appreciates the economic consequences if rentals are suddenly restricted and there could be some unintended negative consequences. I also think that there are creative ways to ensure enough housing for locals that doesn't involve punishing vacation rental owners.

We do appreciate that there may come a time when it may make sense to limit new vacation rentals in certain neighborhoods, but at least here in East Hawaii, we are not there yet. Another consequence of making life more difficult for rental owners would be properties that suddenly lose their value and sit empty. We have enough broken-down

houses around here, we don't need more. If owners suddenly can't operate vacation rentals I fear that a lot of houses will sit vacant. That's not good for our neighborhoods.

My strongest recommendation for the state is to make sure that owners are collecting and passing along the taxes. We collect the GE and TAT taxes and pass along thousands of dollars to the state each year. Unfortunately, I suspect that a lot of owners don't do this and the state is losing millions of potential tax dollars. I would encourage you to focus on this issue before doing anything to punish or limit people such as my wife and me from running our own rentals. Perhaps simply pass legislation that allows AirBnB to collect the taxes and hold off on anything else for now.

We would be happy to speak with you about our concerns.

Thank you for your time and consideration.

Jeff Dale

Hilo, HI

HB-2605-SD-1

Submitted on: 3/30/2018 3:19:39 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Paul Ciliano	Individual	Support	No

Comments:

Illegal rentals need to be stopped. Platforms such as Airbnb should be required to collect taxes from legal rentals on behalf of the lessor for the state. There should be severe penalties for hosts who violate short-term rental laws.

HB-2605-SD-1

Submitted on: 3/30/2018 3:20:14 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Pamela Small	Individual	Oppose	No

Comments:

I support the comments written and submitted by RBOAA.

Aloha
Chair Senator Dela Cruz
Vice Chair Senator Keith-Agaran
and the Ways and Means Committee

I am testifying in opposition to “HB 2605, SD1”

Please consider the following when preparing Bills now and in the future. Please do not harm Hawaii's economy and the alternative accommodations sector of the tourism industry as you seek to secure taxes. I am sure you are aware that companies like Hilton Hotels and others want to use you to curb any type of competition. Let the free-market allow visitors to have choices. Don't let big businesses use their money and influence to quash entrepreneurs who are providing a great service to visitors.

We abide by all the rules and regulations and bring in a lot of tax dollars and tourist dollars to The Big Island.

Mahalo
Rick and Katy Joy Freeman

Please consider the following when preparing Bills now and in the future.

- We pay \$10,000 a year in property tax. And we pay for our own road, septic and water systems. \$4,000 of that is because we have a vacation rental. And we would not have bought a big house with this kind of tax bill if we weren't doing vacation rentals.
- We collect \$5,000.00 a year in hotel accommodation taxes for the State of Hawaii.
- If we weren't here there would be less visitors to the Big Island and specifically Hawaii Volcanoes National Park. This would mean less income and jobs for local businesses. And less tax money for The Big Island.
- We have about 400 guests a year.
- According to the 2012 Annual Visitor Research Report by the Hawaii Tourism Authority (HTA) each visitor spends about \$1,075 when they visit.
- This means our guests spend over \$430,000.00 a year on The Big Island that goes to the local restaurants, stores and tourist related businesses.
- And we are just one vacation rental property. There would be a shortage of short-term housing if all of us were not providing this service.
- Our presence increases housing values and therefor real estate tax income for the County of Hawaii

Mahalo,
Rick and Katy Joy Freeman

HB-2605-SD-1

Submitted on: 3/30/2018 4:28:16 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ron Gall	Individual	Oppose	No

Comments:

Dear Legislators:

Regarding HB2605

As responsible vacation rental owners on the Big Island, my wife and I oppose HB2605 for these reasons:

1. We pay our GE and TAT taxes and generate a small income to supplement our Social Security. If advertising brokers are allowed to collect and remit our taxes, we will opt out because we assume responsibility for that. Both of these taxes have been increased and appear to be increased again (including the unfair increase to pay for the Honolulu rail system).
2. The bill seems to assume that vacation rental owners will cheat the government by not paying taxes (even while hotel resort fees are not taxed at all). We, and most other vacation rental owners, are not in the business or competing with hotels. Vacation rentals provide an alternative experience for visitors to our Hawaiian islands....one size does not fit all.
3. The bill requires all operators to **waive their right of privacy** and permit the advertising platform to share all of their information. The county already has our information by virtue of paying our taxes. This provision is, on its face, unconstitutional and most certainly unAmerican.
4. The \$25,000 fine, Felony conviction and tone of the bill seems oppressive and a form of regressive taxation.
5. Other provisions of the bill expose legislators to pressure from lobbyists and others with the ability to take unfair advantage of the democratic process.
6. Finally, vacation rental owners provide another source of employment to members of their communities.

Respectfully submitted

HB-2605-SD-1

Submitted on: 3/30/2018 4:28:23 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
shannon barbour	Individual	Oppose	No

Comments:

Dear Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee,

My name is Shannon Barbour. My husband and I, along with two of our children live on the west side of Oahu. We have a home that we share with guests that are visiting Hawaii. I am testifying in opposition to "HB 2605, SD1". This home is our personal residence and we are the host for our guests. Our space is not something that we would open to long term rental but as short term rental it gives us the opportunity to offset the expense of our mortgage. We are very conscious of our neighbors and have had zero complaints. We have had guests from all over the world and they have really enjoyed the experience of sharing our home.

I am writing to ask the Committee not to harm Hawaii's economy and my ability to supplement our monthly expenses. Without the option of renting out a portion of our personal home, we would have a very hard time meeting those monthly expenses. Home sharing has been a huge benefit for us and I believe it has provided a very much needed option for lots of travelers.

I want to thank the Chair and Committee for your time.

Sincerely,

Shannon Barbour

HB-2605-SD-1

Submitted on: 3/30/2018 4:29:59 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brooklyn Ouk	Individual	Oppose	No

Comments:

To the Elected Representatives and Senators of all Districts on Oahu and in the State of Hawaii:

My grandson was killed over nine (9) years ago this November in a car accident. The driver of the vehicle was impaired with smoking Marijuana and drinking alcohol. He had his whole life ahead of him taken that night at the age of 23. This same legislative body has approved the sale and use of marijuana in the State of Hawaii for “medicinal purposes” and are considering legalizing recreational marijuana. Alcohol is also alive and well with the law. What is wrong with you people?! Selling and drinking alcohol is legal even though millions every year die at the hands of drunk drivers and those impaired with marijuana. Yet, we, honest, tax-paying, registered voters and law-abiding citizens of the State of Hawaii, native to the islands, mortgage paying home owners, are being considered by this same body we voted for, in deciding to: 1- Take away our privacy in allowing on-line brokers to witness, use, calculate, and remit our private information to a host of “others” in carrying out your mandate 2-Deem us criminals equal to rapists 3- Fine us *-daily-* exorbitant amounts – even more than our mortgages ---and want us to vote for you again?!?

How can you deem us illegal criminals (renting our own homes as short term rentals) when the City has already and for years *allowed permits* to be given to a handful of people just because they got it before 1989? If this is permitted for them, then your arguments about being criminals should apply to them also. But it doesn't.

We have rentals for long-term tenants who have lived on our property for the past 30 years. We have kept their rents low amid this inflated economy because we know their struggles and their inability to rise above the low paying jobs, no matter how many in the household work. In so doing, we all struggle together. Short-term rentals help us keep their rents low so that it will cover our costs as well. We are not insensitive to the needs of others. In fact, it scares some from obtaining home-ownership because of the high mortgages and insurances we pay and these laws that take away our rights, raise our taxes, and bully us with the threat of outrageous fines.

Now, I understand that this legislative body wants to control foreign and non-resident blankets of properties to take our money out of the state. However, those of us who live here and want to be able to bring our children back to Hawaii, need to be considered and a way provided for us to protect and manage our properties and our heritage so that we, too, do not end up on the streets while foreign investors take it all.

Finally, short-term rentals do not kill, maim, or cripple others as your laws for consideration on legalizing recreational marijuana would allow. Please, stand up and be real problem solvers and represent ALL residents of Hawaii fairly. Someone in this legislative body - Anyone - Please find a better way to keep our islanders first and foremost so that we can truly be seen as the solution and not be tagged “the problem”.

Mahalo, Laura Adolpho

Laura Adolpho
808-398-9392

HB-2605-SD-1

Submitted on: 3/30/2018 5:29:07 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

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

Comments:

I support the testimony of RBOAA, and oppose this bill.

HB-2605-SD-1

Submitted on: 3/30/2018 5:30:46 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Robert Hughes	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 3/30/2018 5:31:22 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brenda S. Crawford	Individual	Oppose	No

Comments:

Dear Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee,

My name is Brenda Crawford. I am a resident of Poipu, Hawaii. I have lived on Kauai for over 30 years, having raised 3 kids who are also residents of Hawaii. I have been a full time Realtor on Kauai for 30 years. I own a legal vacation rental property in Poipu and utilize the services of Airbnb. In my personal opinion, Airbnb is one of the finest run vacation rental companies in the world from the position of both guest and host.

I am testifying in opposition to HB 2605, SD1. I am writing today to ask you ALL not to harm Hawaii's economy and the alternative accommodations sector of the tourism industry as you seek to secure taxes. I have collected and paid my GET and TAT taxes for the 10 years that I have run my vacation rental, supporting the Hawaii economy and our tax base, and I find this bill to be unfair. It will severely restrict alternative accommodations in Hawaii. My preferred accommodations when traveling as a guest are primarily through Airbnb. I feel like I get to see the real Hawaii. I get to meet wonderful people and typically become lifelong friends with them as a result. I would not want to see this be taken from me or other Hawaii residents who prefer this method of travel.

Thank you Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee,

Happy Easter! God Bless You ALL!!!

Brenda Crawford

HB-2605-SD-1

Submitted on: 3/30/2018 5:52:19 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alex Wilson	Individual	Oppose	No

Comments:

Aloha Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee,

I live in the Waikiki District and I oppose this Bill. As a local resident, I can see that people who come here are using the vacation rental service and they do this because they want to do something different. The way people travel these days is completely different than from the days of the past.

If the people want to travel and stay in vacation homes, they will. Instead of fighting a growing industry, work with it and make more money. You will not be able to stop the future.

Alex Wilson

HB-2605-SD-1

Submitted on: 3/30/2018 6:20:10 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ken Middleton	Individual	Oppose	No

Comments:

We strongly oppose HB2605 for a number of reasons. The economic multiplier of vacation rentals in our neighborhoods is substantial.

They employ a number of small businesses to keep them running, something hotels and labor unions don't.

These vacation rentals typically are kept up and improve our neighborhoods' appearances and valuations.

The crime rate in neighborhoods with vacation rentals is lower because of the activity around them throughout the day, something thieves avoid.

Vacation rentals bring to the Islands higher end and repeat visitors who wish to avoid the noise, congestion and seediness of Waikiki. These folks will go to a different destination that does cater to them if we don't or won't.

These are just a few of the reasons you need to drop this bill like a hot potato and work on sensible legislation that addresses the need for a permitting system that is a win-win.

Stop listening to the fake news from our hotels and labor unions that vacation rentals are causing a housing shortage. Monopolies always corrupt and the above two groups are no exception....stop accepting their contributions.

The bill imposes extraordinarily severe penalties for hosts, making a violation of short-term rental laws a class C felony, while failing to update short-term rental laws that are outdated.

By only imposing penalties without providing a means for hosts and property owners to share their homes, this bill will severely, and unfairly, restrict alternative accommodations in Hawaii.

Restricting alternative accommodations could potentially hurt local residents, business owners, and severely damage the state's

HB-2605-SD-1

Submitted on: 3/30/2018 6:38:36 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kathryn Fitts	Individual	Oppose	No

Comments:

To: Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee

Hello from Kailua-Kona, Hawaii. I'm writing in opposition to HB2605, SD1.

My husband and I are long-term Kailua-Kona residents, having moved from California in 1981. We started and raised our family of four children here in Kona, and bought a 5 BR home in 1996 for the family. Once they were grown, and moved away, the home became too large for the 2 of us, but we wanted to maintain it so we would always have the "family home". To facilitate this, we moved to a 1 BR condo within a mile of the "house property" which we also own, and have made the family home into a vacation home rental, managed by Kona Coast Vacations <www.konacoastvacations.com>.

On this property, we pay Property Tax (without any exemptions), GE and TA taxes, as well as the State and Federal Income Tax related to the rental. Certainly, the government is a winner in this.

In addition, there are large numbers of people who receive income due to this rental: the management agency and their many employees, Pool Service, Yard Service, Housekeeping Service, Handyman Service.

My husband and I also travel during the year, and have placed our residence, the one bedroom condo in a resort zoned project, into the airbnb rental pool when we're out of state.

These vacation rental endeavors make it possible for us to earn extra income, something that is very important to us as we are in our early 60s and are self-employed. They also enable us to keep our properties.

I'm asking that the Committee not harm Hawaii's economy and the alternative accommodations sector of the tourism industry as they seek to secure taxes. Certainly the taxes need to be paid, which we do. I believe there are fair ways to regulate short-term rentals to preserve a neighborhood's character, quality and safety, **but this bill is not the way**. We are regularly at the house to update it, and are also attentive to

the needs of our neighbors regarding the guests who frequent the property. Though we don't live there now, these people are our neighbors, and we value their friendships.

According to airbnb, **This bill isn't just bad, it's unfair.** The bill imposes extraordinarily severe penalties for hosts, making a violation of short-term rental laws a class C felony, while failing to update short-term rental laws that are outdated. By only imposing penalties without providing a means for hosts and property owners to share their homes, this bill will severely, and unfairly, restrict alternative accommodations in Hawaii. Restricting alternative accommodations could potentially hurt local residents, business owners, and severely damage the state's economy. **The livelihoods of thousands of Hawaii residents and hundreds of millions of dollars in revenue for the state are at risk if this bill is approved.**

For us to think that we might be at risk of a Class C Felony, is especially frightening! Kona is a wonderful place for tourists to experience, and the number of hotel rooms in the Kailua-Kona area is quite small. Many multi-generational families visit, and want to do so in a home. There are reasonable methods to implement ways to preserve neighborhoods, but to threaten me as a homeowner with a Felony for making my home into a vacation rental just seems so contrary to the Aloha Spirit that our state embodies. It is also contrary to a reasonable solution!

Thank you so much for your time in considering my letter and the importance of this matter to the life and livelihood of residents in our state.

Sincerely,

Kathryn Fitts

Kailua-Kona, Hawaii

HB-2605-SD-1

Submitted on: 3/30/2018 6:50:14 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jamie Lawrence	Individual	Oppose	No

Comments:

I support the testimony submitted by RBOOA. Items included in this bill seem to be unconstitutional in my opinion.

HB-2605-SD-1

Submitted on: 3/30/2018 7:16:13 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melinda Clements	Individual	Oppose	Yes

Comments:

Aloha Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee,

My name is Melinda Clements, I live in Hilo, Hawaii . I am Native Hawaiian, born and raised here on the Big Island. I am a Special Education Teacher and owner of a short term rental through Airbnb. I have a business license and pay GE and TAT taxes every six months. I started renting out a part of my home in order to help make ends meet. It allows me to pay for my home.

I am aposing this bill to ask the Committee not to harm Hawaii's economy and the alternative accommodations sector of the tourism industry as they seek to secure taxes.

I support Home sharing because alternative accommodations help support Hawaii's visitor industry and are crucial to the health of the state's economy. They also generate more than \$5.1 billion in economic impact and are responsible for more than 34,000 jobs. Home sharing also allows local residents to generate extra revenue to help deal with Hawaii's high cost of living. Especially for me I would not be able to make ends meet without home sharing. Thank you so much for your time.

Mahalo,

Melinda Clements

HB-2605-SD-1

Submitted on: 3/30/2018 7:35:51 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Drew Santos	Individual	Oppose	No

Comments:

Dear Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee,

My name is Drew Keli'i Santos and I am native Hawaiian living in Ewa Beach. Being born and raised on Oahu, I saw my parents struggle to send me to Maryknoll...just so I could get a better education and do more than they did. I went away to college on the mainland and returned to help support my family and start a career. I am **testifying in opposition to "HB 2605, SD1"**.

As many of us local people already do, I have a second job and catch the bus just to survive. Utilizing home sharing has been an enormous opportunity for me and my family to subsidize the rising cost of Hawaii. I am honest about what I do with my neighbors and we pay our taxes...yes, even the transient accommodation taxes. We are trying to do the right thing, but I need your support. Home sharing is a great idea which helps with visitors looking for unique stays and experiences. It also provides them opportunities to stay closer to family members where hotels may not be available. I also ask that you consider allowing portals to collect tax as this will not only generate income for the city but also support public services and create a level playing field for all.

I ask that you consider people like me who need the help or I'll have to consider moving. My sister who was born and raised here, as well, will be moving to Las Vegas this summer. She can no longer afford to live here with rent and the cost of living. I have to stay here with my aging parents and my 93 year old grandmother.

Thank you for your consideration and time. Mahalo, Drew.

HB-2605-SD-1

Submitted on: 3/30/2018 7:44:38 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Katherine Daly	Individual	Oppose	No

Comments:

I support the testimony provided by RBOAA.

HB-2605-SD-1

Submitted on: 3/30/2018 8:03:09 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Pat fox	Individual	Oppose	No

Comments:

I support testimony given by RBOOA, in opposing SB2605.

I've been paying Hawaii GE and TA taxes on my rental (both long term and short term) since I bought the property in 1991, and would have a permit if there had been access to one! Please make it possible for me to become legal, as I am not a willing lawbreaker.

My family moved to Honolulu in 1945 when my father became president of Punahou for the next 24 years. The day before he died in 1991, he signed the proxy papers for my purchase of the North Shore condo, which I dearly love. I am able to use it between rentals, which is a great pleasure, not possible with my previous long term renters, one of whom stayed 11 years!

Let's find a way to join the worldwide shift to this beneficial type of tourism, and properly regulate it to mollify unwarranted negative press.

aloha,

Pat Fox

HB-2605-SD-1

Submitted on: 3/30/2018 8:10:11 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gary A Bodine	Individual	Oppose	No

Comments:

Aloha Representatives,

I oppose this bill. I voluntarily calculate and pay my Ta and Get tax just like I pay my federal income tax. I don't want a third party reporting on my behalf. It is plenty complicated as it is. Please give us the benefit of the doubt and let us comply with the law.

Mahalo,

Gary Bodine

HB-2605-SD-1

Submitted on: 3/30/2018 8:27:17 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrea Butter	Individual	Oppose	No

Comments:

I oppose this bill for all the reasons in the testimony provided by RBOOA. Thank you for your consideration

HB-2605-SD-1

Submitted on: 3/30/2018 8:33:19 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Bailey Wharton	Individual	Oppose	No

Comments:

Aloha and thank you for the opportunity to supply testimony:.

- 1.I have a vacation rental in Puako, on the Big Island.
2. I have hosted over 150 fabulous guests from many parts of the world including India and Japan
3. Without exception every guest I host tells me they could not afford to visit Hawaii and stay in an expensive hotel and that the Vacation Rental experience at my humbler home is simply wonderful. Read my guest book. Parts are on line.
4. Hotels have recorded record occupancy this year so Vacation Rentals do not impact hotel occupancy in a negative way. I believe the vacation rentals may even enhance guests views of the Islands and they may consider hotel occupancy in the future.
5. I live in the home that I use as a Vacation Rental and love my guests. The income I receive allows me to continue to live here and support the economy and my family of six. All my guests support the economy as well and their impact on Puako is negligible. My neighbors do not even know I have vacation rental and guests staying with me.
6. I pay my taxes on a regular basis and Hawaii stands to gain an enormous tax windfall with a reasonable approach to the Vacation Rental issue.
7. I just don't get it. HAWAII is a vacation destination. I believe it is the number one industry. I think the State should do everything within its power to encourage and enhance the vacation experience. Encouraging and supporting the vacation rental industry is one way to not only encourage and enhance the vacation experience for our worldly guests but it will provide an amazing windfall for the state coffers AND provide gainful employment and income to our residents.
8. Support and allow the web portals such as Airbnb and VRBO (and all the others) to collect the Taxes and DO NOT PENALIZE the efforts of Transient Accommodation god fearing citizens. We are only trying to make a living and in the process enhance a

visitors experience to the ISLANDS. Transient accomodatons are here to Serve or guests, earn a modest income and to pay our taxes with will amount to milliions and millions of dollars for the State. Use it wisely, please.

Thank you and Mahalo Nui Loa

Bailey Wharton

Puako, Hi

HB-2605-SD-1

Submitted on: 3/30/2018 8:57:57 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Rose Higashi	Individual	Oppose	No

Comments:

To: Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee

I am Rose Higashi. I'm a registered voter and I live in Kaaawa. I'm testifying in opposition to HB 2605, SD1. I ask the Committee not to harm Hawaii's economy and the alternative accommodations sector of the tourism industry as they seek to secure taxes. Alternative accommodations help support Hawaii's visitor industry and are crucial to the health of the state's economy. Home sharing also allows local residents to generate extra revenue to help deal with Hawaii's high cost of living.

Thank you for hearing my testimony.

HB-2605-SD-1

Submitted on: 3/30/2018 9:02:47 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrew Pendleton	Individual	Oppose	No

Comments:

I support the testimony provided by RBOOA.

Enforcement of TAT compliance is essential, but **HB2605 HD2 SD1** is extreme.

There are other ways to achieve compliance.

Mahalo

HB-2605-SD-1

Submitted on: 3/30/2018 9:09:44 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lucretia Worster	Individual	Oppose	No

Comments:

I strongly oppose HB2605. This bill is clearly written with the goal of eliminating transient vacation rentals which are vital to our communities. It will crush the tourism industry in more remote areas of the islands, take away valuable jobs, and reduce the amount of tax revenue generated for the state and counties.

TVRs are essential to our communities: I live in Volcano, a small town which has only a few "hotel-style" accommodations, all easily over \$200 a night. Volcano National Park has over 2 million visitors a year. Without transient vacation rentals, these visitors would stay for a few hours, then leave. The next closest hotels are over 40 minutes away in Hilo. Restaurants would close. Stores would close. Cleaners and maintenance people would have to commute long distances, and still make less per hour.

Volcano is a vibrant community. There are vacation rentals, but also families, retirees, and artists. Many of our residents are able to live here BECAUSE of vacation rentals. A 2015 study showed that 66% of Hawaii-based TVR owners require that income to pay their monthly bills. Jobs associated with vacation rentals pay far more than minimum wage. Would Target pay \$20 an hour to have their toilets washed? Probably not.

This will not fix housing: If you are attempting to address the long term housing market, this is not the way. Do something about landlord tenant laws and make it more economically attractive for owners to rent their homes long-term.

Many short term accommodations, especially those that cater to young and budget-conscious travelers, are not meant for long term living. If I could not run my vacation rentals, they would sit empty or possibly be sold — most likely to someone off-island who would only visit a few weeks a year. These off-island empty-house owners would NOT pay state taxes and would not contribute significantly to our economy. Like the former short term rentals on Kauai, our neighborhoods would become empty shells and businesses would close.

This law is overreaching: I run my own business, but if I did hire a company to help me, it should not be their responsibility to make sure I pay my taxes. I am the business owner and tax payer. The state and county should come to me if there is a question.

There are already rules regarding privacy and information sharing that apply to ALL businesses, regardless of the type of business. By singling out TVRs, HB2605 is depriving transient accommodation operators of rights provided to other taxpayers and establishing a frightening new precedent.

Hawaii Island brings in a considerable amount of money via TAT and GET, and would bring in even more if current laws were enforced. Receiving our fair

share of that tax revenue should not be contingent on taking away livelihoods. This is a ridiculous law that would only hurt our community and benefit big businesses and those with a vendetta against their neighbors.

Again, I am adamantly opposed to HB2605. Please do the right thing and oppose this job killing law.

HB-2605-SD-1

Submitted on: 3/30/2018 9:13:00 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Wayne	Individual	Oppose	No

Comments:

To: Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee

I am Wayne Higashi. I'm a registered voter and I live in Kaaawa. I'm testifying in opposition to HB 2605, SD1. I ask the Committee not to harm Hawaii's economy and the alternative accommodations sector of the tourism industry as they seek to secure taxes. Alternative accommodations help support Hawaii's visitor industry and are crucial to the health of the state's economy. Home sharing also allows local residents to generate extra revenue to help deal with Hawaii's high cost of living.

Thank you for hearing my testimony.

Wayne Higashi

HB-2605-SD-1

Submitted on: 3/30/2018 9:39:47 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Bell Jeffrey	Individual	Oppose	No

Comments:

I support the testimony provided by RBOOA.

HB-2605-SD-1

Submitted on: 3/30/2018 10:30:37 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lois Crozer	Individual	Oppose	No

Comments:

This bill is so ridiculous I don't even know where to start.

HB-2605-SD-1

Submitted on: 3/30/2018 10:54:06 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
glenn frazier	Individual	Oppose	No

Comments:

Dear Chair, Senator Dela Cruz, I am Glenn Frazier and live in Princeville, Kauai. I have lived on Kauai for over 20 years, serving as pastor of the Church of the Pacific. Upon retirement we were able to purchase a home in Princeville and are able to afford to continue living where we can serve in our community because we are fortunate enough to make one of the rooms in our house available thru AIRBNB. We pay all taxes and would like to have AIRBNB service our complete tax commitments and collection.. But this bill unjustly makes requirements that are unfair to those of us who have to have this additional income (work opportunity) in our retirement in order to afford living in Princeville. We love this good business opportunity and it is unfair to place restrictions and gather information that is not applicable to any other legitimate business. Please help to protect the wonderful experiences we have in hosting our wonderful guests. Mahalo Glenn and Mary Frazier

HB-2605-SD-1

Submitted on: 3/31/2018 3:31:28 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Debi Sigetic	Individual	Oppose	No

Comments:

I oppose HB2605. This is dangerous legislation. As a homeowner and vacation renter, I am 100% compliant with current Hawaii state and county laws and requirements. We should not be subjected to penalties that would arise from an advertising platform like AirBnB or Homeaway that could be negligent in remitting my TAT and GE taxes. I oppose giving my personal tax information or reporting responsibilities to anyone else. No other tax payer is required to provide this level of information without a subpoena.

HB-2605-SD-1

Submitted on: 3/31/2018 3:59:00 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
scott miller	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 3/31/2018 4:21:19 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
John McCluskey	Individual	Oppose	No

Comments:

The privacy implications in this bill are troubling. In the zeal to ensure compliance, I fear the dissemination of sensitive, personal information is downright dangerous.

HB-2605-SD-1

Submitted on: 3/31/2018 4:35:57 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
lee wilkerson	Individual	Oppose	No

Comments:

This bill assumes that I am so stupid I don't keep track of my property and the tax payments.

I pay my taxes and resent that the government feels they need to impose futher fines and penalties and be ever more invasive of my privacy.

I will continue to pay my taxes and collect the appropriations fees, but this bill charges me of being guilty before I'm proven innocent.

sincerely

lee wilkerson

HB-2605-SD-1

Submitted on: 3/31/2018 4:52:03 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Trisler	Individual	Oppose	No

Comments:

Short term rentals are an absolute necessity for local economies and should be given access to permits and reasonable regulations. This bill is unconstitutional in so many ways, requiring excessive documentation, egregious tax responsibilities, unsafe privacy violations, and an overall hard line punitive stance against personal property rights. Please dismiss this bill. I will not vote for anyone who supports this bill and will actively donate to their competitor.

HB-2605-SD-1

Submitted on: 3/31/2018 5:15:09 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Charles Mackin	Individual	Oppose	No

Comments:

I support the testimony provided by the Rental By Owner Awareness Association

HB-2605-SD-1

Submitted on: 3/31/2018 5:21:54 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Pete Cordova	Individual	Oppose	No

Comments:

I oppose the Bill in that it will hurt Transient Accommodation owners who simply want to enjoy our beautiful State and cannot otherwise afford to own property unless government regulations and taxation remain reasonable. I strongly oppose this Bill.

HB-2605-SD-1

Submitted on: 3/31/2018 5:22:08 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Adam Leamy	Individual	Oppose	No

Comments:

I oppose this bill and respectfully refer you to the common-sense, intelligible rationale for opposition of this bill as provided by Rental By Owner Awareness Association (RBOAA).

HB-2605-SD-1

Submitted on: 3/31/2018 5:27:26 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

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

Comments:

I support the testimony provided by RBOOA .

1. The advertising broker (i.e. AirBnB) may collect and remit tax on behalf of all advertisers. However, if they mess up, AirBnB and the owner are jointly and severally liable for all taxes. So, if AirBnB collects TAT and doesn't remit it, you are potentially on the hook.
2. The bill also requires AirBnb to provide details of how many nights were rented, the rates per night, the address and name and number of the local contact – and this information can be made available to the Counties. The County of Honolulu has been asking for this for years to help detect compliance with their complex permitting requirements. No other tax payer is required to provide this level of information without a subpoena.
3. The advertising broker is required to share your 1099 information with the county. The State Department of Tax is, by federal law, strictly forbidden to release this information to anyone. The bill requires all operators to waive their right of privacy and permit the advertising platform to share all of their information. (Facebook didn't ask, but you knew they were doing it anyways!)
4. All operators must provide proof of compliance with all zoning, land use and tax laws. Our concern here is in providing positive proof of compliance – how do you prove you are legal in every regard. The Counties have no system to accommodate this.
5. Failure to comply with any tax or zoning law – or commit any act which the county doesn't like - may result in a fine of \$25000. Failure to respond within 7 days results in a second \$25,000 fine. This is better than the earlier draft which was a Class C Felony (more than one year in prison). The bill also provides for not only seizure of the property but also all income earned from operating a vacation rental.
6. The bill also allows counties to phase out all transient accommodation in any zone for any reason. This is concerning as county councils and the state legislators are very prone to pressure from unions, neighborhood groups, and anyone else who might vote.
7. An amnesty program which was in an original draft has been deleted. If people want to come in from the cold, it helps if you hold the door open for them.

HB-2605-SD-1

Submitted on: 3/31/2018 5:38:06 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Steven Cerveris	Individual	Oppose	No

Comments:

I strenuously oppose this bill and support the testimony provided by RBOOA.

For as long as I have owned property on Maui, I have consistently and timely paid all taxes (income, TAT and GET) due when I have rented my unit. I believe in strengthening Hawaii's economy by contributing to its tourism industry. Legislation such as is being proposed will ultimately be detrimental to Hawaii as I believe many property owners, such as myself, would find these provisions so onerous that we would feel compelled to sell our properties, thereby limiting tourism and reducing tax revenues.

HB-2605-SD-1

Submitted on: 3/31/2018 5:53:55 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kim Schweder	Individual	Oppose	No

Comments:

Support testimony submitted by RBOOA. Thank you.

HB-2605-SD-1

Submitted on: 3/31/2018 6:42:22 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Shirley Cooney	Individual	Oppose	No

Comments:

I support the testimony provided by RBOOA.

Shirley Cooney

HB-2605-SD-1

Submitted on: 3/31/2018 6:53:31 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
aleta merkel	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 3/31/2018 6:55:32 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dav	Individual	Oppose	No

Comments:

I fully support the testimony provided by RBOAA

HB-2605-SD-1

Submitted on: 3/31/2018 6:57:16 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

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

Comments:

I operate a lawful, licensed vacation rental home on Maui. I plan to move to Maui full time within ten years. I submit regular returns and pay taxes and myself and my guests put a lot of money into the Maui economy. I oppose this bill because it is draconian and for the reasons submitted in RBOAA's (rental by owner awareness association) testimony.

HB-2605-SD-1

Submitted on: 3/31/2018 6:58:19 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kathleen Kruszecki	Testifying for RBOOA	Oppose	No

Comments:

I support the testimony provided by RBOAA.

HB-2605-SD-1

Submitted on: 3/31/2018 7:35:41 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Caroline Friesen	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 3/31/2018 8:31:10 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Chito Gebhart	Individual	Oppose	No

Comments:

I support the testimony provided by RBOOA

HB-2605-SD-1

Submitted on: 3/31/2018 8:32:05 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Rebecca Hoshiko	Individual	Oppose	No

Comments:

Aloha Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee,

My name is Rebecca Hoshiko and my condo is in Kailua Kona Hi. I have owned my condo since June 2012. I currently reside there only a few months out of the year but do vacation rentals the other months. My husband and I plan on moving to our condo after he retires. In the meantime, we are able to legally do vacation rentals and help reduce the costs associated with owning the condo. But, more importantly, we actually help our Hawaiian community and work force by owning our condo.

We pay our property taxes every year, we pay TAT and GET taxes, we have our licenses for both, we hire people to caretaker our condo, our condo employees about 6 different cleaners, we buy local goods to furnish and maintain our condo, we hire plumbers, carpet layers, and electricians. We also rent cars and our guests do so as well. Our condo complex hires workers, suppliers and maintenance people as well. The groceries, outings, restaurants, gasoline purchases and tours are all supported due to the fact that we own and vacation rent our condo.

My family and I are not the only property owners that support the local economy, infusing it with money.

I am testifying in opposition to HB 2605 SD1

I ask that you not harm the Tourism industry that is thriving in the state of Hawaii. You have just recently added another percentage to the TAT taxes to pay for a rail line that the Big Island does not enjoy the use of. The tourism industry supports more than 34,000 jobs and generates more than \$5.1 billion annually. I support home sharing and think it is important to help the local and state economy. Airbnb, VRBO, Homeaway, TripAdvisor and many others are businesses that safely link vacation rentals with possible renters. They make this business reliable, trustworthy and economically feasible for so many out of state owners as well as local families trying to supplement their income in tough times.

Might I suggest that the gasoline tax be increased to supplement tax revenues.

Also, I do believe that making onerous legal repercussions for owners is detrimental and sends the wrong message. I personally, do not want my private information shared to unknown entities. We can all see how that might end badly.

Please help me, my family and all the other families be happy and successful. We all love Hawaii and want to preserve it for everyone.

Mahalo for your time!

Best Regards,

Rebecca K. Hoshiko

HB-2605-SD-1

Submitted on: 3/31/2018 9:20:22 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Patricia Alexander	Individual	Oppose	No

Comments:

I support the testimony provided by RBOAA (Rental By Owner Awareness Association).
Thank you.

HB-2605-SD-1

Submitted on: 3/31/2018 10:08:34 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Carol Walters	Testifying for RBOOA	Oppose	No

Comments:

1. I support the testimony provided by RBOOA.

Testimony in opposition to “HB 2605, SD1”

Carolina Cariaga-Camacho

April 1, 2018

Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee, my name is Carolina Cariaga-Camacho, and I am a public school teacher, a homeowner, and 25-year resident of Kapolei.

Thank you for allowing me to address you. I am testifying in opposition to HB 2605 SD1. As you know, Hawaii has a high cost of living. For the past 4 months, I started renting out a room in my home to help pay for college expenses for my two youngest children, as well as help pay for my mortgage. Home sharing also allows local residents like myself to generate extra revenue to help deal with ever-increasing living expenses. Alternative accommodations help support Hawaii’s visitor industry and are crucial to the health of the state’s economy.

I am not opposed to paying my fair share of taxes, and could support the tax collection features of the bill. However, I am opposed to:

- Allowing my private information to be released to the government;
- The imposition of incredibly harsh penalties and onerous mandates on hosts, property owners, and the platforms we use;
- The extraordinarily severe penalties of a class C felony for hosts who may be in violation of outdated short-term rental laws.

Instead of restricting alternative accommodations that could potentially hurt local residents, and business owners, the state should explore ways to support property owners like myself that share their homes on short term basis simply to help pay mortgage and college expenses.

Please do not pass this measure. Thank you Chair and Committee members for your time.

HB-2605-SD-1

Submitted on: 3/31/2018 9:58:55 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Charles W Fotik	Individual	Oppose	No

Comments:

As an out-of-state owner, I am strongly opposed to this bill. Among other provisions, the bill requires AirBnb to provide details of how many nights were rented, the rates per night, the address and name and number of the local contact, and this information can be made available to the Counties. The County of Honolulu has been asking for this for years to help detect compliance with their complex permitting requirements. **No other tax payer is required to provide this level of information without a subpoena.** Why do you persist in attempting to burden us with these bills?

HB-2605-SD-1

Submitted on: 3/31/2018 10:25:31 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kathleen Dinman	Individual	Oppose	No

Comments:

To Committee: WAM

OPPOSE for HB2605, SD1

April 3, 2018

Testimony of Kathleen Dinman

(808)780-6325

To Chairperson:

My name is Kathleen Dinman. Thank you for the opportunity to testify in opposition of HB2650, SD1. Please consider allowing short term rental accommodations.

I have been a widow for over 7 years and have two children. The only way I can pay for college tuition at UH and keep paying for repairs and maintenance on my home in Kailua is to share my home with visitors for additional income.

I contribute to the community by using the services of pool cleaner, house cleaner, and airport shuttle. I encourage my guests to dine at nearby restaurants and shop for locally grown produce.

I live on the same property and make sure the visitors do not bother my neighbors, I provide a parking stall on my property, and I supervise the noise level.

Most of these visitors said they would not travel to Hawaii if they had to stay in a hotel in Waikiki. Either they have experienced that part of Hawaii on a previous trip or they prefer to be outside a major city.

I support the idea of taxing the income on short term rentals and using part of that to help homeless families. Thank you for consideration short term rentals.

Aloha,

Kathleen Dinman

(808)780-6325

HB-2605-SD-1

Submitted on: 3/31/2018 10:43:01 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Patti Udin	Individual	Oppose	No

Comments:

I own 2 condos on the island of Kauai. I rent them myself through VRBO and Airbnb. I have an on island manager. I pay my taxes promptly. I feel that I should not be subjected to the terms of this bill as I faithfully pay my taxes. I fully support the State of Hawaii and am a Board Member at one of my condos. We our employees and care for our property. I support the position of RBOOA.

Mahalo,

Patti Ann Udin

HB-2605-SD-1

Submitted on: 3/31/2018 10:58:54 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alejandro	Individual	Oppose	No

Comments:

Dear Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee:

My name is Alejandro Goya live in Haiku Maui with my family and to be able to keep our property we decided to start our family vacation rental business which took us years and it was very difficult and challenging to create.

Herein I'm testifying in opposition to "HB 2605, SD1"

Please do not to harm Hawaii's economy and the alternative accommodations sector of the tourism industry by seeking to secure taxes.

Our dear guests do want to stay in turist areas or in hotels, so without accomodations like ours they would not have place to stay in Maui.

Home sharing also allows local residents to generate extra revenue to help deal with Hawaii's high cost of living

To run our business we hire people to help us with our business and we believe our business is a valuable one to help the State economy.

Vacation rentals as a whole generate more than \$5.1 billion in economic impact and are responsible for more than 34,000 jobs

Alternative accommodations help support Hawaii's visitor industry and are crucial to the health of the state's economy.

Thank you for your time and consideration,

Alejandro Goya

HB-2605-SD-1

Submitted on: 3/31/2018 11:19:22 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joanna Netzke	Individual	Oppose	No

Comments:

Aloha, I have been greatly alarmed by this Bill. I am totally opposed to this Bill as it is overly harsh in nature and will hurt our economy. Hawaii is a tourist destination and we must allow for the varying levels of ways our visitors are able to find accomodations. I have been pleased to share my home with many guests who come and share the wealth of history and culture of these Islands. By having my guests come and stay in a budget friendly manner, they are able to fuel the local economy and generally are great for local businesses. Home sharing venues only add to the benefit that is good for all. I think we should think more collectivley and vote against this measure that would penalise the home share transient visitor industry. Please take this into consideration. Thanks for your time in this matter

HB-2605-SD-1

Submitted on: 3/31/2018 11:38:35 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kelly Finn	Individual	Oppose	No

Comments:

As a vacation rental owner in the Puna District of Hawaii, I live in a completely different situation than people in other parts of the State such as Kailua, Oahu. The Puna District is very large, nearly the size of the island of Kaua'i, yet the only hotels are in Volcano, about one hour from where I live. There are also virtually no jobs here and therefore providing guests with a unique experience and a place to stay also helps me and other vacation rental owners pay the bills. We provide guests a positive experience and contribute to the local economy by hiring cleaners, handymen, and yard work. I pay my TAT and GET and my rental causes no disruption to anyone as the subdivision is rural with large parcels. To lump this situation in with that of Lanikai or even Keaukaha is wrong and akin to comparing apples with carrots. To penalize folks like me is also wrong. At this time Hawaii county is not even enforcing the rules in place, including requiring new building to obtain and comply with permits, requiring new building to install septic tanks and not cesspools (or worse), yet they consider layering on more requirements which will only burden those who comply with existing regulations set forth in HRS. This issue (which is not really an issue where I live) should be dealt with on a much smaller scale than even County-wide. Please do not pass a bill that will encourage more vacation rental owners to go underground and put other honest folks out of business. Mahalo

HB-2605-SD-1

Submitted on: 3/31/2018 12:07:05 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Roman and Sophia Zaretsky	Individual	Oppose	No

Comments:

I'm the owner of short term rental unit on Maui. I submit regular tax and payments. I and my guest contribute a lot of money to Maui economy and I'm strongly oppose to HB2605.

HB-2605-SD-1

Submitted on: 3/31/2018 12:33:27 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mark Gordon	Individual	Support	No

Comments:

As you are aware this Bill provide a mechanism for transient accommodations brokers such as Airbnb and VRBO to collect taxes on behalf of the state.

HB 2605 contains enforcement measures that require the Internet booking platforms to verify the legality of a vacation rental before doing business with it. This is needed to ensure the vacation rental meets all the State and County regulatory requirements.

By better tracking and registering vacation rentals, TAT and other required taxes could be collected from the owners. These additional taxes are much needed by the State and certainly the Counties.

I also believe that there should be an anonymous hotline for residents who live near vacation rentals to report the residence to the County and State to ensure they meet the regulatory requirements.

HB 2605 would provide each County \$1 million to set up a registration, property taxation and tracking system for vacation rentals.

This would provide much needed funds to Counties to help enforce this Regulation.

Thanks for allowing me to share my comments.

HB-2605-SD-1

Submitted on: 3/31/2018 1:00:48 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
John Peabody	Individual	Oppose	No

Comments:

This bill is a significant on the privacy of individuals. I support the testimony provided by the RBOAA !!

HB-2605-SD-1

Submitted on: 3/31/2018 1:02:49 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
kathy young	Individual	Oppose	No

Comments:

I oppose and support the RBOOA testimony.

kathy young

HB-2605-SD-1

Submitted on: 3/31/2018 2:21:21 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Rae DeCoito	Individual	Oppose	No

Comments:

Aloha Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, Way & Means Committee

My name is Rae DeCoito and my family has resided in Hawaii Kai, District 17 for the past 25 years. I am testifying in opposition to "HB 2605 SD1". I strongly believe that this bill is harmful to Hawaii's economy and the alternative accommodations sector of the tourism industry. Alternative accommodations help support Hawaii's visitor industry and has been successful in meeting the new travel choices by local, national & global travelers. Home sharing allows local residents to generate much needed extra revenue to help deal with Hawaii's ever increasing high cost of living. Please do not allow the special interest groups such as the Hotel industry to dictate who can provide Hawaii visitors lodging. Alternative accommodations will be the wave of the future and this bill only impedes the 5 billion in economic impact and over 33,000 local jobs.

Mahalo for your time in considering how best for Hawaii to move into a future of new travel alternatives.

Rae DeCoito

HB-2605-SD-1

Submitted on: 3/31/2018 2:59:16 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Marie T. Sherrow	Individual	Oppose	No

Comments:

Dear Representatives in State of Hawaii Legislature,

This bill does not address ILLEGAL rentals. AirBnB does NOT require those advertising on it's website to submit their permit numbers and should not be allowed to collect taxes period. Legal rentals are already paying their taxes!

The bill also allows counties to phase out all transient accommodation in any zone for any reason. Those of us who went through the considerable expense, time and effort and who have been running their BnBs with neighbors blessings, have had their license renewed should not now fear that this will be taken away. We already pay higher taxes and are subject to many County rules and regulations.

If you are going to create a fine for anyone, it would be those who are running an ILLEGAL transient accommodation. Those who are running legal operations are easy to check through Hawaii.gov tax portal. The County has the name and information on these permitted residential properties so it is an easy check.

Only the legal owners of a rental unit should be responsible for their payment of taxes and the County should have the right to audit when only when substantiated suspicious activity is suspected.

Thank you for your time, I do not want to see this bill go any further as it does not address the real problem and that is the one of ILLEGAL rentals and the ability of counties to enforce the permit law.

Mahalo,

Teri Sherrow

Maui County

HB-2605-SD-1

Submitted on: 3/31/2018 3:05:18 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gudrun Carstairs	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 3/31/2018 4:40:01 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sandra Hollenberg	Individual	Oppose	No

Comments:

This bill has undergone too many revisions to be fair to anyone any more.

HB-2605-SD-1

Submitted on: 3/31/2018 4:43:39 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Yvonne Rubes	Individual	Oppose	No

Comments:

Aloha, Chair senator Dela Cruz, Vice Chair Senator Keith-Agaran and the Ways and Means Committee,

HB2605 HD2 SD1 will be a huge harm to Hawaii's economy and the alternation accommodations sector of the tourism industry as it seeks to secure taxes.

1. Alternative accommodations help support Hawaii's visitor industry and are crucial to the health of the state's economy:

A lot of Hawaii visitors are looking for diversity life style, can know more Hawaii's culture, history, food,etc.,discover more fantastic Hawaii's unique life styles, Aloha spirite. Alternative accommodations support those thoughts. Meanwhile help Hawaii's products, Hawaii's tourist industry more attractive to the people in the world.

2.In the same time, home sharing also allows local residents to generate extra revenue to help deal with Hawaii's high cost of living, help the people to deal with monthly mortgage on the property and reduce the foreclosure rates.

3.Home sharing generate more than 5.1 billion in economic impact and responsible for more than 34,000jobs.

4. In order to secure the taxes: transient accommodation and general excise taxes: ask each alternative accommodation operator or manger company to get the taxes certification of registration for each home sharing. Paying taxes is each residence responsibility. American is free country, support people to do all kind of business, alternative accommodations is also a business with tourism industry.

5.I believe there are fair ways to regulate alternative accommodation to preserve a neighborhoods character and valuable housing stock, BUT THIS BILL IS NOT THE WAY!

6.Additionally the bill, as drafted, violates federal law by requiring private information of alternative accommodation operator to local government.

Mahalo to Chair and commitee to spend time to read my testifing in opposition to "HB2605,HD2 SD1"

HB-2605-SD-1

Submitted on: 3/31/2018 3:27:48 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Helen Petrovitch	Individual	Oppose	No

Comments:

I agree with the testimony given by RBOAA. I strongly oppose this bill.

HB-2605-SD-1

Submitted on: 3/31/2018 3:43:59 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Reginald E. Smith	Individual	Oppose	No

Comments:

We are opposed to this bill. We support the testimony submitted by Rental By Owner Awareness Association (RBOAA)

Please vote against this bill.

R & S Smith

HB-2605-SD-1

Submitted on: 3/31/2018 3:08:41 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gary Stephens	Individual	Oppose	No

Comments:

My name is Gary Stephens. With my wife, Barbara, we own a vacation rental in Kapaa, Kauai, since 2002. I am writing to express my opposition to HB 2605.

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 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.

We support RBOAA's objections to this bill.

Gary & Barbara Stephens, Owners

Pono Kai Resort #D-308, Kapaa, Kauai

HB-2605-SD-1

Submitted on: 3/31/2018 4:51:23 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
john macpherson	Individual	Oppose	No

Comments:

This bill unfairly and restricts alternative accommodations in Hawaii. Restricting alternative accommodations will negatively effect your residents, small business owners and the economy. Please don't alllow this bill to pass.

HB-2605-SD-1

Submitted on: 3/31/2018 5:02:13 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Maureen Landers	Individual	Oppose	No

Comments:

We vemently oppose this bill as it contains unfair, crushing financial and regulatory constraints on our ability to own and rent our condo in Maui. My husband grew up in Hawaii, and we have been traveling to Maui for over 30 years. We now own a condo, but we need rentals to support our ownership. This bill, if passed, would increase the many additional costs that we already occur to comply with all of Hawaii's vacation rental obligations. To pass more on to the renters will deter more from coming to Maui. In additon, the mandatory disclosure of 1099 information, and huge fines associated with compliance with a difficult regulation, is very scary. Scary enough to cause people like ourselves, who pay our taxes and do everything that we can to fully comply with all laws and regulations, to scare us away from ownership in Maui. It will also scare away renters who contribute alot of money to the local economy. PLEASE VOTE NO!

HB-2605-SD-1

Submitted on: 3/31/2018 5:19:54 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ann Whitener	Individual	Oppose	No

Comments:

WE OPPOSE THIS BILL!

Even though we cannot be there for the hearing, we feel that this bill imposes on people's rights. PLEASE recognize that this bill in its current form is going to result in lawsuits against the state and will waste time and taxpayer money.

Mahalo, Lynn WHitener

HB-2605-SD-1

Submitted on: 3/31/2018 5:25:07 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
H.Lee	Individual	Oppose	No

Comments:

PLEASE OPPOSE this bill.

It relies too heavily on false information and favors special interest groups in a way that will inevitably end up losing a large amount of badly needed tax revenue for the state.

Please consider positive reinforcement (Transient rental permitting, amnesty reporting) rather than negative punishment----it has not been effective, even though the state has been trying it for decades.

HB-2605-SD-1

Submitted on: 3/31/2018 5:28:52 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Candace Persoage	Individual	Oppose	No

Comments:

I am currently off island and cannot attend this hearing.

I STRONGLY OPPOSE this bill.

This bill is a poor choice during a time when we are desperately trying to find more tax revenue. Instead of spending more tax dollars enforcing private rentals, we should be spending the money to help them come out in the open and pay their taxes.

Thanks,

Candace Persoage

HB-2605-SD-1

Submitted on: 3/31/2018 5:36:24 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrea and Shirley Haines	Individual	Oppose	No

Comments:

We OPPOSE SB2605 --- we live on the Big Island and we feel this is not a state wide issue, it is a local, neighborhood by neighborhood issue. At the most, a county by county issue. It is imposing regulation on the Big Island that does not fit our needs or even makes sense for us.

Mahalo, for our consideration in this matter. Shirley and Andrea Haines

HB-2605-SD-1

Submitted on: 3/31/2018 5:41:10 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gayle Rubino	Individual	Oppose	No

Comments:

Aloha ,

Please OPPOSE SB2605 , our city and county desperately need the tax revenue, which would be much more easily collected by establishing a permitting procedure with a system of regulation and fines, rather than wasting tax money on more DPP enforcement which has proven to be ineffective.

Mahalo,

Gayle and Jay Rubino

HB-2605-SD-1

Submitted on: 3/31/2018 5:55:18 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jill Paulin	Individual	Oppose	No

Comments:

Please allow the counties to manage this issue which is clearly in their jurisdiction. Hawaii has always shown the Aloha spirit in inviting guests to enjoy our islands. Like all areas within our important tourism economy, we can manage this and make it a win-win for all. If we do not allow guests to rent "non-hotel" in our state, we will lose valuable business which supports our economy. We can find a balance between this and our longer term housing needs. Let's try harder to find a solution that works for everyone. Please let the counties do this for themselves.

HB-2605-SD-1

Submitted on: 3/31/2018 8:19:00 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Heather W. Botelho	Individual	Oppose	No

Comments:

I OPPOSE Bill HB2605

i have always paid my TA taxes & GE taxes

I am a Native Hawaiian and feel I should have the right to rent out my home in order to make ends meet. I live on the same property and have rules and regulations for my renters to follow. They don't bother any one and I provide parking on my property. Should I have to sell my Family Home?

HB-2605-SD-1

Submitted on: 3/31/2018 8:22:25 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kevin Barbour	Individual	Oppose	No

Comments:

Aloha Chair Senator Del Cruz, Vice Chair Senator Keith-Agaran, and members of the Ways and Means Committee. My name is Kevin Barbour and I live on the West side of Oahu. I currently live in a home along with several adult members of my family. We've been blessed to be in this home for just over a year now. We moved back to Oahu with 7 members of our immediate family four years ago after my wife, infant daughter and I moved away in 1986. It took 29 years of dreaming to gain the courage to move back after the high cost of living drove us away so long ago. The culture here is what always kept our dream alive. The stories we told about Hawaii along with a family visit back in 2000 allowed our children to dream about it as well. In the last four years our family has grown by 3, including spouses for two of my daughters and one for my son. In June we will be blessed with two granddaughters who will be born a week apart! A daughter and our grandson, married a sailor has moved into Navy housing. The rest of us live together. We are fortune enough to have a space that we also rent out on Airbnb. Home sharing allows us to afford our home and give a bit of a financial break to our adult kids here as well, as they start their carreers along with their spouses.

I'm testifying in opposition to HB2605, SD1. I'm asking the committee to not harm Hawaii's economy and the alternative accommodations sector of the tourism industry as you seek to secure taxes. Our guests have been from all over the world and each have expressed the desire to be out of the hustle n bustle of Honolulu and Waikiki and see the real Hawaii. They all travel frequently and all choose to use airbnb or similar home sharing sites. I do agree strongly against full home vacation rentals and believe in the homesharing aspect of short term rentals. My family and I spread Aloha every day and sharing our home allows us to spread that Aloha to people from all over the world.

Thank you for your time and once again, Aloha!

Kevin

HB-2605-SD-1

Submitted on: 3/31/2018 9:29:06 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kent Cole	Individual	Oppose	No

Comments:

I support the testimony provided by RBOAA.

HB-2605-SD-1

Submitted on: 3/31/2018 9:37:20 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Doris Cole	Individual	Oppose	No

Comments:

I support the testimony provided by RBOAA.

HB-2605-SD-1

Submitted on: 3/31/2018 10:00:20 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kiaaina Wong	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 4/1/2018 12:02:50 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Heather Rivera	Individual	Oppose	No

Comments:

Dear Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee,

I live in the North Hilo District and I am testifying in opposition to “HB 2605, SD1”. I ask the Committee not to harm Hawaii’s economy and the alternative accommodations sector of the tourism industry as they seek to secure taxes.

I support home sharing because:

- Alternative accommodations help support Hawaii’s visitor industry and are crucial to the health of the state’s economy.
- They generate more than \$5.1 billion in economic impact and are responsible for more than 34,000 jobs.
- Home sharing also allows local residents to generate extra revenue to help deal with Hawaii’s high cost of living.

Thank you for your time.

Heather Rivera, PhD

HB-2605-SD-1

Submitted on: 4/1/2018 1:33:55 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
john talbott	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 4/1/2018 2:05:17 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Katie Crump	Individual	Oppose	No

Comments:

Aloha,

Respectfully request your no vote on this bill. I have a vacation rental on Maui and have faithfully paid all my taxes as asked. I am not sure how an owner would provide proof of zoning on land use - why wouldn't that be a county's responsibility? I would hate to see a phase out of transient accommodations as they offer a valid alternative for families visiting Hawaii who cannot afford the high price of resorts, and left in resort areas, help protect all the islands' unique charms, history and customs. I support RBOOA and again ask for your NO vote on this bill.

Mahalo

HB-2605-SD-1

Submitted on: 4/1/2018 4:20:08 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Magdalene Phillips	Individual	Oppose	No

Comments:

To Chair Senator Dela Cruz, Vice Chair Senator Keith Agaran, and Ways and Means Committee:

Aloha, my name is Magdalene Phillips. My husband and I are retired and reside in Kapoho Vacationland, Pahoa, Puna on the Big Island. We have been vacation rental owners for over 10 years, and have been paying our TA, GE, income and property taxes promptly for all these years.

Our island is very large and has few hotels. People have fallen in love with some of our many areas of natural beauty, and return year after year to enjoy them. Staying at a vacation rental is the only way vacationers can take walks, snorkel in our tide pools and relax in our hot pond without having to drive at least 60 miles every day from and to the location of the nearest hotel in Hilo. To impose severe restrictions on vacation rental owners and curtail the number of places vacationers can stay at, would severely impact our economy in a negative way. Our home is surrounded by vacation rentals and we enjoy meeting people from all over the world. I oppose HB2605 strongly! It will hurt, not help our economy! In our neighborhoods, we have many homes that are vacant, so, at least for our island, there is no lack of long term rentals. Please let each island make their own rules, according to need. Our vacation renters are already paying an additional percent of their transient occupancy tax to finance Oahu's rail system. Enough is enough!

Thank you for listening! Magdalene Phillips

HB-2605-SD-1

Submitted on: 4/1/2018 5:01:58 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joe Slabe	Individual	Oppose	No

Comments:

I own property in Kihei and am a member of the Rental by Owner Awareness Association (RBOAA). I'm in agreement with RBOAA's opposition to this bill and their testimony.

Mahalo

HB-2605-SD-1

Submitted on: 4/1/2018 6:50:29 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ron Benjamin Jr	Individual	Oppose	No

Comments:

We support the testimony provided by RBOOA

HB-2605-SD-1

Submitted on: 4/1/2018 7:39:48 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Albert Morgan	Individual	Oppose	No

Comments:

This bill is an assault on Federally protected rights. This bill puts the individuals responsibilities and personal welfare at an uncontrollable risk. Not acceptable.

HB-2605-SD-1

Submitted on: 4/1/2018 8:02:08 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

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

Comments:

We support the testimony provided by RBOAA.

HB-2605-SD-1

Submitted on: 4/1/2018 8:05:17 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
j. peerson	Individual	Oppose	No

Comments:

I support the testimony submitted by RBOOA and strongly oppose HB2605

HB-2605-SD-1

Submitted on: 4/1/2018 8:06:29 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dana Seagars	Individual	Oppose	No

Comments:

I STRONGLY OPPOSE THIS BILL.

I DO NOT SUPPORT the following provisions:

allowing counties to obtain my personal tax information,

allowing counties to change the zoning of MY property to be ineligible for use as a vacation rental and or then to be able to seize the property.

THESE PROVISIONS ARE UNCONSTITUTIONAL AND HEAVY HANDED.

INSTEAD: I SUUPPORT -

legislation establishing a NEW PERMIT SYSTEM WITH REGIONAL allocations for vacation rentals;

the permit system should come with a permit fee and annual renewal costs;

the permit system should include a clear code of conduct with owner responsibilities linked to continuance of the permit;

the permit system should include enforcement provisions linked to the code of conduct and should be paid for out of the permit fees and TAT.

no third party collection of TAT unless that party is held responsible for non-payment (not the homeowner).

HB2605 HD2 SD1 IS THE WRONG DIRECTION TO BE GOING. LEGISLATORS SHOULD BE PROPOSING LAWS THAT RECOGNIZE AND LEGITIMIZE THE FACT THAT Vacation rentals are widespread in Hawaii because they serve a valuable purpose for alternative accomodations to hotels. Not everyone wants to stay in a hotel, not everyone can afford to stay in a hotel, and many visitors want a more "local" experience and the ability to "cook in" - especially those with families and those who wish to stay longer than a few days. These vacation rentals provide a means for many Hawaiian home owners to pay their mortgages and their VERY HIGH property taxes; in

addition those home owners also pay for cleaning, yard maintenance, pest control, etc with this income providing additional support to LOCAL business. These visitors also spend their tourist dollars out in LOCAL communities and NOT JUST IN MAINLAND OWNED tourist shops.

AGAIN I STRONGLY OPPOSE HB2605 HD2 SD1 IN ITS ENTIRETY

HB-2605-SD-1

Submitted on: 4/1/2018 10:13:59 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
David Schnitt	Individual	Oppose	No

Comments:

As a citizen that pays \$50,000 per year in GET, TAT and property taxes, I am agast at this bill

If I use a property manager (which is required by law) and they make a mistake in paying my taxes, I am liable for their mistakes under this bill and have to pay a \$25,000 fine. That is absurd.

Also my tax information will now be shared with the county which I believe is illegal under federal law. I also have to provide proof of my compliance with all laws - a serious burden when the law is so large and complex.

It also allows the county to phase out transient vacation rentals. Already I have a permit to rent my house. But allowing the county to remove my only source of income will not only hurt the Hawaii economy, but cause a severe financial hardship for my family. I will pay \$35,000 less in taxes per year but with reduced income will not be able to afford my house I bought for retirement for my wife and I.

I strongly urge the legislature to NOT pass this bill

HB-2605-SD-1

Submitted on: 4/1/2018 10:31:05 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
nancy sweatt	Individual	Oppose	No

Comments:

Approve of testimony provided by RBOOA

HB-2605-SD-1

Submitted on: 4/1/2018 11:11:19 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
laura	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 4/1/2018 12:11:27 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
greg martin	Individual	Oppose	No

Comments:

We support the testimony of the RBOOA.

HB-2605-SD-1

Submitted on: 4/1/2018 12:25:17 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Debi Beckwith Peterson	Individual	Oppose	No

Comments:

PLEASE do NOT pass bill HB 2605 I support the testimony submitted by RBOOA.

Mahalo

Deborah Peterson

HB-2605-SD-1

Submitted on: 4/1/2018 12:57:09 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Margaret Ralston	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 4/1/2018 12:59:49 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Bill Alder	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 4/1/2018 2:07:24 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gordon Fall	Individual	Oppose	No

Comments:

I support the tesitmony of RBOAA in opposition to this Bill.

HB-2605-SD-1

Submitted on: 4/1/2018 2:10:00 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Carole Fall	Individual	Oppose	No

Comments:

I support the testimony of RBOAA in oposition to this poorly conceived Bill.

Carole Fall

HB-2605-SD-1

Submitted on: 4/1/2018 2:42:41 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Cynthia Verschuur	Individual	Oppose	No

Comments:

Aloha e Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee,

I am a resident of Lower Puna in Hawaii County and have owned my small studio cabin outright for almost 12 years. When I was married and living with my husband in his home, I rented my cabin using the Airbnb platform when it was just getting off the ground. The income I earned made all the difference in the world to us.

I am testifying in opposition to “HB 2605, SD1” and I am writing to ask the Committee not to harm Hawaii’s economy and the alternative accommodations sector of the tourism industry as you seek to secure taxes. I am currently divorced and rent my cabin when I go visit my family on the Mainland. The income pays for my trips and helps justify going once or twice a year. I have many friends and neighbors who rely on income from renting their ohanas and spare rooms. Please don't change anything. It is hard to find jobs in Lower Puna and it is also hard for visitors to find non-altermative accommodations. I also think that if a traveler wants to rent a tent or jungle shack, they should have the freedom to do so. Vacation rental options should not be limited to "legally permitted" structures.

Thank you for your time.

Sincerely,

Cynthia Lahilahi Verschuur

HB-2605-SD-1

Submitted on: 4/1/2018 2:52:24 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mark Ericson	Individual	Oppose	No

Comments:

Thank you for having a way I can submit testimony opposing HB2605.

I wish to seek solutions. Everyone knows our main source of income here in the islands is tourism. So any legislation that potentially reduces tourism is not good for the majority of people who live here.

I live in the Puna district of the Big Island and our situation is different from Oahu, Maui and Kauai. In the Puna district vacation rentals are a major income factor for individual operators. The tourists that stay in them do so for a number of reasons- and they spend money at local retail business. Passing laws that would prevent privately owned vacation rentals would hurt many people in this district.

Vacation rental operators here are very respectful of their neighborhoods. Most are small operators having only one or two units. Often the income from their rental units makes it possible for them to maintain their homes.

Operators here in Puna know their operations are not legal because of zoning laws and so permits need to be created that would allow them to have a vacation rental business on agricultural zoned land- this is what would help maintain the tourist revenue here.

Legislation that would solve problems is what we need. We need an easy way for individual operators to get permitted and which also ensures they pay their taxes. Fines and property seizures only create more problems and cause dissension. Pass laws that will help people pay their taxes not drive them out of business. The people that don't want vacation rentals in their neighborhoods have rights too and laws that give them a way to deal with individual operators that are causing problems need to be created- not blanket banning of vacation rentals.

The cooperative own hotels are doing better than ever- vacation rentals are not a threat to them yet they are spending lots of money to outlaw private vacation rentals.....please don't let this happen.

Please create laws that help people not punish them and/or hurt their incomes.

Thank you for reading this,

Mark

HB-2605-SD-1

Submitted on: 4/1/2018 3:21:59 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Blake Cronin	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 4/1/2018 3:46:39 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Shirley Haines	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 4/1/2018 5:03:59 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
jennifer meyers	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 4/2/2018 6:49:40 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Morris Niimi	Individual	Oppose	No

Comments:

Aloha Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee,

I'm Morris Niimi, a responsible and active citizen of the State of Hawaii, residing in the district of Puna on the Island of Hawaii.

My testimony is in opposition to HB 2605, SD1.

Hawaii has a fragile, challenging economy, and the opportunities for families to make a living in this state are very challenging. I'm a father of one child who one day may need to leave the state to seek employment opportunities on the mainland.

Please don't harm the Hawaii economy any more, by drafting and passing laws that hurt the people who are genuinely trying to make a living in this, my home state of Hawaii.

I see home sharing as a positive alternative for many visitors who need affordable housing during their visit to Hawaii. Hurting the home sharing alternative, hurts the tourism industry and will severely hurt the tax revenue of the government.

Affordable home sharing is currently boosting the state economy by adding billions of dollars into the economy, and is responsible for more than 34,000 jobs. Home sharing also allows local residents to generate extra revenue to help deal with Hawaii's high cost of living.

Let us draft laws that doesn't impose harsh and unfair penalties on its citizens, but laws that make it possible for the citizens to make a decent level of living in Hawaii. Don't hurt the economy but be a blessing for the economy.

Thank You for your listening heart,

Mahalo Nui Loa, Aloha Ke Akua,

Morris Niimi

HB-2605-SD-1

Submitted on: 4/2/2018 6:42:02 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Tuan Vu	Individual	Oppose	No

Comments:

I support the testimony provided by RBOOA.

HB-2605-SD-1

Submitted on: 4/2/2018 5:31:31 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

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

Comments:

I'm all for regulating illegal vacation ownership, but it seems the legislature is once again trying to throw stuff at the wall and see what sticks without any idea how the regulations will work, will get enforced or affect legal rentals. And the penalties seem very severe for a measure that was not even in the current bill, but a previous one gutted and replaced with one that nobody was willing to put into effect when in it's own bill.

Please take your time and get a bill that works for all.

HB-2605-SD-1

Submitted on: 4/2/2018 5:17:36 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Janis L Allen	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 4/2/2018 6:41:06 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

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

Comments:

To whom it may concern:

I support the testimony provided by RBOOA.

This bill has many flaws and should be reviewed and modified before moving forward.

Sincerely,

Stephen Taylor

HB-2605-SD-1

Submitted on: 4/2/2018 6:43:38 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

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

Comments:

I oppose this Bill and support the testimony provided by RBOOA.

Thank you for your consideration.

Richard Waugh

HB-2605-SD-1

Submitted on: 4/2/2018 6:09:16 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Marie Preitauer	Individual	Oppose	No

Comments:

This bill is an extreme example of the wrong way to regulate an industry. If the State of Hawaii wants to better regulate the Vacation Rental marketplace, they should meet with the people involved and try to come up with a common sense solution that meets everyone's needs, not just shove extreme measures at us. I always pay my taxes and have my units in complete compliance, and I do this WITHOUT the heavy handed wording from this bill. Please, take the time to meet with the associations that represent owners in Hawaii and come up with a way that is achievable, fair, and honest. Mahalo

HB-2605-SD-1

Submitted on: 4/2/2018 6:14:34 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Karen Cochran	Individual	Comments	No

Comments:

As a long time owner of a short term rental in Waikiki, I strongly agree that owners operating lawful short term rentals need to pay their GET and TAT taxes. I'm not sure why those who have been operating without paying their taxes will be offered a one time full amnesty- perhaps give them a break to get them to comply - for instance waiving penalties for non compliance - but why full amnesty?

My other comment is that I don't think that the online services should be responsible for ensuring that the units advertised on their websites should be responsible for ensuring that the units advertised are in compliance with all applicable laws. The owners should be responsible. Asking an "Airbnb" or "VRBO" to have a cadre of attorneys to keep up with all the local laws as they evolve is not practical. This will likely just play out that they ask owners to swear they are in compliance and require owners to tell them what taxes they need to collect and send in. Now that I think about it, perhaps that is just what you have in mind. But owners could still have their own websites and not comply. The system proposed in the bill seems convoluted.

HB-2605-SD-1

Submitted on: 4/2/2018 7:05:28 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gail Baker	Individual	Oppose	No

Comments:

I support the testimony of RBOOA.

HB-2605-SD-1

Submitted on: 4/2/2018 6:02:20 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sandra Jones	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 4/1/2018 8:22:43 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dianne Smith	Individual	Oppose	No

Comments:

We OPPOSE this bill in the strongest of terms.

--Martin and Dianne Smith from Waianae, Oahu.

HB-2605-SD-1

Submitted on: 4/1/2018 9:17:09 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Virginia	Individual	Oppose	No

Comments:

This bill is unfair. Requiring taxpayers to provide so much information is invasive. At no other point are taxpayers required to give so much information without a subpoena.

We, short-term hosts, are people who live and work in Hawaii. We are renting our home sometimes to help pay our mortgage and keep the home in good repair. Businesses in our respective communities benefit from short-term renters in our towns. Towns like Kailua could not support so many cafes, grocery stores, and boutiques without free-spending short-term guest who pay a lot of taxes to our towns, counties, and the State of Hawaii.

Please allow us to rent our home and pay our taxes in a fair way as we have done for years.

Please, vote against HB2605.

Thank you for your consideration.

HB-2605-SD-1

Submitted on: 4/1/2018 9:33:16 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brew Rudd	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 4/1/2018 9:46:30 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dotty Kelly-Paddock	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 4/1/2018 9:51:19 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Derek Ruebenstahl	Individual	Oppose	No

Comments:

I support the testimony provided by RBOOA

HB-2605-SD-1

Submitted on: 4/1/2018 9:56:55 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Daniel Lee Dudden	Individual	Oppose	No

Comments:

I believe the financial the owners receive as rent is primarily spent locally, employment is of local people, and Hawaiian businesses receive a big lift from these businesses.

I believe a much larger percentage of vacation rental owners pay the required GET & TAT than do landlords who are renting to long term tenants.

I do not think most of my guest would visit Hawaii if they were required to stay in a Hotel.

The GET & TAT combined are about 15%. That is important revenue to Hawaii

HB-2605-SD-1

Submitted on: 4/1/2018 10:01:20 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Fillmore	Individual	Oppose	No

Comments:

I support the testimony provided by RBOOA

HB-2605-SD-1

Submitted on: 4/2/2018 5:37:06 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Eleanor Arita	Individual	Oppose	No

Comments:

I strongly oppose HB2605

HB-2605-SD-1

Submitted on: 4/2/2018 6:41:13 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
David S Davenport	Individual	Oppose	No

Comments:

I own and operate a vacation rental and I'm worried about the impact proposed HB2605, HD2 will have on my business, my family and I'm especially worried about the people who help me maintain my house and farm. There's a slick campaign against vacation rentals funded by the AMERICAN Hotel and Lodging Association that's pitting the giant hotel lobby against AirBnB. This campaign threatens to crush home owners who want to rent to tourists. This type of rental enables many of us to help maintain our homes, and to employ many hardworking, honest local friends and contractors. The hotel lobby funded campaign fails to recognize the situation here in Puna. THERE ARE NO HOTELS, but many tourists want to come stay in Puna. Our vacation rentals have a serious multiplier effect.. I have a single family home that I rent part of the year when it would normally be vacant. The rental income helps me invest in keeping the place looking nice which means that I hire landscapers, electricians, house cleaners and more.

The fallacy of the hotel funded campaign against short term rentals here in Puna is clear. First, as I mentioned, there are no hotels! If the legislature votes to shut down rentals, tourists will have no place to stay, and all the money they spend will be spent elsewhere, NOT in Puna. Second, the people myself and our friends employ in our single family homes will have their hours greatly reduced when the extra income we earn from rentals goes away. Third, and especially vexing, is that there is NO plan or even mention of one to increase affordable housing. My home would never be available for long term rentals, and would definitely not be considered as affordable housing.

I encourage you to take a stand for Puna and my many friends who help the local economy with our single family homes that bring in tourist dollars which in turn help increase employment at restaurants, Uncle Roberts, and many service industries.

One more point. YES I PAY MY GET taxes, it's very easy to pass through to renters and pay to the State. Why would you want to cut off this source of income for our County?...

Aloha,

HB-2605-SD-1

Submitted on: 4/2/2018 7:11:10 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Stephen Connor	Individual	Oppose	No

Comments:

The bill creates an overly broad regulatory regime and penalizes lawful vacation rental owners. I support and agree with the testimony provided by RBOAA opposing this bill.

HB-2605-SD-1

Submitted on: 4/2/2018 7:14:26 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kerstin Exter	Individual	Oppose	No

Comments:

Dear Chair Senator Dela Cruz, Vice Chair Senator Keith Argaran and the Ways and means Comitee,

my name is Kerstin Exter, I live in Hawaii County and I have been providing short term accomodation at the Waikoloa Beach resort area for a number of years.

I am testifying in opposition to HB 2605 HD2 SD1.

I am asking the comittee not to harm Hawaii's economy and the short term vacation sector ot the tourist industry as they seek to secure taxes.

I believe altternative accomodation support Hawaii's visitor industry and are crucial to the states economy. They create jobs and helps local residents to generate extra funds to deal with the high cost of living in our state.

Thank you for your time

Kerstin Exter

HB-2605-SD-1

Submitted on: 4/2/2018 7:20:42 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Anita Schwalbe	Individual	Oppose	No

Comments:

I respectfully support the testimony provided by RBOAA. Please see their well articulated objections.

Thank you.

HB-2605-SD-1

Submitted on: 4/2/2018 7:24:53 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gayle Rubino	Individual	Oppose	No

Comments:

I support the testimony provided by RBOOA. I oppose this bill and urge the legislators to oppose it because this is leading to a tyrannical government.

HB-2605-SD-1

Submitted on: 4/2/2018 7:23:10 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jim Schumacher	Individual	Oppose	No

Comments:

I agree with the RBOAA's position on this measure and strongly oppose.

Thank you

HB-2605-SD-1

Submitted on: 4/2/2018 7:45:36 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Linda Waite	Individual	Oppose	No

Comments:

I support the testimony provided by ROAAO

HB-2605-SD-1

Submitted on: 4/2/2018 7:57:55 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nabil Abu-Assal	Individual	Oppose	No

Comments:

Dear Chair Senator Dela Cruz, Vice Chair Senator Keth-Agaran and the Ways and Means Committee. My name is Nabil Abu-Assal and I have practiced law for 30 years in both State and Federal Courts. I own a condo in Kaiula-Kona in the 92374 area code. My wife and I have loved Hawaii for decades and owned our condo since 2013. I am testifying in opposition to HB2605, SD1.

I am writing to oppose this bill because I know it will significantly harm the economy of Hawaii. And I also believe it is unconstitutional. There is no rational reason to limit, in any way, rentals of real property.

The bill will also harm the value of real estate in Hawaii. If you can't rent your property, the property will remain unused. An asset that is used creates economic transactions that otherwise would not exist. It brings tourists to Hawaii. Tourism is the number one economic sector of Hawaii's economy. Also, it makes the sale and purchase of real estate much less likely to occur. If I am unable to rent out my condo, I will not buy additional condos or bigger condos -- I wouldn't be able to afford it.

I just don't understand why anyone would support this bill. What can you honestly say is the reason to have wasting assets -- unrented property -- that could be used? If you are supporting this bill to subsidize hotels then you are a pawn of special interests. The numbers speak for themselves: alternative housing options generate more than \$5.1 billion in economic impact and are responsible for more than \$34,000 jobs. Alternative housing helps Hawaiian residents defray the high living costs in Hawaii.

I urge you to oppose HB2605. This clearly is a bill that will harm Hawaii.

Thank you for your consideration of my testimony.

HB-2605-SD-1

Submitted on: 4/2/2018 7:18:54 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
randal aaberg	Individual	Oppose	No

Comments:

A person who actually reads the text of this bill will realize it is very unfair and unbalanced. A \$25,000 fine is unreasonable. The hotel industry has had higher rates and higher occupancy every year. This would hurt all of the regular people who are not represented by a powerful special interest group. People who use air B & B would be treated worse than regular citizens.

HB-2605-SD-1

Submitted on: 4/2/2018 7:14:56 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gregory Boxold	Individual	Support	No

Comments:

April 2, 2018

Gregory Boxold

838 Kaahue Street, Honolulu, HI 96825

Dear Legislature;

The issue of VRBO and TRANSIENT ACCOMMODATIONS needs to be addressed now. The City and County is trying to address this issue too but without the State Tax Collection system being involved the problems will continue.

I live on a quite street on Mariners Ridge with parking on only one side of the road. In December of 2017 my neighbor sold his house to an investor living in California. The buyers realtor had them pay \$50,000 more than the next highest offer specifically to turn the property into a Vacation Rental. They realtor and agents are very open about their actions. They stated the investor will be paying the Excise Tax and Transient Accommodation Tax so therefore they will be legal. The investor is using a site called TURNKEYVR.COM to market the house. The state it can sleep 8 people and is available for \$520 a night. This is unacceptable. I don't live in a hotel zone.

Please pass this bill so that the City and County has the power and revenue to help validate every vacation rental and has the ability to enforce illegal rentals.

Sincerely,

Gregory M. Boxold

808-396-0924

HB-2605-SD-1

Submitted on: 4/1/2018 9:58:27 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Donald Dietz	Testifying for Airbnb	Oppose	No

Comments:

March 31, 2018

To: Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee

Re: **Testifying in opposition to “HB 2605, SD1**

Aloha Senator Dela Cruz, Senator Keith-Agaran, and the rest of the Ways and Means Committee

My name is Donald Dietz from the Kapahulu area of Honolulu. My wife and I operate two Airbnb rentals. We have traveled internationally and stayed in several Home Shares around the world and found them to be a great way to save money, stay amongst the ‘Locals and at a very reasonable price.

I read in the papers every day, how the cost of living in Hawaii keeps going up and up, making it almost impossible for most people, much less younger people to make it in the islands, without the support of a 2nd or 3rd income. It’s even harder, if they have children that they have to put through school. Tourism is now Hawaii’s NUMBER ONE economic driver. I was around when Agriculture was number one and military was number 2, tourism was 3rd. While each island has its own trials, when it comes to tourism, Oahu has always been the ‘Main’ island for tourists to visit, due to our international airport. THIS IS SOON TO CHANGE. All the domestic carriers are going to the outer islands now, bypassing Oahu. Maui is expanding their airport, to become an International Airport so that soon, International flights won’t have to come through Oahu. As the largest population in the state, this island cannot sustain itself, should our tourism numbers go down. We, ourselves, have several friends that ask us to fly to the other islands to visit them, when they come to Hawaii, because their plans do not include passing through Honolulu.

Now, let me point out the draw to the outer islands. Maui, Kauai and the Big Island, all have at least 2-3 options for tourist destinations. Oahu has always had ONE; Waikiki. With Ko Olina still getting built up, accommodations out there are limited. Turtle Bay has tried to expand, but have been shut down numerous times by the North Shore coalitions.

It is unarguable, that Waikiki is not a desirable place! It is filled with high end hotels, loud traffic noises and the crime is getting worse, not to mention the increasing homelessness and drug problems. Tourists want to see 'Hawaii', that tropical place they read about in the brochures. There is HUGE demand for accommodations on the North Shore, Kailua and the outskirts of Waikiki. Home sharing has opened up a whole new market of visitors, who would not normally be able to come to Hawaii, if they had to pay \$280+ a night for a hotel room. The income derived from these tourists, going into the local economy of the small towns, like Kaimuki, Hawaii Kai, Kailua, Haleiwa and Waialua, is almost two billion dollars. These are the Mom & Pop businesses benefitting from them. The Mom and Pop stores, that vote. Not the huge 'high-end' corporate retailers. The demand is so huge, that tour companies are making a lot of money taking tourists from Waikiki to these areas, so they can get away from the 'Rodeo Drive' of the Pacific.

The City and County, as well as the State will make several hundred million dollars a year in taxes from not just the Home Share properties, but from the local businesses. Just let the Home Share companies show you how it is being done in hundreds of other locations around the world and STOP trying to reinvent the process, or tie it up with added contingencies and fines. These companies and concepts are the way of the present and they are only going to grow, with time. Hawaii needs to adopt, adapt and not get left behind.

Furthermore, I hear the arguments that 'neighbors' claim their neighborhood is being run down by these Home Share properties, or they are taking away business from the hotels and hotel workers. These are all lies, made up by the unions. Home Share properties are booked, based on reviews. If a guest didn't like their stay and report that the property is not suitable, they will state in their reviews. If the owner doesn't keep up the property, then they are only hurting themselves, by getting 'decent to bad reviews', which in turn, gets them less bookings. My neighbors say my home is always in beautiful condition, because I keep it up, for my guests. They also say the people that stay in my rentals, are much nicer than the long term tenants that I used to have stay there.

And the hotels have just reported record bookings and record numbers for their rooms, which average almost \$300 a night and go up a lot more than that. It's okay for them to gouge visitors and make a profit, but not okay for the locals to make a little bit of money, to make ends meet, offering visitors an 'affordable' place to stay? This is 'double standard' that benefits only the big business. This has been going on in this State for far too long. Please start to make a difference, in your tenure in office. I have sat through the public sessions and it has really opened my eyes to the absurd way some of these people think and I am going to change my votes with many of these representatives because, it is apparent that they are not looking out for the best interest of the 'people', by suggesting absurd fines, and making it a 'felonious act' for those people who are obviously already struggling to make ends meet.

I strongly urge you to pass a bill to allow the companies to withhold taxes for the state, but NOT the way it is written, with the harsh contingencies attached to it. 'Keep it simple, and start collecting the taxes!' Make it complicated and you will get a lot less taxes and a lot more illegal behavior on the part of constituents.

Mahalo for your time and consideration of my request.

Don Dietz

808-255-3598

HB-2605-SD-1

Submitted on: 4/2/2018 8:00:16 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Judy Alley	Individual	Oppose	No

Comments:

I support the testimony that has been provided by RBOOA.

HB-2605-SD-1

Submitted on: 4/2/2018 8:05:20 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
W. Gary Deardorff	Individual	Oppose	No

Comments:

Aloha,

My name is Gary Deardorff and I own a home on the island of Molokai. My wife and I purchased it so that we can spend some of our retirement time in paradise. However, in order to afford the property and justify owning it, we must rent it out about one-third of the year. It was a difficult process to become a legal short-term rental. It took nearly a year and substantial expense to get our license to rent it out part-time. We have been diligent in following all laws and remitting all taxes so that our business is compliant, yet there is always something more that is being asked of Hawaiian vacation rental property owners. I'm writing because I'm worried about the impact proposed HB2605 will have on my business, my family and those who work for me.

The proposed HB2605 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and place the burden of tax remittance on advertising brokers yet the ultimate responsibility still falls to the property owner. This seems frivolous and dangerous and I question whether or not this bill is in violation of several Federal Statutes.

I am 70 years old and my wife and I have been planning, for more than ten years, to own a vacation home in Hawaii after deciding that the stability of property ownership in Hawaii was much greater than in Mexico. However, I have had a tremendous amount of trouble in this business endeavor and with rules and regulations continually changing, I now wonder if investment in Hawaii was a good decision after all.

Please consider the practical elements of this bill and its basic unfairness to small investors like us who wish to share our home with people who are interested in seeing real Hawaii and not being forced to spend their time in mega-hotel complexes which could be the same anywhere else in the world. Consider the effect on local jobs and the message it would send to investors in Hawaii and people like myself who want to spend part of the year there, but can't live there full-time. This near-sighted short-term fix would be a long-term mistake.

Sincerely,

W. Gary Deardorff

HB-2605-SD-1

Submitted on: 4/2/2018 8:04:38 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Marilyn Hybiske	Individual	Oppose	No

Comments:

Aloha Legislators,

As a long time property owner on Maui and as someone who is part of a Condotel property on Maui, I am opposed to this bill. My family has had a LEGAL vacation rental on Maui since the early 70's. We have lawfully paid all TAT and GET taxes that are due for our property. Additionally, we have paid Property Taxes and watched as they have gone up over the years as condo owners have been assessed higher tax rates to pay for a myriad of needs....some fairly and some just because we were easy targets.

The vast majority of owners do not need additional regulations. It is an unnecessary burden and infringes on our needs and rights as taxpayers. This new bill has many provisions that are unfair. Here is why we are concerned about this bill:

1. The advertising broker (i.e. AirBnB) may collect and remit tax on behalf of all advertisers. However, **if they mess up, AirBnB and the owner are jointly and severally liable for all taxes.** So, if AirBnB collects TAT and doesn't remit it, you are potentially on the hook.
2. The bill also requires AirBnb to provide details of how many nights were rented, the rates per night, the address and name and number of the local contact – and this information can be made available to the Counties. **No other tax payer is required to provide this level of information without a subpoena.**
3. **The advertising broker is required to share your 1099 information with the county.** The State Department of Tax is, by federal law, strictly forbidden to release this information to anyone. The bill requires all operators to **waive their right of privacy** and permit the advertising platform to share all of their information. **Totally unfair!!**
4. All operators must provide proof of compliance with all zoning, land use and tax laws. **How do you prove you are legal in every regard?** The Counties have no system to accommodate this.
5. Failure to comply with any tax or zoning law – or commit any act which the county doesn't like - may result in a **fine of \$25000.** Failure to respond within 7 days results in a second \$25,000 fine. The bill also provides for not only **seizure of the property** but also all income earned from operating a vacation rental.
6. The bill also **allows counties to phase out all transient accommodation in any zone for any reason.** This is concerning as county councils and the state

legislators are very prone to pressure from unions, neighborhood groups, and anyone else who might vote. Unfair!

7. An amnesty program which was in an original draft has been deleted. If people want to come in from the cold, it helps if you hold the door open for them.

Thank you for understanding our concerns. We are not Hawaiians by birth, but as longtime property owners, we are Hawaiians by heart. Please be fair to us!

Aloha,

Marilyn and Jim Hybiske, Maui

HB-2605-SD-1

Submitted on: 4/2/2018 8:29:13 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

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

Comments:

I support the testimony submitted by RBOAA

HB-2605-SD-1

Submitted on: 4/2/2018 8:32:35 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ann Bosted	Individual	Oppose	No

Comments:

This law sounds way too draconian. All Hawaiian residents should be allowed to participate in the hospitality industry and spread Aloha among all visitors. Save harsh penalties for criminals that hurt others.

HB-2605-SD-1

Submitted on: 4/2/2018 8:39:39 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Leland Robinson	Individual	Oppose	No

Comments:

To whom it may concern,

Last year my family visited the Big Island and fell in love. In hopes of moving to Hawaii and starting a new life we decided to purchase a home there. While working out plans to make the move, we found out that our 1-year-old daughter had a blood disorder that would require monthly blood transfusions. This delayed our plans. So, we currently (and temporarily) rent our Hawaii home as a short-term vacation rental just to cover the mortgage and property tax/insurance. We shifted our plans to move and become Hawaii residents in January 2020. Now, our hopes and dreams are suddenly in jeopardy. If this new bill passes, we will be banned from short-term rentals and may not be able to cover the mortgage out of pocket. We will either be forced to sell it or spend tens of thousands of dollars on an empty home that we can only visit 1-2 times a year. This may delay our plans or possibly ruin them altogether. Is this really Aloha?

In many ways, the short-term rental market has provided a huge boom for tourism that this bill seeks to destroy. This may be more appropriate for Oahu, but on the Big Island there are few hotels, if any, on the Puna side of the island and short-term rentals are the only real option for visitors. In our experience with short-term renters, they have been respectful, caring, and we have had a very positive overall experience with them staying in our home. These are good people who will have no way to visit the island and experience the real Hawaii life, but be forced to stay in hotels, which is NOT the real Hawaiian experience.

Now, if this bill passes and vacation home owners decide to sell for their own financial self-preservation, will we not have an overabundance of properties hit the market for sale? Will not overabundance of home inventory not drive home values down for permanent residents? It seems like such an extreme means to address the State of Hawaii's concerns with tourism.

I respectfully oppose this bill and hope that you can find more appropriate ways to deal with underlying tourism issues without making it an all-out attack on vacation home owners. I hope that you find a healthier way of correcting these problems without doing harm to tens of thousands of home owners.

Much aloha,

Leland

HB-2605-SD-1

Submitted on: 4/2/2018 8:43:18 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Yvonne Bosch	Individual	Oppose	No

Comments:

My name is Yvonne Bosch and my husband and I own a vacation rental condo on Maui. I oppose HB2605 SB1 and I support the testimony provided by RBOOA.

HB-2605-SD-1

Submitted on: 4/2/2018 8:53:51 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Elen Stoops	Individual	Oppose	No

Comments:

Dear Legislators,

I oppose this bill as written.

Please accept RBOAAs comments as representing my position.

Mahalo

HB-2605-SD-1

Submitted on: 4/2/2018 8:57:59 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Della Halvorson	Individual	Oppose	No

Comments:

Aloha.

We are non-resident owners of a vacation rental property in a condominium complex zoned/approved for short-term rentals, who have been diligently paying all our taxes. We are writing to express our **opposition** to HB2605 HD2 SD1.

I list on a few different platforms along with my on-island property management company and I can't imagine the nightmare it would be worrying if all the different listings submitted on my behalf! I'm sure it would also create extra work for the DoTax trying to figure out all the different areas that taxes are supposed to be submitted from on behalf of ONE property... its hard enough now! Please don't complicate it. Taxes should be submitted by one party... either directly from the owner or from their manager... not every different listing site.

I'm sure there have been many articulate individuals who have submitted reasoned arguments in opposition to this bill. Rather than take up your valuable time, I would simply ask that you add our voices in opposition to HB2605.

Mahalo for considering our testimony,

Keith and Della Halvorson

HB-2605-SD-1

Submitted on: 4/2/2018 8:59:52 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jeffrey D Gilbert	Individual	Oppose	No

Comments:

Thank you for taking the time to read my (not altogether brief) remarks.

First: my wife and I own five vacation rentals in Kihei, Maui. All of these units are in areas that have been zoned for vacation rentals for many years. All of the units were originally built before the mid-80's. No one can be surprised that vacation rentals exists. There has been no increase in the burden on local services or residents. It's been this way for 30+ years.

One is forced to ask: Why this bill now? What problem does this bill purport to solve? And does this bill use the lowest impact, least intrusive means to accomplish its goals.

The answer to the first question seems obvious: on-the-ground circumstances haven't changed for vacation rentals. Rather, I believe this is a direct result from the internet leveling the playing field, as it were, between the large corporate destination resorts and vacation rental owners via the aggregating VR website. Solving the competitive problems of mega-resorts should not be a legislative priority.

The Transient Accommodation Tax was bumped for 2018 and we foresee the GET increasing in 2019. In our vacation rental operations, my wife and I scrupulously comply with all tax laws and regulations. If there is a belief that there is widespread tax evasion on the part of vacation rentals then that specific problem should be addressed through enforcement. Requiring VR aggregator websites to disgorge huge amount of information only creates an expensive and intrusive step that may end up diverting resources - for years - to develop new means of enforcement. In fact, the counties have just about all of the information they need – property tax, residential information, and other records can easily be sifted to yield vacation rental information. A minor change to the tax forms that we file monthly (to include unit address information, for example) would close the loop to understand which units are skating on tax obligations.

The bill also seems to create a burden of proof of compliance with zoning laws – but without any reasonable means to satisfy that requirement. That is exactly backwards. Once there is a means to efficiently verify compliance with zoning laws then some type of requirement to periodically certify compliance becomes reasonable (along the lines of, say, the auto emission inspection as part of car licensing in many states).

Finally, I believe this bill, should it become law, will result in repeated - and successful - legal challenges. I am not a lawyer, but I lived in Oregon when a small hardware store to a "taking" case all the way to the US Supreme Court. The provision that allows governments to arbitrarily revoke transient accommodation is ripe for a serious and success takings challenge. With the number of housing units, the combined value of those units, and the substantial number of associated service and product businesses involved, the amount of money involved will dictate this action.

Thank you for your time and attention.

Jeffrey D. Gilbert

HB-2605-SD-1

Submitted on: 4/2/2018 9:02:16 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Penny Lee	Individual	Oppose	No

Comments:

I live in Puna on the Big Island and vacation rentals have had nothing but positive effects in our neighborhood. We are welcoming tourists and our neighbors renting their homes to them. Hawaii and Puna especially have always been very challenging places to make a living. Tourism is Hawaii's main economy. Thanks to the growing popularity of vacation rentals and the success of home sharing platforms online, now also underserved rural communities can participate in the tourist economy. If you consider that there are no hotels in our area, almost no jobs, no economy, you will understand how vacation rentals have become our main financial lifeline in recent years. They provide jobs in our area, support a wide variety of local businesses and help property owners stay in their homes.

There has been a lot of misinformation published recently and I urge lawmakers not to jump to conclusions before understanding the true impact of the proposed legislation. Potentially destroying the livelihood of many Hawaii residents, especially in the underserved areas of the state, and harming Hawaii's tourist economy. On top of that, I do not understand why the government would want to destroy a very healthy tax revenue opportunity? I hope that Hawaii can come up with clear and balanced regulations for vacation rentals, while tapping the tax revenue and opportunity it represents for Hawaii. This bill HB 2605 is unnecessarily destructive to Hawaii's economy and the suggested measures and penalties are draconian. I strongly oppose HB 2605. Thank you for reading my testimony.

HB-2605-SD-1

Submitted on: 4/2/2018 9:02:57 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Chin Lee	Individual	Oppose	No

Comments:

I'm writing because I own and operate a vacation rental in Hawaii, and I'm worried about the impact proposed SD1 for HB2605, HD2 will have on my business, my family and those who work for me.

The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of unpermitted vacation rentals. I also question whether or not it is in violation of several Federal Statutes.

I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. Why not wait to see what kind they come up with before trying to wade in. It seems that this bill is trying to put the cart before the horse.

It seems to me that the State Legislature should give these counties a chance to "get their act together", before muddying the waters with State regulation, so I ask you to please defer HB2605, HD2.

Aloha,

HB-2605-SD-1

Submitted on: 4/2/2018 9:04:32 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
sandra mayville	Individual	Oppose	No

Comments:

HB-2605-SD-1

Submitted on: 4/2/2018 9:38:17 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brad Tomlinson	Individual	Oppose	No

Comments:

I'm writing because I own and operate a vacation rental and I'm worried about the impact proposed SD1 for HB2605, HD2 will have on my business, my family and those who work for me.

The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of unpermitted vacation rentals. I also question whether or not it is in violation of several Federal Statutes.

I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. Why not wait to see what kind they come up with before trying to wade in. It seems that this bill is trying to put the cart before the horse.

It seems to me that the State Legislature should give these counties a chance to "get their act together", before muddying the waters with State regulation, so I ask you to please defer HB2605, HD2.

Aloha,

Brad Tomlinson

Maui

HB-2605-SD-1

Submitted on: 4/2/2018 9:52:26 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joy Faber	Individual	Oppose	No

Comments:

I fully support the testimony submitted by RBOAA, the Rental by Owner Awareness Association. Please do not pass this bill.

HB-2605-SD-1

Submitted on: 4/2/2018 9:25:35 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brett Fillmore	Testifying for Representing Kailua Small Businesses	Oppose	No

Comments:

Mayor Caldwell has a task force in place for Honolulu County to address this matter. Why are you meddling with his progress?

Kailua Small Businesses need vacation rentals to sustain their ability to pay the increasing rents charged by the landowners (A&B).

Owner-operated rentals in MY neighborhood cause no problems and introduce us to guests on our street from different places. Rentals owned by outsiders who don't live here are a different issue -- and one the Honolulu County is addressing.

You guys have got so many other issues to fix in this state -- let the counties get this issue resolved.

Aloha,

Brett Fillmore

TO: Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee

April 2, 2018

Dear Committee:

My name is Kyle Jones and I was born and raised in South Kona, Hawaii.

I wish to state my ADAMANT OPPOSITION to HB 2605, SD1!

While I believe the renting platforms such as Airbnb should be able to collect taxes on behalf of the state, I do not believe that these taxes should come at the cost of our personal privacy (the platforms turning over their customer lists to municipal authorities) or other bad addendum such as the addition of severely punitive financial penalties for what basically amounts to minor zoning violations.

In part, the bill would:

—Make us responsible for taxes should the platform not collect them properly.

__Force the platform to hand over all of our personal booking details, such as Rates per night, name and address, and contact details. This is a violation of privacy, and of our constitutional rights. No other taxpayer is forced to provide this information to a municipality without a subpoena.

—The platforms are required to share our personal 1099 information with state/and or county municipalities, which is a profound violation of our privacy! We are required to waive our rights to this expectation of privacy! By federal law the State Department of taxation must keep this information personal and confidential. No other taxpayer is forced to provide this information without a subpoena.

Accused violations are subject to forfeiture of property and income without due process. This is a direct violation of the Constitutional protections of the IV Amendment: “The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.”

The proposed draconian legislation to pave the way toward a ban and/or to seriously regulate or restrict short term rentals in Hawaii is very concerning and worrisome to thousands of us here who are affiliated with offering low-key, affordable accommodations to visitors.

My mom rent outs a modest room in our house, which has helped my small family stay in our home, pay the mortgage and expenses and crawl out of and fight off foreclosure during the recession and my divorce, which happened simultaneously.

She has the required licenses and collect and remit TAT/GE taxes, which have amounted to several thousand paid into the state coffers over the years. It's just one income stream she has had as a single mom with two children attending UH Hilo. The other two jobs are writing and teaching. Even still, it's barely enough to make ends meet. Her mortgage reset last year to a higher rate and this year will go to an even higher rate. At the age of 59, she getting very concerned because all her costs are going up. But her income has not. In fact, it has been steadily declining. In short, she RELIES on this short term rental income. If it were banned, she would need to consider selling and moving off island after more than 26 years as a working, taxpaying resident of Hawaii. Her sons would leave too.

Short term renting offers a way for her, as a person nearing retirement age, to get by in a place where it's unimaginably difficult to make a living (She has a college degree and professional skills) and afford to own a property. Also, this year, we faced both a property tax hike and a gas pump hike by the Kim administration. A rise in GE tax is being proposed here as we speak. More cost of living increases, yet it's now being proposed to ban our ability to rent our properties out short term?

Also I believe the entire nation has a housing crisis not because of a few vacation rentals but because, from 2009 until the present, more than 15 million homeowners nationwide lost their homes to a foreclosure crisis that still persists. These former owners are now renters flooding the market and competing with regular renters for housing. There are thousands of people in Hawaii who lost their homes to foreclosure and are now renters. And this is why we have a housing crisis in our state and elsewhere. Not because someone rents on Airbnb or VRBO!

So while it may "appear" that Airbnb rentals competes with affordable housing, correlation does not equal causation. (Just because the rooster crowing is associated with the sun rising does not mean he caused it to happen.)

Stated another way, if the state and county banned every short term rental on the island today, you would STILL have a housing crisis.

I think it would cause a cascade of distress and immediately and irreversibly tank our delicate statewide economy. Owners who rent their retirement homes out until they can relocate to the island would simply be forced to sell. My good friends are in that position. They wouldn't rent their beach place long term. They would just sell it and get out.

To that end, also remember that a whole cottage industry has arisen and supported the vacation rental market, which employs a number of people who service the homes or renters. On my street alone, two families make their entire living cleaning, managing and otherwise servicing vacation rentals for owners. STRs also create jobs for pool cleaners, handymen, pest control services and others, just to name a few. Owners buy more appliances and furniture, dishes and linens, all of which help the local economy. These

properties are always kept up better than snowbird type homes or long term rental homes, preserving and enhancing the property values for all of us.

In some areas, such as South Kona, Hamakua or Puna/East Hawaii, there are ZERO hotels or accommodations for guests who want to visit and stay in those areas. We rent to quiet singles or couples who book three or four days on the Kona side and three or four on the Hilo side. In 99 percent of cases, these are quiet, law-abiding guests, people who are mainly here to sightsee, do a circle island or enjoy Hawaii affordably. The other 1% stays with me to work on writing books or pursue artistic endeavors. We are onsite to make sure the guests behave in accordance to our rules.

Practically speaking, there are not enough hotel rooms on this island to accommodate these visitors. Consider the closing of some hotels as well. The Keauhou Beach Hotel and Uncle Billy's Pagoda both closed and are being demolished. There's nothing to replace those many hotel rooms taken out of inventory.

Our guests spend money on car rentals, gasoline, restaurants, souvenirs, attractions and more. Take away their place to stay and they will simply not come to Hawaii if the Hilton or Marriott is their only choice. Multiply that by thousands and thousands of cases and there you have it—an economic tanking on our island.

I firmly believe that if vacation rentals are banned outright on Hawaii Island, it would also cause a drastic, immediate and possibly irreversible meltdown of our local island economy. I speak for many many people when I say that many local homeowners I know depend on this vacation renting income. Those taxes we collect add to our state's coffers immensely. (Over the years I've collected thousands in tax on my humble place.) They also give money-spending visitors who are normally not able to afford the large hotels an alternative. All the businesses that the visitors patronize would be impacted, as many visitors just could not afford to come here.

Please, please kill this bill and work on one that is fair to all without being unnecessarily punitive.

(It must be noted that if you pass this bad bad bill, the platforms, who don't support it will fail to collect tax on the state's behalf and it will be a lose-lose for everyone.)

There are lots of solutions out there. Let's research it and think of some compromises that are fair to all of us—visitors, homeowners and the residents of our Hawaiian Islands.

Finally I oppose the “gut and replace” method of legislation that has taken place here. It seems like lazy, shoddy legislation to me.

Again, I adamantly oppose HB 2605, SD1! Thank you for your time in hearing my objections.

Sincerely,

Kyle Jones

South Kona

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Dear Ways and Means Committee Members,

I'm writing because I own and operate a vacation rental and I'm worried about the impact proposed SD1 for HB2605, HD2 will have on my business, my family and those who work for me.

The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of unpermitted vacation rentals. I also question whether or not it is in violation of several Federal Statutes.

I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. Why not wait to see what kind they come up with before trying to wade in. It seems that this bill is trying to put the cart before the horse.

It seems to me that the State Legislature should give these counties a chance to "get their act together", before muddying the waters with State regulation, so I ask you to please defer HB2605, HD2.

Aloha,

Kathy Camarena	Christopher Clark	Armin Irvani
Brooklyn Ouk	Michael Dorn	Harvey Tatsumura
Eliane Lomax	Jan Anderson	Doug Mitchell
Braden Robinson	Ashley Robinson	Lara Robinson
Inga Fleischhacker	Patrick Bertrand	Janell mccullough
Sonia McLeod	Leland Chapman	Leland DeVore
dorli ederer	John Wark	Maureen Landers
Heidi Lowe	Rita Ferguson	Annette Andkjaer
JAMES DOAN	Scott Wilkinson	Geraldine Fleming
Barbara Rubin	Anders Holvick-Thomas	Chito Gebhart
Chris Schwantes	Trena Howes	Lani Kai
Donato Pompo	Laura Tyler	Jean LaPorta
Kim Sanderson	Dale aiello	Julie Zweber
Steve Weber	Lester Laird	Andrew Witherspoon
Jeff Stanley	CRAIG DUNN	Shirley Ingram
Meg Blaser	Margaret Feitelberg	Poni Brendan
John Feher	charlotte dewar	Allen Wong
Richard Nurge	Gary Ekdahl	Darren Flail
Eric Hammett	Anne Kirkland	Robert Waters
Michael Brown	Roger Demoss	Martina Light
Keohen Smith	MT Bourland	Gisele Brisson
Lisa Sedlic	DEBBIE RIGGS	Raychel McCarthy
Paitaka Miyahira	Mikael Fredstrand	Michelle McGarry
Diana Koin	Brad Knott	HANH NGUYEN

Stephen Taus	Surinderpal Brar	ThuHang Truong
Molla wallace	Gail Reichel	Waenard Miller
Ken Koenigshofer	Frederick Hsu	Christie Dille
Kenneth McCarthy	Gary Turner	Dotty and Peter Paddock
Bret Gifford	Bradley Kummer	Jeffrey Barens
George Bement	Gail Baker	Stephen Connor
Stephen Paresa	Sharon Diercks	Carling Freeborn
Jenelle Morella	John Murk	Michael Carlton
Heidi Winslow	Rebecca Monk	Kevin Wallace
Marc Frank	William Tomko	Shawn Simonin
Jennifer Cizek	Janice Del Santo	Betty Miller
Kenneth Hoehn	Graeme Reed MD	Dawn Theodore
Cheryl Alfred	John Freeborn	Bill Holt
Darrell Pasloski	Dean Siracusa	William Edwards
Liana Brunnert	Alain Lapter	Theresa Lui
Jody Smith	Alison Hamar	Sebastian Garcia
Pamela Francis	Cindy Anderson	Victoria Sebastiani
Christian Andersen	Vincent Davi	Peter Yee
Anne Martellaro	Michael McKenna	Alan Werner
Kent Forsythe	Michael Dupont	Richard Jackson
Todd Glasper	James Sommers	Cynthia Christensen
Doug Rolan	Amy Brown	Lynn Foster
Greg Gaskin	Bob Bojorquez	Kirk Puuohau-Pummill
Barbara Genaro	Krista Dunk	Sara Sasse
Carmen Fischer	Douglas Ochoa	Scott Seibel
David Jager	Cory Kammer	Kawasaki Sochi
Diane Leedle	Michael Imler	Kenneth Ellner
Judith Philipps	Sandra Bunnell, MSW, LSW	Connie Anderson
Ken Halvorsen	Yuni Novolodskiy	Martina Light
Joel Goldman	Candace Gray, PB	Sutton Roley
Linda Mitchell	Glen Joyce	Dave Millwee
Miguel D Godinez	Cal Dyer	Carl Brandes
Barbara Brandes	Christopher Scholl	Darryl Zoback
Mike	Allison Shadday	Dawn Fernandes
Bob Rogers	Tony Bardin	Chrys Yamasaki
Martin Blandford	Munro Murdock	Pamela Small
William Nelson	John Johnson	Jeff Fleming
Thomas Welch	Jamie Hollingbery	Kevin Page
Jewett Spencer	Chris Faris	Thomas Davis
Randall Daly	Colleen Markham	Lisa Berg
Claudia Parker	Jenna Mendenhall	John Di Rienzo
Catherine Panizzi	Francisco Goya	David Stein
William Anderson	Gary Yowell	Keren Yowell
Hugh Okuda	Lynn Martin	Lychee Chiu
Mel Tucker	Polly Burke	Joanne Cavallaro
Roy Lindfield	Rae-Marie May	Elree Hoffman

Marilyn Schwantes	Kathleen Harvey	Brenda Voigtritter
Claudia Shukle	Tony Price	James Wisda
Charlene Casserley	John Betlach	Ken Kotner
Kelly Larson	Sid Browning	Ken Kribel
Alejandro Goya	Charles Defrancis	Jill Olson
Kent Carnes	Kuulei Wailani	Martin Haas
Keohen Smith	Donato and Tricia Pompo	Roslyn Moresh
Pollyanna Fisher Pool	Christina Countryman	Brad Tomlinson
Alma Osorio	Linda Ethier	Iliahi Curtis
Mark Jacobsen	Martin Haas	Michael Oberman
Don Brattin	David Brown	George Doktorczyk
Moritaka Adachi	Camquynh Nguyen	Daniel McKenna
Jamie Bopp	Elizabeth Gould	Edward Lyszkiewicz
Robin Ledson	Thomas Martin	April Ritscher
Nancy Bourassa	Stephane Kunicki	Michael VanLiew
JoAnne Williams	Yolanda Wattel	Murial Lin
Roxann Therrien	David Bosworth	Silke Wenzel
Jonthan Morris	K. Burmeister	Kent Swisher
Earl Mahaffy	Allen and Dianne Moore	Diana P
Susan Campbell		

Dear Committee,

I am writing because my friend and I own a home we share that we cannot afford alone and we still need to rent it short term to help pay for it. We are worried about the impact proposed **SD1 for HB2605, HD2** will have for our families and credit.

We feel that anyone's private personal information should never be shared. It feels very bad. Nobody should be violated. Please defer HB2605, HD2.

Aloha,
Rebecca Atkinson

Hello Committees,

We don't want to sell our family home and we can't live in it at the moment. We need the option to short term rent. However, having a bill that the state of Hawaii would pass that would violate personal information makes it like our state doesn't know what it's doing.

Everyone is worried about the impact proposed SD1 for HB2605, HD2. The state city and county needs the tax revenue. Visitors are increasing. Hotels are maxed out. Alternative housing fills a need and visitors spend more money.

Everyone should follow the rules and we want to. We want to be permitted and pay tax. The system does not exist yet.

The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of vacation rentals that are not permitted. There is no way to get a permit though.

I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1

Let's take our time to come come up with a better solution. Please defer HB2605, HD2.

Sincerely,
Coral Lee

Dear Ways and Means Committee Members,

Dear Legislator,

I'm writing because I own and operate a vacation rental in Volcano Hawaii and I'm worried about the impact proposed SD1 for HB2605, HD2 will have on my business.

The proposed SD1 would restrict the use of properties as vacation rentals. In Volcano, it is in our Vision 2020 village plan to encourage vacation rentals instead of large hotels. It keeps the local nature of our small town and spreads the money throughout the community.

It also require brokers to share personal owner information with State and County agencies. I dont use a broker and dont want to use one. This bill is too focused on Oahu and not enough on the needs of the neighbor islands. I also wonder whether or not it is in violation of several Federal Statutes.

I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. Why not wait to see what kind they come up with before trying to wade in. It seems that this bill is trying to put the cart before the horse.

It seems to me that the State Legislature should give these counties a chance to "get their act together", before muddying the waters with State regulation, so I ask you to please defer HB2605, HD2.

Aloha, Dr. Lisa M. King, vacation rental owner

Regards,
Lisa King
PO Box 764
Volcano, HI 96785

I'm writing regarding the proposed SD1 for HB2605, HD2. I do not want to be embarrassed because of this method of trying to do something about vacation rentals. Please show us that some good think is going on.

I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. This seem to me the better way to work it out.

I am not supportive of the State Legislature doing this!

Aloha,

Jack Stevenson
The Falls at Reed's Island
Hilo Hawaii
(808) 635-3649

Strong Opposition to HB2605

There will be bad ripple impacts with SD1 for HB2605, HD2.

Nobody should ever share personal information with people they do business with. PRIVACY LAWS are federal. This is a violation of Federal Statutes. Hawaii should not pass something like this. No other state would do this.

REGULATE don't ELIMINATE. And don't break laws.

Please defer HB2605, HD2.

Thank you,
Kyong

Dear Ways and Means Committee Members,

Aloha from Maui. We are in the LEGAL vacation rental business.

I applaud your actions to take a major step in enforcing against illegal vacation rentals.

It amazes me that large companies such as Homeaway and Airbnb will NOT take steps to stop listing illegal rentals, UNTIL THEY ARE LEGISLATED TO DO SO.

Action such as this has happened in other parts of the US, and made an immediate impact on enforcement. This in turn moves some properties into the long term rental market.

Please support HB2605, HD2. It doesn't say that an owner can't have a vacation rental, it only says that it must become legal to operate.

Mahalo.

Regards,
Norman Clark
PO Box 1359
Haiku, HI 96708

Aloha Council,

I have a lot of long term rentals and 1 short term rental that I would like to keep and operate without feeling like my personal information will be violated. I need the ability to short term rent because sometimes my long term renters don't pay rent. It happens too often.

There will be bad impacts with SD1 for HB2605, HD2 on business in Hawaii and for families with bills to pay.

Brokers should never be able to share personal owner information with anyone let alone the State and County agencies. This is a clear violation of Federal Statutes.

We should regulate vacation rentals. Not eliminate and regulations should not break federal laws. We need a better solution. Not one that feels like an attack.

Please defer HB2605, HD2.

Aloha,
Angela S.

Dear Ways and Means Committee Members,

We have been successfully managing our LAHAINA condo as a short term rental for 4 years. We are about to purchase a 2nd condo in LAHAINA this spring. We will be forced to sell our condos if this bill is enacted. We are diligent about managing our condo. We have excellent on island representatives, should a guest need assistance. We have a network of contractors should we need emergency help. This lobbying effort by on island managers is a money grab by an industry in flux. Their main source of income is being eroded by technology. This tech allows owners to manage and book their own properties from a distance. Don't be fooled into helping keep a business model in place when it needs to change.

Regards,
Milo McGarry
3543 Lower Honoapiilani Rd
Lahaina, HI 96761

Dear Ways and Means Committee Members,

I'm writing regarding the proposed SD1 for HB2605, HD2. I do not want to be embarrassed because of this method of trying to do something about vacation rentals. Please show us that some good think is going on.

I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. This seemd to me the better way to work it out.

I am not supportive of the State Legislature doing this!

Aloha,

Jack Stevenson
The Fall's at Reed's Island
Hilo Hawaii
(808) 635-3649

Regards,
Jack Stevenson
82 Halaulani Pl
Hilo, HI 96720

Dear Ways and Means Committee Members,

I'm writing because I own and operate a vacation rental and I'm worried about the impact proposed SD1 for HB2605, HD2 will have on my business, my family and those who work for me. I do employ a few people who live on the Island of Maui. They rely on me and other owners of vacation rentals for their employment.

The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of unpermitted vacation rentals. I also question whether or not it is in violation of several Federal Statutes.

I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. Why not wait to see what kind they come up with before trying to wade in. It seems that this bill is trying to put the cart before the horse.

It seems to me that the State Legislature should give these counties a chance to "get their act together", before muddying the waters with State regulation, so I ask you to please defer HB2605, HD2.

Aloha,
Teri Roginski

Regards,
Teri Roginski
392 Spring Ridge Dr
Glenwood Springs, CO 81601

Dear Ways and Means Committee Members,

I am 93 and as an elderly person, I have family and caretakers who visit at different times. When my extra room is vacant however, I put it up as a vacation rental for short periods. This gives me sorely needed income as well as a chance to meet visitors from all parts of the world. I pay the newly required, extremely high taxes on short term rentals which contributes to the coffers of our community. I beg you, please do not take away my last source of income because without it I will not be able to remain in my home.

Mahalo nui loa for your consideration,

Regards,
Carla Chotzen
5101 Sanicle Way
Fair Oaks, CA 95628

Dear Ways and Means Committee Members,

Please oppose HB2605 HD2, SD1

There are many reasons that this bill does not make sense. If passed, it will put my daughter-in-law and son out of a job as they clean and do handyman jobs for vacation rentals. The loss of tax revenue, with owners that rent unpermitted rentals and do pay taxes would result in a tax revenue drop in many millions of dollars. Most unpermitted owners pay taxes. The big guys (hotels) trying to shut down the little guys are providing a lot of false information. Don't fall for it.

Mahalo for listening.

Regards,
Kathleen Andersen
84-127 Makau St
Waianae, HI 96792

Dear Ways and Means Committee Members,

I am alarmed to here that SD1 for HB2605, HD2 has been granted a hearing when things are already in the works to work WITH the vacation rental industry.

I just can't believe a place as beautiful as Hawaii will not innovate with the times as states everywhere are embracing the vacation rental model. Banning them completely is just so wrong and against the wishes of not only so many residents, but tourists who come to the island and do not want the hotel experience.

Both the city and the county are trying to work WITH the industry to come up with a reasonable solution, but this bill is obviously an attempt to shut all of it down.

Please, please, please here the voice of the people and not the lobbyists who are trying to choke out individuals like me who are not only providing a valuable service, paying all my GET and TAT taxes, but rely on this for my own survival.

Regards,

J. Wurster

Regards,
J. Wurster

Kaneohe, HI 96744

Dear Ways and Means Committee Members,

I'm writing because I own and operate a vacation rental and I'm worried about the impact proposed SD1 for HB2605, HD2 will have on my business, my family and those who work for me.

We purchased our property two years ago in Waikiki. We use this property to stay in Waikiki (because we live in Kailua) and also to share this with others who would like to vacation here for a more affordable cost.

Most of my clients are families and around 70% bring their grand-parents. These are the type of families who wouldn't normally be able to afford a beautiful holiday in Hawaii.

If we are not able to offer these families affordable accommodation they will end up going somewhere else. It's our visitors and not our local people who keep the day to day running of our local businesses. Our local people do not hire boards and paddle boards.... They do not employ cleaners, and they do not go out to eat in the small tourist towns as much as our visitors. I would hate to see the locals suffer because people are being priced out of this state when it comes to vacations.

Please work with us and not against us as we are all wanting the same outcome. We all want to see Hawaii thrive.

The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of unpermitted vacation rentals. I also question whether or not it is in violation of several Federal Statutes.

I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. Why not wait to see what kind they come up with before trying to wade in. It seems that this bill is trying to put the cart before the horse.

It seems to me that the State Legislature should give these counties a chance to "get their act together", before muddying the waters with State regulation, so I ask you to please defer HB2605, HD2.

Aloha,

Regards,
Ainslie Ports
66 Queen St
Honolulu, HI 96813

I'm writing because I own and operate a vacation rental and I'm worried about the impact proposed SD1 for HB2605, HD2 will have on my business, my family and those who work for me.

WE ARE JUST TRYING TO MAKE A LIVING TO SUPPORT OUR FAMILY and if this Bill Goes through We WILL DEFAULT of our obligations as WILL MANY MANY other Owners which WILL AFFECT HAWAII NEGATIVELY.

The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of unpermitted vacation rentals. I also question whether or not it is in violation of several Federal Statutes.

I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. Why not wait to see what kind they come up with before trying to wade in. It seems that this bill is trying to put the cart before the horse.

It seems to me that the State Legislature should give these counties a chance to "get their act together", before muddying the waters with State regulation, so I ask you to please defer HB2605, HD2.

Aloha,

Gayle Mackey
Vacation Rental Owner

I'm writing because I own and operate a vacation rental and I'm worried about the impact proposed SD1 for HB2605, HD2 will have on my business, my family and those who work for me.

We purchased our property two years ago in Waikiki. We use this property to stay in Waikiki (because we live in Kailua) and also to share this with others who would like to vacation here for a more affordable cost.

Most of my clients are families and around 70% bring their grand-parents. These are the type of families who wouldn't normally be able to afford a beautiful holiday in Hawaii.

If we are not able to offer these families affordable accommodation they will end up going somewhere else. It's our visitors and not our local people who keep the day to day running of our local businesses. Our local people do not hire boards and paddle boards.... They do not employ cleaners, and they do not go out to eat in the small tourist towns as much as our visitors. I would hate to see the locals suffer because people are being priced out of this state when it comes to vacations.

Please work with us and not against us as we are all wanting the same outcome. We all want to see Hawaii thrive.

The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of unpermitted vacation rentals. I also question whether or not it is in violation of several Federal Statutes.

I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. Why not wait to see what kind they come up with before trying to wade in. It seems that this bill is trying to put the cart before the horse.

It seems to me that the State Legislature should give these counties a chance to "get their act together", before muddying the waters with State regulation, so I ask you to please defer HB2605, HD2.

Aloha,

Ainslie Ports
Beautiful Beach Weddings Hawaii
Marriage officiant
Ph: +1 808 679-6182
E: ainslieports@outlook.com
PO Box 780
Honolulu HI
96808 USA

Aloha,

I don't operate vacation rentals but I support the rights of my neighbors to do so. Please stop any action at the State level while Honolulu county considers their own policy on this issue.
Thank you.

Sincerely,

Nicholas Bredimus
343 Lama Pl
Kailua, HI 96734

808-262-3753

the counties are working on this; please give them time to figure this out by voting this down.

Thank you;

Roger Wilson
Wilson Real Estate
222 S. 1st st
Yakima, WA 98901
Phone 509-728-0654
Fax 1-866-507-7486

Dear WAM Committee Chair, Sen. Donovan Dela Cruz and Committee Members,

With regards to HB2605, HD2 my request is that you all vote to kill this bill.

This bill is bad legislation that will prove to be detrimental to the life of Hawaii's tourism. It's no secret that Hawaii is known world wide for their hospitality and tourist friendly culture. However, this bill will be viewed by today's modern tourist as inflexible and inhospitable to those who would like to enjoy the beautiful wonders that has for decades attracted tourists to Hawaii. The primary reason for this is today's tourist has changed and in the highly competitive tourism market, Hawaii must change with them or be left behind. Today's tourist fit into two primary buckets. The first bucket contains a large population of people who still like the conservative approach to vacationing. They prefer hotels and the amenities they provide and they like to stay in one central location for the duration of their stay. Hawaii excels at catering to this bucket of vacationers. The second bucket is a tremendously growing population of younger professionals and retirees who do not like the hotels as their primary choice to host their stay and instead much prefer the accommodations that AirBnBs provide. The mindset of these vacationers is vastly different than in times past. They don't like to stay in one location long. They have an insatiable hunger to see as much as a vacation location can offer in the shortest amount of time before they move on to their next location. For instance, I have observed many tourists will visit multiple Hawaii Island locations instead of just one and thereby increase the footprint of positive economic impact across multiple locations in Hawaii. However, they are very cost conscience and will not hesitate to forgo a vacation destination in leu of another if their preferences for how a host location should accommodate them are not met. The solution is to accommodate both buckets of vacationers the old mentality and the new with the degree of excellence Hawaii and the Aloha Spirit have so proudly done for decades.

There is a great risk to Hawaii's future tourism success if this bill is passed. Hawaii's tourist competitor nations would welcome Hawaii in passing this because it will most certainly give them a competitive advantage and they will welcome AirBnB with open arms. The passing of this bill will prove to it's citizens that Hawaii does not know that the world's vacationers are changing rapidly and it will suffer financially for it. Please kill this bill and embrace the future for Hawaii's sake. Hawaii should always continue to be the magnet for all the world's vacationers and the very best at hosting them however they prefer to be accommodated during their stay. Mahalo.

Highest Regards,

Nate Storjohann

Cell: 602-425-7842

It is pretty hypocritical how the state want's to spend STR tax money before it is even collected while at the same time slapping the property owners with draconian regulations. I am on Oahu in Hauula...I realize that you have to appear to be appeasing your hotel/resort political donors while at the same time making sure all of the usual feel good spending still goes on. You can't have it both ways. I pay my housekeeper 150.00 a clean and in Hauula that is a pretty good job. Who are you pretending to represent?

Aloha,

Jeff

I attended UH Manoa as an undergraduate and have planned to retire in Hawaii. I am purchasing a home for retirement that, to be able to afford, I rent part of the time. The proposed SD1 for HB2605, will restrict my ability to rent making it impossible for me to afford my dream home to return to Hawaii for retirement.

The proposed SD1 would restrict the use of properties as vacation rentals.

Currently there are reasonable regulations. I regularly pay transient and general taxes.

It seems to me that the State Legislature should give these counties a chance to "get their act together", before muddying the waters with State regulation, so I ask you to please defer HB2605, HD2.

Mahalo,

Donnell J. Creel

don@ramashala.com

12-7208 Kalapana Kapoho Rd.
Pahoa, HI 96778

Aloha,

Please vote down bill HB2605 HD2. I own a licensed vacation rental and see how important it is to the community and to my ability to live in Kailua as a responsible citizen and homeowner. Many of my friends and neighbors send family members and friends to stay with me. Otherwise they would have to stay in Waikiki. We are great neighbors and our guests are respectful and lovely people. I have never had someone here that I was glad to see go.

This is being worked on at the county level, so why not wait to see what they come up with?

Thank you for your consideration.

Warm Regards, Allison Shadday

I'm writing because I own and operate a vacation rental and this is my primary source of income to retire in Hawaii. In order to survive living in Hawaii, the ordinary social security income is not enough! The vacation rental income has become the primary as well as supplemental income to keep up with the high cost of living in Hawaii. I am worried about the impact proposed SD1 for HB2605, HD2 will have on myself, my family and those who, such as maids, handyman who work directly with me. The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of unpermitted vacation rentals. I also question whether or not is it in violation of several Federal Statutes? I support the reasonable regulation and it is my understanding that the City and County of Honolulu is working to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. Why would the State rush to enact laws? Isn't it wasting the taxpayer money to step into the territory that should be the city and county regulatory responsibility? Doesn't the State have better things to tackle, for example the rail, airport such enormous tasks that the State should be involved and assist, but leave it to the City to tackle, so coming down on how homeowners do their business to survive living in Hawaii should not be the State's job. I ask you to get your priority straight and please defer HB2605, HD2.

Mahalo

Rosaline

Dear Ways and Means Committee Members,

I'm writing because I own and operate vacation rentals and I'm worried about the impact proposed SD1 for HB2605, HD2 will have on my business, my family and those who work for me.

The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of unpermitted vacation rentals. Do some homework on federal statutes please. This will probably end up in court if passed.

This appears to be more of a county issue rather than state. Let the counties do their job, and by the way, why don't you give the counties more of the TAT revenue.

Aloha and mahalo,

Regards,
Dennis Garlock
5377 Aster St NW
Salem, OR 97304

Dear Ways and Means Committee Members,

I'm writing because I own and operate a vacation rental house and I'm worried about the impact proposed SD1 for HB2605, HD2 will have on my business, my family and those who work for me, all of whom vote. I contribute over \$60,000 annually to the local economy. Passage of this law would have a negative impact on the economy of Hawaii and probably get you voted out of office.

Many visitors would not come to Hawaii without the vacation rental houses. We have operated a vacation rental house for over twenty years, and we stayed in one as long ago as 1970, so why is this an issue all of a sudden? Our vacation rental house is located in Poipu, a popular visitor destination, it is not located in a normal residential area. As such, it provides a needed service to the touring public. Condos across the street from my house are allowed to rent so my house should be allowed to rent also.

I learned in my business that any government action to limit commerce only enriches someone else, in this case passage of your law would enrich the hotel industry, mainly owned by off-island interests. Why not benefit the local population instead by allowing them to rent their houses.

Aloha,

Regards,
James Wisda
2261 Nalo Rd
Koloa, HI 96756

Dear Ways and Means Committee Members,

I'm writing because I own and operate a legal vacation rental.

The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of unpermitted vacation rentals. I believe it is important to enforce these laws but also see the need for owners that live on property to be able to freely rent out a portion of their property. It is the illegal rentals with absentee owners that seem to be creating the biggest issues for our community. In our community we are seeing a big increase in theft and even cases of murder and violent break-ins due to so many illegal vacation rentals. The bad guys know there is no one on property and no one watching either. The local police officers have told us it has tripled in The Last 5 Years. Many oceanfront communities are now more than half illegal vacation rentals. This means they are very transient with no long-term residents or occupants paying attention or watching out for their neighbors. We live in an ocean front home and have had our car stolen and home broken into multiple times due to the vacation rentals around us. The police do not care and the bad guys often mistake us as a vacation rental just like our neighbors.

My family also operates a legal vacation rental on Island. We pay all of our taxes and we also pay four times the property tax compared to a home that is zoned residential. We know many owners of illegal rentals who are not paying their transient or GE taxes. They also don't pay the appropriate amount of property taxes since they are not zoned for vacation rental. We have to compete with these people and it creates an unfair dynamic in the marketplace. We would like to see the new regulation level the playing field so anyone doing vacation rental is paying the same amount of taxes across the board.

We are also seeing illegal vacation rentals causing imbalances with the supply and cost of long-term rentals. Since owners can make two to three times more money on a vacation rental they have now converted what used to be a long term rental into an illegal vacation rental. This leaves community members that need to rent with very little to choose from and much higher long term rental prices.

As a real estate agent I have also seen how prices have skyrocketed in the areas popular for short-term rentals. Many Mainland and international investors have come to the market with cash. This makes it very difficult for the local community to compete and purchase real estate to live in as their primary residence.

I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1.

My hope is the current laws can be enforced as well as finding New Balance to provide a solution that protects the community as well as serves the demand and need for more short term housing. The current tourism numbers have been at all-time highs and there are clearly not enough hotel rooms to serve this demand.

Aloha,

Regards,

Chad Holcomb
94-1221 Ka Uka Blvd
Waipahu, HI 96797

Thank you for the opportunity to provide comments in opposition of Senate Bill 2605 HD2.

I'm writing because we manage and operate vacation rentals and I'm worried about the impact proposed SD1 for HB2605, HD2 will have on my business, my family and those who work for me.

The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of unpermitted vacation rentals. I also question whether or not it is in violation of several Federal Statutes.

I support reasonable regulation and appropriate penalties. I have met with the Hawaii County legislators and they are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. In my view it will be more productive to wait and see how the county officials address their specific county challenges before the state introduces broad legislation that might have many unintended, and negative, consequences at the county level.

Property management companies bring local employment to the community, and ensure that properties are managed professionally. The indirect impact we have on the local economy, and the creation of jobs, is significant. Collectively we create employment for plumbers, cleaners, air-conditioning services companies, handyman, landscapers, etc. Over 40% of gross rental revenues is funneled back into the local economy to support local jobs.

The county of Hawaii is looking at several options to protect the positive things that vacation rental brings to the Island, while balancing this with some of the challenges we experience with poorly managed properties. Let the county officials determine what is best for their specific environment.

The State Legislature should give the counties a chance to work through the local process and enact policies that address local issues. **As such, I would like to ask you to please defer HB2605, HD2.**

Aloha,

Anton (Ton) H Steenman, Partner

Mobile: 480-363-1278

ton@boundlesshawaii.com

Dear Ways and Means Committee Members,

It is pretty hypocritical how the state want's to spend STR tax money before it is even collected while at the same time slapping the property owners with draconian regulations. I am on Oahu in Hauula...I realize that you have to appear to be appeasing your hotel/resort political donors while at the same time making sure all of the usual feel good spending still goes on. You can't have it both ways. I pay my housekeeper 150.00 a clean and in Hauula that is a pretty good job. Who are you pretending to represent?

Aloha,

Jeff

The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of unpermitted vacation rentals. I also question whether or not it is in violation of several Federal Statutes.

I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. Why not wait to see what kind they come up with before trying to wade in. It seems that this bill is trying to put the cart before the horse.

It seems to me that the State Legislature should give these counties a chance to "get their act together", before muddying the waters with State regulation, so I ask you to please defer HB2605, HD2.

Aloha,

Regards,
Bell Jeffrey
4416 SW Dakota St
Seattle, WA 98116

Dear Ways and Means Committee Members,

I'm writing because I own and operate a vacation rental on the property that I reside at and I'm worried about the impact proposed SD1 for HB2605, HD2 will have on my business which I run with my wife.

We have always collected and filed all GET and TAT taxes in accordance with the law. Our neighbors approve of our vacation rental.

I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. Why not wait to see what kind of provisions they come up first.

It seems to me that the State Legislature should give these counties a chance to study the best way to protect everyone's interests, before muddying the waters with State regulation, so I ask you to please defer HB2605, HD2.

Regards,
Randall Phillips
75-5382 Mamalahoa Hwy
Holualoa, HI 96725

Dear Ways and Means Committee Members,

I'm writing because I caretake a small coffee farm and has a vacation rental on it.. and I'm worried about the impact proposed SD1 for HB2605, HD2 will have on my business, my family and those who work for me.

The coffee would not pay the bills and as I submit the correct taxes I feel that a few bad apples are the ones you should go after . Not of us who are tax paying and do this right

The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of unpermitted vacation rentals. I also question whether or not it is in violation of several Federal Statutes.

I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. Why not wait to see what kind they come up with before trying to wade in. It seems that this bill is trying to put the cart before the horse.

It seems to me that the State Legislature should give these counties a chance to "get their act together", before muddying the waters with State regulation, so I ask you to please defer HB2605, HD2.

Aloha,

Regards,
Candi Baker
82 Napoopoo Rd
Captain Cook, HI 96704

TO: Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee
April 2, 2018

Dear Committee:

My name is Christopher Jones and I was born and raised in South Kona, Hawaii. I am a senior at UHH. I wish to state my ADAMANT OPPOSITION to HB 2605, SD1!

While I believe the renting platforms such as Airbnb should be able to collect taxes on behalf of the state, I do not believe that these taxes should come at the cost of our personal privacy (the platforms turning over their customer lists to municipal authorities) or other bad addendum such as the addition of severely punitive financial penalties for what basically amounts to minor zoning violations.

In part, the bill would:

—Make us responsible for taxes should the platform not collect them properly.

—Force the platform to hand over all of our personal booking details, such as Rates per night, name and address, and contact details. This is a violation of privacy, and of our constitutional rights. No other taxpayer is forced to provide this information to a municipality without a subpoena.

—The platforms are required to share our personal 1099 information with state/and or county municipalities, which is a profound violation of our privacy! We are required to waive our rights to this expectation of privacy! By federal law the State Department of taxation must keep this information personal and confidential. No other taxpayer is forced to provide this information without a subpoena. Accused violations are subject to forfeiture of property and income without due process. This is a direct violation of the Constitutional protections of the IV Amendment: “The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.”

The proposed draconian legislation to pave the way toward a ban and/or to seriously regulate or restrict short term rentals in Hawaii is very concerning and worrisome to thousands of us here who are affiliated with offering low-key, affordable accommodations to visitors.

My mom rent outs a modest room in our house, which has helped my small family stay in our home, pay the mortgage and expenses and crawl out of and fight off foreclosure during the recession and my divorce, which happened simultaneously.

She has the required licenses and collect and remit TAT/GE taxes, which have amounted to several thousand paid into the state coffers over the years. It's just one income stream she has had as a single mom with two children attending UH Hilo. The other two jobs are writing and teaching.

Even still, it's barely enough to make ends meet. Her mortgage reset last year to a higher rate and this year will go to an even higher rate. At the age of 59, she getting very concerned because all her costs are going up. But her income has not. In fact, it has been steadily declining. In short, she RELIES on this short term rental income. If it were banned, she would need to consider selling and moving off island after more than 26 years as a working, taxpaying resident of Hawaii. Her sons would leave too.

Short term renting offers a way for her, as a person nearing retirement age, to get by in a place where it's unimaginably difficult to make a living (She has a college degree and professional skills) and afford to own a property. Also, this year, we faced both a property tax hike and a gas pump hike by the Kim administration. A rise in GE tax is being proposed here as we speak. More cost of living increases, yet it's now being proposed to ban our ability to rent our properties out short term?

Also I believe the entire nation has a housing crisis not because of a few vacation rentals but because, from 2009 until the present, more than 15 million homeowners nationwide lost their homes to a foreclosure crisis that still persists. These former owners are now renters flooding the market and competing with regular renters for housing. There are thousands of people in Hawaii who lost their homes to foreclosure and are now renters. And this is why we have a housing crisis in our state and elsewhere. Not because someone rents on Airbnb or VRBO!

So while it may “appear” that Airbnb rentals competes with affordable housing, correlation does not equal causation. (Just because the rooster crowing is associated with the sun rising does not mean he caused it to happen.)

Stated another way, if the state and county banned every short term rental on the island today, you would STILL have a housing crisis.

I think it would cause a cascade of distress and immediately and irreversibly tank our delicate statewide economy. Owners who rent their retirement homes out until they can relocate to the island would simply be forced to sell. My good friends are in that position. They wouldn’t rent their beach place long term. They would just sell it and get out.

To that end, also remember that a whole cottage industry has arisen and supported the vacation rental market, which employs a number of people who service the homes or renters. On my street alone, two families make their entire living cleaning, managing and otherwise servicing vacation rentals for owners. STRs also create jobs for pool cleaners, handymen, pest control services and others, just to name a few. Owners buy more appliances and furniture, dishes and linens, all of which help the local economy. These properties are always kept up better than snowbird type homes or long term rental homes, preserving and enhancing the property values for all of us.

In some areas, such as South Kona, Hamakua or Puna/East Hawaii, there are ZERO hotels or accommodations for guests who want to visit and stay in those areas. We rent to quiet singles or couples who book three or four days on the Kona side and three or four on the Hilo side. In 99 percent of cases, these are quiet, law-abiding guests, people who are mainly here to sightsee, do a circle island or enjoy Hawaii affordably.

The other 1% stays with me to work on writing books or pursue artistic endeavors. We are onsite to make sure the guests behave in accordance to our rules.

Practically speaking, there are not enough hotel rooms on this island to accommodate these visitors. Consider the closing of some hotels as well.

The Keauhou Beach Hotel and Uncle Billy’s Pagoda both closed and are being demolished. There’s nothing to replace those many hotel rooms taken out of inventory.

Our guests spend money on car rentals, gasoline, restaurants, souvenirs, attractions and more. Take away their place to stay and they will simply not come to Hawaii if the Hilton or Marriott is their only choice.

Multiply that by thousands and thousands of cases and there you have it—an economic tanking on our island.

I firmly believe that if vacation rentals are banned outright on Hawaii Island, it would also cause a drastic, immediate and possibly irreversible meltdown of our local island economy. I speak for many many people when I say that many local homeowners I know depend on this vacation renting income. Those taxes we collect add to our state’s coffers immensely. (Over the years I’ve collected thousands in tax on my humble place.) They also give money-spending visitors who are normally not able to afford the large hotels an alternative. All the businesses that the visitors patronize would be impacted, as many visitors just could not afford to come here.

Please, please kill this bill and work on one that is fair to all without being unnecessarily punitive.

(It must be noted that if you pass this bad bad bill, the platforms, who don't support it will fail to collect tax on the state's behalf and it will be a lose-lose for everyone.) There are lots of solutions out there. Let's research it and think of some compromises that are fair to all of us—visitors, homeowners and the residents of our Hawaiian Islands.

Finally I oppose the “gut and replace” method of legislation that has taken place here. It seems like lazy, shoddy legislation to me.

Again, I adamantly oppose HB 2605, SD1! Thank you for your time in hearing my objections.

Sincerely,

Christopher Jones
South Kona

I'm writing because I own and operate a vacation rental and I'm TERRIFIED about the impact proposed SD1 for HB2605, HD2 will have on my business, my family (I AM A CARE GIVER TO MY 92 YEAR OLD DISABLED MOTHER; I HAVE AN ARTHRITIC HUSBAND AND I AM A THIRD-STAGE CANCER SURVIVOR ***AND I NEED MY SHORT-TERM RENTAL INCOME*** OR I WILL LOSE MY (OUR) HOME. Honestly, I can't imagine what in the world you "elected people" are thinking when you devise such onerous regulations that work AGAINST THE WELL BEING OF YOUR ISLAND NEIGHBORS. YOU ARE ABOUT TO HARM THOUSANDS OF HONEST ISLAND NEIGHBOR RESIDENTS WHO ARE HANGING .THEIR PROPERTIES -- WE ARE FULL-TIME, TAX-PAYING HAWAII RESIDENTS. A large portion of the island property owners employ other island workers to help them with maintenance, landscaping, cleaning, laundry, and other general property upkeep. Personally, I run a small business which is formed in Hawaii (LLC), tax registered and is tax paying. WHY IN THE WORLD ARE YOU ELECTED OFFICIALS SO UN-ALOHA SPIRITED AGAINST YOUR ISLAND NEIGHBORS. MY SMALL RENTAL BUSINESS IS UNDER NO CIRCUMSTANCES HARMING ANYONE -- NOT MY NEIGHBORS WHO ARE WONDERFUL -- NOT MY COMMUNITY IN SOUTH KOHALA. The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of unpermitted vacation rentals. I also question whether or not it is in violation of several Federal Statutes. I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. Why not wait to see what kind they come up with before trying to wade in. It seems that this bill is trying to put the cart before the horse. It seems to me that the State Legislature should give these counties a chance to "get their act together", before muddying the waters with State regulation, so I ask you to please defer HB2605, HD2. Aloha, Annette Andkjaer

I strongly oppose HB2605 HD2.

I would have a negative impact on my family and business. I am for reasonable regulations but this is not fair.

Maria Morgan Kribel

Waianae

I'm writing because of the impact proposed SD1 for HB2605, HD2 will have on my business and those who work for me. Hawaii's main industry is tourism — so why stifle it??

The State Legislature should give the counties time to complete their work, before muddying the waters with State regulation, so I ask you to please defer HB2605, HD2.

The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of unpermitted vacation rentals. This will no doubt lead to lawsuits against the State, at least due to the information sharing issue which normally requires subpoena-level action.

Aloha,
Brett Fillmore
Kailua Business Owner

SENATE COMMITTEE ON WAYS AND MEANS

Charles C. Frost
1512 Halekoa Drive
Honolulu, HI 96821
(207) 641-7199

Wednesday, April 4, 2018

OPPOSITION -- HB 2605, HD2, SD1 RELATING TO TRANSIENT ACCOMMODATIONS

Aloha Honorable Chairs, Vice Chairs and Committee Members:

We urge you to oppose HB 2605 HD2 SD1.

Our obsolete accommodation laws certainly need to be brought in line with modern booking technology, but we believe that it is premature for the Hawaii State Senate to take up this issue while several Counties are in the process of developing local zoning and other solutions to regulate transient accommodations in their jurisdictions. We favor host registration, reasonable regulation and appropriate penalties for violation.

My wife Janice Grow-Maienza and I have operated a short-term rental small business at our home since retiring from university teaching in 2013. We are empty-nesters living in an ohana apartment at street level, renting out the lower floors and pool house when not occupied by visiting family members. Our General Excise Tax registration is prominently displayed in the office of the rental spaces.

For the past three years we have hosted groups of 6-8 nursing students from a Canadian university, who use our facilities as dormitory and classroom while learning the philosophy and methods of native Hawaiian healing arts. We have also hosted several small teams of technicians who are assigned to Honolulu for short-term work projects. Such groups prefer a home setting where they can do their own cooking.

We engage cleaning and landscaping services on a regular basis, as well as carpenters, painters and tree surgeons when needed.

We have been at pains to avoid noise and traffic problems for our neighbors. Our guests have been quiet. The nursing students and their professor use public transportation to the school clinics that they serve.

We rent less than 12 times a year. We pay the General Excise and Transient Accommodation taxes ourselves and are in good standing with the Department of Taxation. We understand that the transient accommodations industry accounts for about \$5 billion in the local economy. The State of Hawaii and its subdivisions need the tax revenue that this rental activity generates.

The bill under your consideration is unnecessarily punitive and restrictive on property owners who are contributing to the Oahu economy. It would have a serious impact on us personally. Without supplemental rental income we would be unable to afford our home and its sizable fixed costs.

Mahalo for this opportunity to testify. /s/ Charles C. Frost

Dear Ways and Means Committee Members,

I'm writing because I own and operate a vacation rental on Maui. I am concerned about the impact proposed SD1 for HB2605, HD2 will have on my business and the business of the marketing agencies.

The proposed SD1 would require brokers to share personal owner information with State and County agencies. This is a problem to me. That is not their position to do so. I pay my GET and TAT taxes. I pay the state directly. I realize there are lots of rentals that don't. The State can get a small group, say 10 persons, to audit these internet sites and the properties advertised. The money they collect from non-compliant landlords can easily pay for themselves and collect the taxes the State is missing out on.

The City of South Lake Tahoe has made huge strides towards controlling vacation rentals, permits and taxes. You should look at what they are doing for an example. Leaving the work of the Department of Taxation to big internet marketing agencies and platforms is NOT the way to take care of our business and our State!

What makes you think that the percentage of compliance will increase just because a huge marketer like Homeaway is collecting the funds? What makes you think that they will not hold on to the money and collect interest to keep for themselves? What makes you think that they will provide you more tax funds than what your currently getting? The state will still need a tax force to follow up and audit these agencies. When you finds mistakes and errors, which there will be, how much easier do you think it will be to get them to come correct versus having that same agency target the homeowners themselves?

I'm all for reasonable regulation and appropriate penalties. I am all for paying taxes. I am all for penalizing those that don't. The vacation rental owners need to do their job and the State Department of Taxation needs to do theirs. Don't pass the buck!

Sincerely,
Sandy Szymanski

Regards,
Sandy Szymanski
PO Box 880010
Pukalani, HI 96788

Dear Ways and Means Committee Members,

I am retired, living on a limited government pension and social security, and have operated one vacation rental home for the past 9 years on the Big island. Our neighborhood in Kapoho, Hawaii has many vacation rentals and is able to pay many local people to take care of the landscaping, clean the homes, help the guests as needed, etc. There are not many jobs in the lower Puna District so these jobs are very important to many local residents. I strongly support requiring all vacation rentals to get the required business license and pay all TAT and GE taxes owed on the rental income, to notify their subdivision of their commercial use of their property and pay the higher association assessment fees, and follow all relevant land use laws. Vacation rental properties that have obeyed all these rules should be allowed to continue their legal business if a county seeks to reduce the number of vacation rentals in some areas. Please reward those who have obeyed the rules and paid all the taxes owed for years (in our case, the last 9 years) and are helping local residents have some income in an area with very few full-time jobs.

Mahalo for considering my views,

Linda Flanders

Regards,
Linda Flanders
8616 Semiahmoo Dr
Blaine, WA 98230

Dear Ways and Means Committee Members,

I have a huge problem with HB2605 HD2, SD1, which keeps all the money in the hands of big corporations and removes the money from the hands of the individual property owners and tax payers.

The internet sites have already started to hoard, I mean Hold, MY money. Homeaway/VRBO to be precise, already holds on to my guests security deposit. That money should come to me and allow me to make interest on it while sitting in my bank account. Instead, the big corporation gets it, they make interest on it and then further delay its refund processing by 2-3 business days as general practice. The more money they hold and the longer they hold it, the more money they make and the more control they have over it.

This bill Continues to allow money being taken directly from the hands of the people who EARN IT! The vacation property owners, the Hawaii taxpayers should be able to hold on to Our money and make interest on that money rather than VRBO! When it comes time to pay taxes, then we need to pay them!

I abide by the rules. I pay taxes...all of them. The State needs to do their job by auditing and penalizing those that don't. But don't make me, the small guy who's doing the right thing, continue to lose money and lose control over my money to the big corporations! Bad enough I have no control over the State of Hawaii's big government and its tourism taxes. Don't let internet conglomerates take control over my money too!

Sincerely,
Sandy Szymanski

Regards,
Sandy Szymanski
PO Box 880010
Pukalani, HI 96788

Dear Ways and Means Committee Members,

I recently submitted an email re: HB2605 HD2, SD1). I want to add that our land has been part of our family for generations. Our 2nd home on the land provides us the income we need to put food on our table as well as employ cleaners and landscapers.

I understand the delicate balance here but I urge you to please consider what these bills could do to families such as ours. Let's allow our county officials to come up with a plan for their own counties before having the State step in. This could have a devastating effect on local families if not handled the right way.

Much Aloha,
Rebecca Kawehi Inaba
808.937.8907
kawehiinaba@gmail.com

Regards,
Rebecca Inaba
73-4690 Kohanaiki Rd
Kailua-kona, HI 96740

Dear Ways and Means Committee Members,

In crafting short-term rental regulation, it's important that policymakers recognize the value of short-term rentals in providing flexible housing, and legalize and formalize short-term rentals as a unique and valuable alternative for travelers. They also need to recognize that short-term rentals are a non-commercial activity, governed by the same or similar guidelines and laws as those governing long-term residential rental properties, including the absence of additional laws or ordinances for dealing with nuisance issues already covered under existing municipal and city codes. Under any regulations, all short-term rentals should be treated the same, without differentiations between residency, use, advertising or booking platforms or business models, and that if fees associated with licensing or permitting are part of the local regulation, ensuring they are manageable goes a long way to encouraging compliance. Most importantly, successful short-term rental regulations should be developed through an open and transparent dialogue between you, as a provider, policymakers, industry stakeholders, and the entire community.

The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of unpermitted vacation rentals. I also question whether or not it is in violation of several Federal Statutes.

I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. It seems to me that the State Legislature should give these counties a chance to "get their act together", before muddying the waters with State regulation, so I ask you to please defer HB2605, HD2.

In crafting short-term rental regulation, it's important that policymakers recognize the value of short-term rentals in providing flexible housing, and legalize and formalize short-term rentals as a unique and valuable alternative for travelers. They also need to recognize that short-term rentals are a non-commercial activity, governed by the same or similar guidelines and laws as those governing long-term residential rental properties, including the absence of additional laws or ordinances for dealing with nuisance issues already covered under existing municipal and city codes. Under any regulations, all short-term rentals should be treated the same, without differentiations between residency, use, advertising or booking platforms or business models.

Hawaii had a record breaking year for the tourism industry, in part due to the additional rental units available to travelers. Hawaii's hotel rates are between \$200-700 a night, making a Hawaiian vacation inaccessible to working middle class families. People now have the option of renting more affordable units making Hawaii a friendly destination for so many more types of travelers. Travelers who would like the amenities and luxury of a hotel can still rent one, and most likely are not the target demographic for staying in a private short term rental. There is room for all in our bustling visitor industry. The Hawaii Tourism Authority is spending upwards of \$500,000 for one man's salary, yet is not open to sharing profits of the visitor industry with LOCAL people. The cost of living in Hawaii has sky rocketed, yet tourism continues to flourish, with very little money trickling in to the local economy. Short term rentals are a way for local people to actually keep their homes and stay on island. When local people make money, they spend it in the local economy.

I believe almost all short term owners are happy to be taxed on the income that comes in, but harsh penalties upwards of \$25,000 is unnecessary and squashes the little people in our community.

When permits are given out locally (for instance the Cannabis Dispensary permits) Hawaii's corrupt system always seem to give permits to those with the most cash and hands in the pockets of legislators. This is not a fair system and the permits will most likely be given to a "select few" in our community with ties to big business in town.

I urge you to please defer HB2605, HD2 and throw this bill out.
Aloha,
Jamie McLaughlin

Regards,
Jamie McLaughlin
614 11th Ave
Honolulu, HI 96816

Dear Ways and Means Committee Members,

I have owned 2 condos that I rent for vacations in Hawaii for 7 years . I allow people to stay on island who couldn't afford the expensive resorts and pay many members of the community for their services monthly. I have been using a large portion to send my daughter to university of Hawaii ay Monoa paying very expensive out of state tuition. I cannot afford and do not need any assistance in my business. I pay my taxes monthly and employee a tax service on Oahu to assist. HB2605, HD2 will have on my business, my family.

I'm all for reasonable regulation and appropriate penalties, please crack down on everyone not paying taxes! I pay mine and feel strongly everyone should
Please don't penalise the majority that are doing everything correct.
I ask you to please defer HB2605, HD2.

Aloha,
Gary Pearce

Regards,
Gary Pearce
PO Box 20361
Mesa, AZ 85277

From: [Debra Hoffman](#)
To: [WAM Testimony](#)
Subject: Protect Short-Term Rentals In Our Community
Date: Monday, April 2, 2018 10:02:22 AM

Dear Ways and Means Committee Members,

Stop the illegal and unsafe vacation rentals from infiltrating our neighborhoods where residents live!

They are not paying the taxes & undercutting the legal vacation rentals that are following the rules. The vacation rental sites are sending mass emails to fight this so they can profit from the illegal rentals, don't listen to them. There are 2 illegal rentals just within a block of our home. Extra cars, noise less parking for residents who pay their property taxes! Please listen to Hawaii residents concerns.

From, a 25 year resident and tax paying property owner.

Regards,
Debra Hoffman
1312 Kilou St
Wailuku, HI 96793

Dear Ways and Means Committee Members,

I'm writing because I own and operate a vacation rental and I'm worried about the impact proposed SD1 for HB2605, HD2 will have on my business, my family and those who work for me.

The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of unpermitted vacation rentals. I also question whether or not it is in violation of several Federal Statutes.

I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. Why not wait to see what kind they come up with before trying to wade in. It seems that this bill is trying to put the cart before the horse.

It seems to me that the State Legislature should give these counties a chance to "get their act together", before muddying the waters with State regulation, so I ask you to please defer HB2605, HD2.

Aloha,

Barton Lynch	Steven Roth	Colin Lau
Kim Orszag	Vicki & William T. Cobb	Billie Martines
Geroge Heiligman	Ivar Pedersen	Katie Minkus
Dale Carlson	Cindy Chaput	Linda Ketover
Timothy Glenn	Jacquelyn Lang	Kimberly Tran
James Phillips	Jeff Porter	Shannon OShea
Kerri McGovern	Chantel Anongos	Darren Flail
Jill Ami	Chris Haverkamp	Dana Hargrove
Keeon Britton	James Webster	Kathy Parks
Normadeene K. Musick	Kei Wilson	Robert Patey
Fereshteh Nibakhsh-Tali	Samantha Broward	Julia McIntyre
Derek Rueb	Danielle Bates	Mei
Jennifer Cox	Peter Knoblich	

Dear Ways and Means Committee Members,

I'm writing because I own and operate a vacation rental and I'm worried about the impact proposed SD1 for HB2605, HD2 will have on my business, my family and those who work for me.

The proposed SD1 would restrict the use of properties as vacation rentals, require brokers to share personal owner information with State and County agencies and increase penalties on owners and brokers of unpermitted vacation rentals. I also question whether or not it is in violation of several Federal Statutes.

I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1. Why not wait to see what kind they come up with before trying to wade in. It seems that this bill is trying to put the cart before the horse.

It seems to me that the State Legislature should give these counties a chance to "get their act together", before muddying the waters with State regulation, so I ask you to please defer HB2605, HD2.

I was born and raised in Kailua. Tourism is Hawaii's No. 1 industry and we need to sustain it. Kailua needs tourism to sustain it's quality of existence. Kailua has improved exponentially over the years and the survival of the many small businesses and local jobs is immeasurable.

I am proud to be an old timer Kailuan and finally have pride in sharing our 'world-class' town with visitors.

Aloha,
Harry Nakamura

Regards,
Harry Nakamura
320 S Kalaheo Ave
Kailua, HI 96734

Dear Ways and Means Committee Members,

HELP PLEASE: This bill isn't just bad, it's unrealistic and unfair. The bill imposes extraordinarily severe penalties for hosts, making a violation of short-term rental laws a class C felony, while failing to update short-term rental laws that are outdated. By only imposing penalties without providing a means for hosts and property owners to share their homes, this bill will severely, and unfairly, restrict alternative accommodations in Hawaii.

Restricting alternative accommodations could potentially hurt local residents, business owners, and severely damage the state's economy. The livelihoods of thousands of Hawaii residents and hundreds of millions of dollars in revenue for the state are at risk if this bill is approved.

Regards,
G Rand
3669 Ke St
Honolulu, HI 96818

Dear Ways and Means Committee Members,

I'm writing because I own and operate a vacation rental and my rental is located in a vacation rental zoned area. I have a GE & TAT license and pay taxes like all vacation rental property owners should. I do believe there are many vacation rental owners without permits, without GE/TAT licenses, and many not paying taxes. I'm all for reasonable regulation and appropriate penalties, and it is my understanding that both Hawaii County and the City and County of Honolulu are moving to update their regulations in an effort to deal with some of the key issues highlighted in the proposed SD1.

Regards,
Rachel Christopher
3540 Keahi Pl
Kihei, HI 96753

From: [robert sablan](#)
To: [WAM Testimony](#)
Subject: Fw: TESTIMONY to STOP HB 2605 SD1
Date: Friday, March 30, 2018 2:00:51 PM

On Friday, March 30, 2018 1:59 PM, robert sablan <pupuka66@yahoo.com> wrote:

Aloha Senators,

I'm a part time host (non owner) on AIR BNB & I'd like to tell you that this experience has been exceptionally positive for myself, the guest, the community at large and our local economy.

I'm asking the Ways & Means Committee members to reconsider HG 2605 SD1 and work to create a more balanced bill or law that will benefit everyone and not penalize us with a "class c felony".

Why would we be charged with such an offense while extending the Aloha Spirit through alternative accommodations when all taxes etc. are applicable?

Mahalo for your consideration.

Sincerely,

Robert Sablan

TO: Chair Senator Dela Cruz, Vice Chair Senator Keith-Agaran, and the Ways and Means Committee

My name is Kristina Anderson and I am a 26-year resident of South Kona, Hawaii.

I wish to state my ADAMANT OPPOSITION to HB 2605, SD1!

While I believe the renting platforms such as Airbnb should be able to collect taxes on behalf of the state, I do not believe that these taxes should come at the cost of our personal privacy (the platforms turning over their customer lists to municipal authorities) or with the addition of severely punitive criminal penalties for what basically amounts to minor zoning violations.

Class C Felony? Really? To refresh your memories, here is a partial list of Hawaii class C felonies:

- (a) Section 134-7 relating to persons prohibited from owning, possessing, or controlling firearms or ammunition;
- (b) Section 134-8 relating to ownership, etc., of certain prohibited weapons;
- (c) Section 134-17 only as it relates to providing false information or evidence to obtain a permit under section 134-9 ;
- (d) Section 188-23 relating to possession or use of explosives, electrofishing devices, and poisonous substances in state waters;
- (e) Section 386-98(d)(1) relating to fraud violations and penalties;
- (f) Section 431:2-403(b)(2) relating to insurance fraud;
- (g) Section 707-703 relating to negligent homicide in the second degree;
- (h) Section 707-711 relating to assault in the second degree;
- (i) Section 707-713 relating to reckless endangering in the first degree;

(j) Section 707-716 relating to terroristic threatening in the first degree;

(k) Section 707-721 relating to unlawful imprisonment in the first degree;

(l) Section 707-732 relating to sexual assault in the third degree;

(m) Section 707-752 relating to promoting child abuse in the third degree;

Section 707-757 relating to electronic enticement of a child in the second degree;

(o) Section 707-766 relating to extortion in the second degree;

(p) Section 708-811 relating to burglary in the second degree;

(q) Section 708-821 relating to criminal property damage in the second degree;

(r) Section 708-831 relating to theft in the second degree;

(s) Section 708-835.5 relating to theft of livestock;

(t) Section 708-836 relating to unauthorized control of propelled vehicle;

(u) Section 708-839.55 relating to unauthorized possession of confidential personal information;

(v) Section 708-839.8 relating to identity theft in the third degree;

(w) Section 708-852 relating to forgery in the second degree;

(x) Section 708-854 relating to criminal possession of a forgery device;

Section 708-875 relating to trademark counterfeiting;

(z) Section 710-1071 relating to intimidating a witness;

(aa) Section 711-1103 relating to riot;

(bb) Section 712-1221 relating to promoting gambling in the first degree;

(cc) Section 712-1224 relating to possession of gambling records in the first degree;

(dd) Section 712-1247 relating to promoting a detrimental drug in the first degree; or

(ee) Section 846E-9 relating to failure to comply with covered offender registration requirements.

Creating criminals out of regular citizens who rent their homes to visitors is a bit of overreach, don't you think? This would mean they would have to retain criminal defense attorneys if charged with a Class C Felony. Many would lose their jobs if convicted, including me. I'm a substitute teacher. Don't our criminal courts have enough backlog as it is?

The proposed draconian legislation to pave the way toward a ban and/or to seriously regulate or restrict short term rentals in Hawaii is very concerning and worrisome to thousands of us here who are affiliated with offering low-key, affordable accommodations to visitors.

I rent out a modest room in my house, which has helped my small family stay in our home, pay my mortgage and expenses and crawl out of and fight off foreclosure during the recession and my divorce, which happened simultaneously.

I have the required licenses and collect and remit TAT/GE taxes, which have amounted to several thousand paid into the state coffers over the years. It's just one income stream I have as a single mom with two children attending UH Hilo. The other two jobs are writing and teaching. Even still, it's barely enough to make ends meet. My mortgage reset last year to a higher rate and this year will go to an even higher rate. At the age of 59, I'm getting very concerned because all my costs are going up. But my income has not. In fact, it has been

steadily declining. In short, I RELY on this short term rental income. If it were banned, I would need to consider selling and moving off island after more than 26 years as a working, taxpaying resident of Hawaii.

Short term renting offers a way for me, as a person nearing retirement age, to get by in a place where it's unimaginably difficult to make a living (I have a college degree and professional skills) and afford to own a property. Also, this year, we faced both a property tax hike and a gas pump hike by the Kim administration. A rise in GE tax is being proposed here as we speak. More cost of living increases, yet it's now being proposed to ban our ability to rent our properties out short term?

I would also like to dispute the widely held idea that short term rentals are removing available housing stock from the islands. While it may be true in some cases, the truth is that short term rentals and long term rentals are two different markets. I would never ever rent my room to a long term tenant. I know many owners feel the same. I did it once and was scared and disappointed by the results, even though I carefully screened the tenant. Also, you can't evict someone on the Big Island without paying sheriffs from Maui to come over and handle it for you. The laws are stacked in the tenant favor always. Long term renting is therefore not a fit and I will never do it. So I must either rent short term or I WILL let the place sit EMPTY until the occasional friend or family member visits.

Also I believe the entire nation has a housing crisis not because of a few vacation rentals but because, from 2009 until the present, more than 15 million homeowners nationwide lost their homes to a foreclosure crisis that still persists. These former owners are now renters flooding the market and competing with regular renters for housing. There are thousands of people in Hawaii who lost their homes to foreclosure and are now renters. And this is why we have a housing crisis in our state and elsewhere. Not because someone rents on Airbnb or VRBO!

So while it may "appear" that Airbnb rentals competes with affordable housing, correlation does not equal causation. (Just because the rooster crowing is associated with the sun rising does not mean he caused it to happen.)

Stated another way, if the state and county banned every short term rental on the island today, you would STILL have a housing crisis.

I think it would cause a cascade of distress and immediately and irreversibly tank our delicate statewide economy. Owners who rent their retirement homes out until they can relocate to the island would simply be forced to sell. My good friends are in that position. They wouldn't rent their beach place long term. They would just sell it and get out.

To that end, also remember that a whole cottage industry has arisen and supported the vacation rental market, which employs a number of people who service the homes or renters. On my street alone, two families make their entire living cleaning, managing and otherwise servicing vacation rentals for owners. STRs also create jobs for pool cleaners, handymen, pest control services and others, just to name a few. Owners buy more appliances and furniture, dishes and linens, all of which help the local economy. These properties are always kept up better than snowbird type homes or long term rental homes, preserving and enhancing the property values for all of us.

In some areas, such as South Kona, Hamakua or Puna/East Hawaii, there are ZERO hotels or accommodations for guests who want to visit and stay in those areas. In my case, I rent to quiet singles or couples who book three or four days on the Kona side and three or four on the Hilo side. In 99 percent of cases, these are quiet, law-abiding guests, people who are mainly here to sightsee, do a circle island or enjoy Hawaii affordably. The other 1% stays with me to work on writing books or pursue artistic endeavors.

Practically speaking, there are not enough hotel rooms on this island to accommodate these visitors. Consider the closing of some hotels as well. The Keauhou Beach Hotel and Uncle Billy's Pagoda both closed and are being demolished. There's nothing to replace those many hotel rooms taken out of inventory.

My guests spend money on car rentals, gasoline, restaurants, souvenirs, attractions and more. Take away their place to stay and they will simply not come to Hawaii if the Hilton or Marriott is their only choice. Multiply that by thousands and thousands of cases and there you have it—an economic tanking on our island.

I firmly believe that if vacation rentals are banned outright on Hawaii Island, it would also cause a drastic, immediate and possibly irreversible meltdown of our local island economy. I speak for many many people when I say that many local homeowners I know depend on this vacation renting income. Those taxes we collect add to our state's coffers immensely. (Over the years I've collected thousands in tax on my humble place.) They also give money-spending visitors

who are normally not able to afford the large hotels an alternative. All the businesses that the visitors patronize would be impacted, as many visitors just could not afford to come here.

Please, please kill this bill and work on one that is fair to all without being unnecessarily punitive. A Class C felony? Really? You must be joking.

It must be noted that if you pass this, the platforms will fail to collect on the state's behalf and it will be a lose-lose for everyone.

There are lots of solutions out there. Let's research it and think of some compromises that are fair to all of us—visitors, homeowners and the residents of our Hawaiian Islands.

Finally I oppose the "gut and replace" method of legislation that has taken place here. It seems like lazy, shoddy legislation to me.

Again, I adamantly oppose HB 2605, SD1! Thank you for your time in hearing my objections.

Sincerely,

Kristina Anderson

South Kona

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