

ON THE FOLLOWING MEASURE:

S.B. NO. 219, RELATING TO COUNTY ZONING.

BEFORE THE:

SENATE COMMITTEES ON PUBLIC SAFETY AND INTERGOVERNMENTAL AND MILITARY AFFAIRS AND ON WATER AND LAND

DATE: Monday, February 13, 2023 **TIME:** 3:02 p.m.

LOCATION: State Capitol, Room 225

TESTIFIER(S): Anne E. Lopez, Attorney General, or

Alison S. Kato or Bryan C. Yee, Deputy Attorneys General

Chairs Wakai and Inouye and Members of the Committees:

The Department of the Attorney General provides the following comments on this bill.

This bill has two stated purposes specified in section 1 on page 3, lines 7-17. These are: (1) to clarify that section 46-4, Hawaii Revised Statutes (HRS), does not prohibit the counties from adopting zoning regulations that eliminate or amortize land uses or structures established after the effective date of the first comprehensive zoning ordinance adopted by a county; and (2) to clarify that zoning regulations that restrict the time, place, manner, or duration of a land use activity do not create different types of land uses by limiting the time, place manner, or duration of a use of land.

Section 2 makes revisions to chapter 46-4, HRS, that accomplishes the second purpose. The bill does not, however, appear to contain any provisions related to the first purpose.

There are different ways in which this can be remedied. One way is to remove the first purpose and discussion related to it from section 1 of the bill. Specifically, the deletion of the following: (1) from the first word in section 1 on page 1, line 1, through the end of line 13 on page 2; (2) the word "additionally" on page 2, line 14; and (3) from the colon on page 3, line 6, through the "(2)" on page 3, line 13.

Another way is to insert statutory wording in section 46-4(a), HRS, to effectuate the first purpose. Specifically, this can be done by inserting the following sentence at

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the end of the last paragraph in section 46-4(a) on page 8, line 5: "Notwithstanding anything in this section to the contrary, a county may adopt zoning ordinances and regulations that provide for the amortization or phasing out over a reasonable period of time, of land uses or structures that were established after the effective date of the first comprehensive zoning ordinance adopted by that county."

Thank you for the opportunity to offer comments.



KOBAYASHI SUGITA & GODA, LLP Attornevs at Law

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John R. Aube*
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February 10, 2023

SENATE COMMITTEE ON PUBLIC SAFETY AND INTERGOVERNMENTAL AND MILITARY AFFAIRS

Senator Glenn Wakai, Chair, Senator Brandon J.C. Elefante, Vice Chair

SENATE COMMITTEE ON WATER AND LAND

Senator Lorraine R. Inouye, Chair, Senator Brandon J.C. Elefante, Vice Chair

HEARING DATE: Monday, February 13, 2023

TIME: 3:02 PM

PLACE: Conference Room 225

Re: LETTER ON BEHALF OF AIRBNB OPPOSING

SENATE BILL NO. 219.

Dear Chair Wakai, Chair Inouye, Vice Chair Elefante, and Members of the Committees:

We write on behalf of our client, Airbnb, in opposition to Senate Bill No. 219 ("SB 219"). We are concerned that this bill is flawed in that it is vague and has the potential to result in substantial legal issues going forward. While the proposed language of SB 219 simply states that the counties in Hawai'i are able to eliminate or amortize land uses and structures that are used for residential or agricultural purposes, the bill is problematic on many levels. Specifically, although this may appear to be an innocuous delegation of authority, the proposed changes could conflict with constitutional rights as well as existing state statutes. As discussed more fully below, such changes would potentially cause numerous unintended consequences. Furthermore, to the extent that these changes ultimately lead to a deprivation of vested rights of existing, residential homeowners, they would likely result in substantial litigation. For these reasons, we would strongly urge that the Committee hold this bill.

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A. Section 46-4 of the Hawai'i Revised Statutes reflects the State's statutory codification of property rights arising from the Hawai'i and United States Constitutions.

As currently enacted, Section 46-4(a) of the Hawai'i Revised Statutes ("HRS") protects property rights of residential homeowners that are vested in owners by the Hawai'i and United States Constitutions.

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

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

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

In looking at the intent of Section 46-4, it is important to look to the history of its passage. The Legislature noted property owners' protections arising from the Hawai'i and Federal Takings Clauses and passed the language that would limit the counties' ability to adopt zoning ordinances that "prohibit the continuance of the lawful use of any building or premises for any trade, industry,

¹ The only exception was an allowance for changes in commercial, industrial, resort, and apartment-zoned areas: "[A] zoning ordinance may provide for elimination of nonconforming uses as the uses are discontinued, or for the amortization or phasing out of nonconforming uses or signs over a reasonable period of time in commercial, industrial, resort, and apartment zoned areas only. In no event shall such amortization or phasing out of nonconforming uses apply to any existing building or premises used for residential (single-family or duplex) or agricultural uses." Haw. Rev. Stat. § 46-4(a).

² Haw. Rev. Stat. § 46-4.

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residential, agricultural or other purpose for which such building or premises is used at the time . . . such ordinance takes effect."³

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

This language is extremely important in the context of protecting the property rights of the citizens of the State of Hawai'i. Importantly, all actions of the Hawai'i State Legislature regarding this statute have recognized the importance of protecting the rights of residential owner and preexisting nonconforming uses.

B. SB 219 could impair existing vested rights in violation of existing State and federal constitutional protections.

As noted, one of the fundamental purposes of HRS § 46-4 is to protect the uses that lawfully existed prior to the effective date of a zoning restriction. Such protection has its foundation in principles arising from protections in both the United States and Hawai'i constitutions. The Fifth Amendment to the United States Constitution provides, in part, "[N]or shall private property be taken for public use, without just compensation." U.S. Const. amend. V. Similarly, the Hawai'i Constitution states, "Private property shall not be taken or damaged for public use without just compensation." Haw. Const. art. I, § 20. Of significance, the Hawai'i Constitution has broader protection as it contemplates not just takings, but also "damage" to property interests. As such, the Hawai'i Supreme Court has stated, "When applying the Hawai'i Constitution, Hawai'i courts may interpret it to afford greater protection than provided by the U.S. Constitution."

Both Hawai'i and federal litigation has recognized the principle that preexisting uses of land are protected. "Under the United States and Hawai'i Constitutions, 'preexisting lawful uses of property are generally considered to be vested rights that zoning ordinances may not

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

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

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

⁶ See, e.g., Cnty. of Hawaii v. C & J Coupe Family Ltd. P'ship, 119 Hawaii 352, 382, 198 P.3d 615, 645 (2008).

⁷ Id. (citing Hawaii Hous, Auth. v. Lyman, 68 Haw, 55, 704 P.2d 888 (1985)).

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abrogate." Even preexisting nonconforming uses are protected from subsequent restrictive zoning regulations. As the Hawai'i Intermediate Court of Appeals has recently stated, "The statutory protection of lawfully existing uses and structures 'prior to the effective date of a zoning restriction is grounded in constitutional law."

The Ninth Circuit has similarly recognized that the right to continue a preexisting lawful use is constitutional in nature. "A provision permitting continuance of a nonconforming use is ordinarily included in zoning ordinances because of the hardship and doubtful constitutionality of compelling the immediate discontinuance of nonconforming uses." ¹¹

Recent litigation in Hawai'i over ordinances designed to restrict the duration of rentals has also resulted in the Hawai'i Federal District Court's recognizing that residential owners have such vested rights and that limitations would likely violate constitutional takings principles.¹²

To the extent that the proposed changes in SB 219 impact these vested rights, it is highly likely that there would be property rights impacted and inevitable litigation arising from such acts.

It is a fundamental principle that the Hawai'i State Legislature has a duty to pass laws that are consistent with and effectuate the protections of the Hawai'i State Constitution. ¹³ Passage of this bill, which courts have already indicated will likely lead to further action impacting vested rights and could be in violation of takings principles, would not be consistent with the Legislature's obligations to make sound decisions consistent with constitutional principles. Amending HRS

⁸ Ferris Trust v. Planning Comm'n of Kaua'i, 138 Hawaii 307, 312, 378 P.3d 1023, 1028 (Ct. App. 2016) (internal citations omitted).

⁹ Young v. Planning Comm'n, 89 Hawaii 400, 410, 974 P.2d 40, 50 (1999) (internal citations omitted)

¹⁰ Ferris Trust, 138 Hawaii at 312, 378 P.3d at 1028 (internal citations omitted); Waikiki Marketplace v. Zoning Bd. Of Appeals, 86 Hawaii 343, 353, 949 P.2d 183, 193 (Ct. App. 1997) (citing the due process clauses of the United States and Hawai'i Constitutions).

¹¹ League to Save Lake Tahoe v. Crystal Enterprises, 685 F.2d 1142, 1145 (9th Cir. 1982).

¹² Hawaii Legal Short-Term Rental All. v. City & Cnty. of Honolulu, No. 22-CV-247-DKW-RT, 2022 WL 7471692, at *10 (D. Haw. Oct. 13, 2022) ("In the present case, 30–89-day rentals in non-Resort districts are a vested property right protected by takings principles."

¹³ "[E]very enactment of the Legislature is presumptively constitutional." *Schwab v. Ariyoshi*, 58 Haw. 25, 31, 564 P.2d 135, 139 (1977) (citing *State v. Kahalewai*, 56 Haw. 481, 541 P.2d 1020 (1975)); *cf. League of Women Voters of Honolulu v. State*, 150 Hawaii 182, 194, 499 P.3d 382, 394 (2021) ("[I]f the Legislature could alter the meaning of the Hawai'i Constitution through its own rules of procedure, theoretically, there would be no need to go through the formality of amending the Hawai'i Constitution. *See Mason's Manual [of Legislative Procedure* (2010 ed.)] § 12, ¶ 1 ('A legislative body cannot make a rule which evades or avoids the effect of a rule prescribed by the constitution governing it, and it cannot do by indirection what it cannot directly do.').").

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§ 46-4 through SB 219 would not change the underlying constitutional protections that the statute codifies. Such a change could, thus, result in substantial litigation which will be time-consuming, costly, and harmful to Hawai'i's residential landowners.

A. SB 219 potentially conflicts with existing statutes, including the Residential Landlord-Tenant Code, which would create unintended consequences.

One of the unintended consequences of the proposed language in SB 219 is that it would arguably lead to governmental actions which conflict with existing provisions in State law, such as Chapter 521, the Residential Landlord-Tenant Code. An example of such a conflict would be to compare the language of SB 219 with that of HRS §§ 521-22, which set forth the applicable term of permissible rental agreements for residential dwellings in the State of Hawai'i and provides, "The landlord and tenant may agree in writing to any period as the term of the rental agreement. In the absence of such agreement, the tenancy shall be month to month or, in the case of boarders, week to week."

To the extent that subsequent ordinances which contradict this provision are enforced, there will be questions about enforcement, including whether a landlord is potentially subject to penalties for having a month-to-month tenancy or whether tenants' rights are now limited in that tenants would be automatically bound to longer-term tenancies consistent with the then-proscribed zoning regulation for the property. While it appears that SB 219 seeks to regulate transient vacation rentals, subsequent zoning changes may adversely affect legitimate existing residential uses, such as persons traveling to Hawai'i for work, military families in transition, and persons traveling for medical care. Such conflicts would likely result in significant questions about their enforceability and inevitably lead to litigation to resolve such issues.

It should be noted that the Hawai'i State Constitution and HRS § 50-15 expressly provide that "any conflict between the State provisions [in HRS § 46-4] and the county zoning ordinances is resolved in favor of the State statutes, by virtue of the supremacy provisions in article VIII, section 6 of the Hawai'i Constitution and HRS § 50-15." As such, to the extent that a County ordinance is in conflict with a State statute, the State statute would control.

¹⁴ Save Sunset Beach Coal. v. City & Cty. of Honolulu, 102 Hawaii 465, 481, 78 P.3d 1, 17 (2003) ("Thus, if an ordinance truly conflicts with Hawai'i statutory law that is of statewide concern, then it is necessarily invalid because it violates article VIII, section 6 of the Hawai'i Constitution and HRS §§ 50-15—the state's supremacy provisions." *Id.* (quoting *Richardson v. City & County of Honolulu*, 76 Hawaii 46, 66, 868 P.2d 1193, 1213 (1994)).

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C. Conclusion

For the reasons set forth herein, we have significant concerns about the proposed changes in SB 219 and would strongly recommend that the Committee hold this bill.

Very truly yours,

DAVID M. LOUIE, ESQ.

for

KOBAYASHI SUGITA & GODA, LLP

Submitted on: 2/10/2023 12:17:14 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Charles Prentiss	Testifying for Keep It Kailua (KIK)	Support	Written Testimony Only

Comments:

KIK is in strong support of SB219. It is a very well structured Bill that clarifies many issues related to the damage that short-term rentals are causing to our neighborhoods and economy. This Bill should move forward.



February 14, 2023

To:

COMMITTEE ON PUBLIC SAFETY AND INTERGOVERNMENTAL AND MILITARY AFFAIRS Senator Glenn Wakai, Chair, Senator Brandon J.C. Elefante, Vice Chair

COMMITTEE ON WATER AND LAND

Senator Lorraine R. Inouye, Chair, Senator Brandon J.C. Elefante, Vice Chair

SUPPORT SB 219 RELATING TO COUNTY ZONING

We strongly support **SB 219** and ask your committees to pass the measure.

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

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

Thank you for your consideration.

Keep it Kailua

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

Keep It Kailua's goals are to:

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

Please visit us at www.keepitkailua.com
Or like us on https://www.facebook.com/keepitkailua/



February 13, 2023

TO: Chair Glenn Wakai

Members of the Committee on Public Safety and Intergovernmental and Military Affairs

Chair Lorraine R. Inouye

Members of the Committee on Water and Land

FR: Alex April

Airbnb Public Policy, Hawaii

RE: SB219 RELATING TO COUNTY ZONING. - COMMENTS

Mahalo for the opportunity to comment on SB219, related to county zoning. We are grateful for the partnership developed between the State of Hawai'i and localities over the last several years on short-term rental policies that support the local tourism industry; and provide housing opportunities for transient workers, students, and other state guests.

In the event that counties rely on SB219, there could be a number of unintended consequences:

- 1. Impact on County Revenue: If counties use the language of SB219 to effectively prohibit rentals under 180 days, they could see a negative impact on tax revenue. In Maui County, transient vacation rentals or "TVRs" are the largest source of property tax revenue for the County and provide for the largest contributions to affordable housing in Maui. It was reported that for fiscal year 2022-2023, TVRs in Maui County will raise \$160 million in real property tax revenue representing 37% (\$12.1 million) of total real property tax revenue. That \$12.1 million in real property tax revenue will be contributed to Maui's Affordable Housing Fund.
- 2. Increased Prices for Existing Inventory: Reducing the availability of rentals under 180 days would also significantly increase the prices of any remaining accommodations, and will have other adverse effects on the State's economy. Not only will this impact the ability of low and moderate-income families to visit Hawai'i, but it will also limit residents who need short-term housing during periods of transition, part-time students, traveling nurses, and other non-permanent island residents who

participate in key sectors of Hawai'i's economy. Higher prices will also have ripple effects on the State's economy. Short-term rentals and their hosts, guests, and transitional residents support a number of local small businesses; everything from housekeeping and landscaping to restaurants and local markets benefit from a robust tourism and short-term rental market.

Submitted on: 2/10/2023 9:10:14 AM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Stuart Simmons	Individual	Support	Written Testimony Only

Comments:

I strongly support SB219. The Counties should have the authority to enact ordinances to amortize or phase out permitted, nonconforming, or otherwise allowed short-term rentals in any zoning classification.

Hawaii State Statute §46-4 already allows vacation rental businesses to be phased-out in commercial, industrial, resort, and apartment-zoned areas. It makes clear sense that residentially zoned neighborhoods should also be included.

In my opinion, the purpose of residential zoning is to provide permanent housing for residents, not hotel rooms for vacationers.

<u>SB-219</u> Submitted on: 2/10/2023 9:31:47 AM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
lillie mcafee	Individual	Oppose	Written Testimony Only

Comments:

I strongly OPPOSE SB219. THIS BILL INFRINGES ON PERSONAL PROPERTY RIGHTS,

Submitted on: 2/10/2023 10:22:22 AM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Mike Jackson	Individual	Oppose	Written Testimony Only

Comments:

I am strongly opposed to SB219. It gives far too much authority to the C&C to harm individuals and businesses, and negatively hurt the Hawaii economy. It could be easily misused in order to punish selected individulas, and may very well be unconstitutional. I assume that if pssed this would result in even more authority to the HNL DPP. Can anyone be happy with their ineptitude, and their record of bribery, and unethical business practices?!!

Submitted on: 2/10/2023 12:09:23 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

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

Comments:

Please kill SB219 now. This is yet another attempt by the City & County of Honolulu to infringe on the rights of property owners on the island of Oahu in favor of the private interests of the hotel industry. Thank you.

-- David Boothby

Submitted on: 2/10/2023 1:26:16 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

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

Comments:

Our property rights are being taken away from us because of government over reach. Bill 219 is another example of taking away our rights.

I am against it. We all are struggling and by not allowing STR's many homeowners will be hurt along with all the support people. There is a need for STR's to give tourists choices. People do not want to be forced to stay in expensive hotels.

Submitted on: 2/10/2023 2:18:45 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Edward Jones	Individual	Oppose	Remotely Via Zoom

Comments:

Aloha Honorable Senators,

We are kupuna "aging in place" renting a few rooms over the last 27 years to cover just a small portion of the expenses. Unconstitutional, this bill authorizes the counties to effectively ban affordable residential month to month renting (Bill 41 Ord. 22-7). This will result in an increase of economic exile of our most vulnerable renters to off the islands.

Inconsistent with HRS 521-22, this bill is not just tourist time periods 1-14 days. It opens the door to restrictions at all residential renting time periods, regular people.

In all the years the Vice Chair has led the STR discussion, no evidence has surfaced of the negative community impact of hosted renting. Yet this county, Honolulu adopted specific restrictions on hosted renting. Absent is compelling public interest.

SB219 creates an additional artificial housing crisis as inventory transfers to mainland cash buyers, not residents.

Please kindly vote NO on SB219.

Edward Jones Resident Senate District 25 321-747-0842 higov@paradiseip.com

Submitted on: 2/10/2023 3:16:51 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Robert La Mont	Individual	Oppose	Written Testimony Only

Comments:

SB219 Seems designed to subvert vested rights and damage the economy of Hawaii. It holds the potential to hurt the income of many many families that rely on Nonconforming use permits to make or supplement their income. This is NOT the time to discuss, much less pass this bill. It deserves much greater discussion and it must be narrowed. It is not at all clear what harm the sponsor wishes to address. It is clear that the state and counties will be pulled into substantial litigation if this bill is passed and acted upon.

Submitted on: 2/10/2023 3:28:56 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
susan howell	Individual	Oppose	Written Testimony Only

Comments:

Short term rental properties are a source of income for many of us in high priced Hawaii. We provide a needed service to tourists, visitors and locals who can't afford the exorbitant fees charged by the hotels. Short term Rental Properties which are zoned V should have the same right to rent, as does a hotel with the same zoning.

Regards,

Sue Howell

Submitted on: 2/10/2023 3:37:06 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Maria Welch	Individual	Oppose	Written Testimony Only

Comments:

As a resident of Hawaii County whose livelihood and ability to live in this state depend 100% on sharing my home with guests, I STRONGLY OPPOSE SB219. As a reputable host, I (and many others like me in my community), generate hundreds of thousands of dollars each year in revenue for local businesses, and tax revenue for the county and the state by hosting short term guests in my primary home mear Hawaii Volcanoes National Park. There are no large hotels in the area and it is the State's biggest tourist attraction. Allowing Hawaii County to terminate permtted vacation rentals in Volcano or anywhere on the island would be devstatating to many individuals and communities and would benefit no one, except perhaps the hotel industry. Thank you for considering my opinion on this bill.

Submitted on: 2/10/2023 3:38:23 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Darren Le	Individual	Oppose	Written Testimony Only

Comments:

To Senate Committee on Water and Land,

Thank you for listening this concern from me as a resident of Maui.

STR has been demonized for too long by the hotel lobbists as the reason why our islands have a high cost of living. The truth is most of STR are owned by small investors like us, who after years of saving were able to buy a second for passive some income. We worked with local cleaners and contractors, and always bought local products.

This legislation does nothing to help locals to find home, just to take out competitions for the big hotel guys who already charge hundreds or even thousands per night. Updating the zone and taking away permits just make our economy further depressed, local jobs will be lost while big hotel will pocket more profits. Please consider who really gains and who really hurts from this legislation. It's just a bad bill for locals.

Submitted on: 2/10/2023 3:39:49 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Bonnie Slater	Individual	Oppose	Written Testimony Only

Comments:

I am waiting to oppose SB 219. I am a resident of the state of Hawaii. I have received income from short-term accommodation rentals for the last seven years. I lost my other jobs and much other income due to COVID-19. If I did not continue to have Income from hospitality I would not be able to pay my rent. It is very important that residence can host and house and create income from the state of Hawaii's tourism. Please continue to keep it legal. Please continue to monitor licenses so that the state of Hawaii receives a 17.41% get-tat tax. This is crucial to our ohana.

I thank you for your time, Bonnie Slater

Submitted on: 2/10/2023 3:44:02 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

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

Comments:

I oppose Bill SB219

SB219, the counties will be given the right to change at anytime the zoning for short term rentals. Many short term rentals are located within areas currently zoned for renting out as a hotel would. This bill would be detrimental not only to the property owner (myself included) making a living but to the island as a whole. The large amount of taxes paid every year to the counties from the current short term rental program will be eliminated as well as tourism revenues in general.

<u>SB-219</u> Submitted on: 2/10/2023 3:49:25 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Viktoria Grover	Individual	Oppose	Written Testimony Only

Comments:

Do not pass. I depend on legal vacation rental income for my retirement. I pay super high property tax on this rental condo.

<u>SB-219</u> Submitted on: 2/10/2023 3:59:42 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Enass Rickards	Individual	Oppose	Written Testimony Only

Comments:

This will affect our livelihood and our ability to pay our bills.

Submitted on: 2/10/2023 4:05:24 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

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

Comments:

We own a home in Ocean View, where we spend just over 6 months of the year. When we are not here, we rent our house on a short term basis. We do this to prevent vandalism, squatters, and problems such as mildew, bugs, mice, etc. if the house were closed up. We pay taxes to Hawaii on the money we receive when we are not here and the house is occupied. We do not want to attempt a 6 month rental for fear the tenant would force us to use eviction procedures, and / or would damage the house or leave it in severe disrepair. With short term rentals, our housekeeper is in the house at least weekly.

We respectfully request deterrents to short term rentals, at least in an area like Ocean View, not be imposed.

Submitted on: 2/10/2023 4:13:47 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
agnes repasi	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill SB219! See no reason why we can't host guests in an area where there are barely any lodging for visitors. This is our family's of main income, if we are to stop our business we'll be unemployed and would have to apply for unemployment and other support. This would be a devastating loss for our family.

our guests are very supportive and appreciative of being able to stay with us. We are an eco friendly rental and it's nice to see how our visitors are happy to be able to try living with a very small carbon footprint.

Please don't ban small businesses like ours! We pay our do's and Taxes regularly.

Mahalo for taking your time reading my testimony.

Submitted on: 2/10/2023 4:47:02 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Tarek mark Antaki	Individual	Oppose	Written Testimony Only

Comments:

My short term vacation rental helps pay my bills. Last year I paid \$30k to the state and county in TAT and GE alone. I also paid another \$20k to service providers (cleaning, handy man etc). I spend most of my discretionary income in Hawaii. If the county can easily take away my right to operate an stvr Hawaii will be hurting itself much more than whatever you believe you will gain. I humbly request that you stay extremely cautious before changing any rules which could hurt regular people's ability to survive and make money. Mahalo!

nearly all of the money I generate

Submitted on: 2/10/2023 5:03:24 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

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

Comments:

I am deeply troubled and opposes the proposed legislation to clearly outlaw hosted vacation rentals in hawaii co. What is being proposed is illegal and defined as "taking". It's extremely naive of the hawaii co council to think that you will solve housing issues on the backs of lawful registered taxpayers who operate hosted vacation rentals with the proposed legislation. What you will succeed in doing if this unlawful measure is passed, will be to cripple our economy, invite multiple lawsuits which will be immediately filed and show the world that hawaii co is anti tourism. This is a tourist driven economy. For every visitor welcomed here, over 1000 additional jobs businesses benefit. For every dollar collected from short term bay rentals, 100% goes directly back into our economy. This is deeply flawed legislation brought forward by deeply misguided council leaders and will not pass muster if passed.

Submitted on: 2/10/2023 5:04:45 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

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

Comments:

Short-term rentals play a crucial role in our local economy, including providing livelihoods for many families and employees. Our vacation rental business provides a source of income for my family and employs several people. It also makes a significant contribution to the Hawaii government through taxes and supporting the tourism industry.

Tourism is an essential part of our economy, and hotels are not always available in the locations where our rentals are situated. Many Hawaii residents own businesses similar to mine and work in the vacation rental industry, and I believe we all share the same viewpoint. We should not be targeted unfairly and forced to shut down, as we are no different from other businesses in our community.

Submitted on: 2/10/2023 5:40:14 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Kevin&Donna Maltz	Individual	Oppose	Written Testimony Only

Comments:

The legislation you are proposing is in the favor of large corporations, attempting to cripple small businesses. We have been running our vacation rental retreat since 2011 bringing joy to visitors and Hawaii residents. Presevering the culture of Hawaii is of great importance. We take pride in where we live and preserving the beauty and integrity, and giving people an experience that is different than the big resorts. We also feel that the idea of restricting ag land is absurd as these are the places where people need to come and commune with nature and get in touch with the land. Respectively considered the small businesses and people whose livelihood depend on vacation rentals who wish to stay in this beautiful place and call it home. Think about where do you want to stay when you go on vacation. Please do the right thing and create laws to promote small businesses, and keep the integrity of this beautiful island. Hawaii is our home.

Submitted on: 2/10/2023 6:08:39 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
richard liebmann	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this overreach by the state government.

As a longtime resident of the big island and kapuna, I count on my short term rental to help my wife and i with our monthly expenses.

Linking short term rentals with the affordable housing crisis here in Hawaii is unproven and totally misguided. Where are the studies? What impact will this rash proposed legislation have on the thousands of families here in Hawaii the depend on their short term rental to provide them the necessary funds to continue to live in their homes?

Again i strongly oppose this bill.

Sincerely,

Richard Liebmann

Submitted on: 2/10/2023 6:17:02 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Megan Jacob	Individual	Oppose	Written Testimony Only

Comments:

Hi my name is Megan Jacob I have an Airbnb in Kailua-kona. I have been doing it for 7 years now and have over 1200 5 star reviews from people who love staying at our place. This has been my dream job as it has created a steady flow of income to pay my bills and mortgage while also being able to stay home and take care of my family. Hosting people has always been a dream of mine and I am so grateful to be able to do this. I get to meet people from all around the world and show them aloha and people love it. I was only able to buy my house because of my bed and breakfast and I want to continue to do what I love and host people from around the world. I pay all my taxes and I think that this should be my right to be able to host and make money In a way that enables me to stay home and take care of my family. Without this income we would not be able to live here In Hawaii. The reason we bought a house this large was to be able to host and have a bed and breakfast please don't take my dream away. Although it is so much cleaning and hard work always being hospitable I seriously believe this is my dream job. I have had such anxiety about all these changes being made. I pray every night they whatever bill passes will not affect my ability to host because I love it so much! Thank you for taking into consideration that this is some people's full time job and we won't be able to survive without it. We are all still trying to recover from the year of Covid and not having travelers.. let us make a living doing what we love to do. Like I said I have over 1000 reviews of people saying that staying with us was a highlight to their trip and that they absolutely loved staying with a local family while meeting other guests and the love and community that they felt. Thanks again for reading

Aloha

Submitted on: 2/10/2023 6:21:00 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael Lowrimore	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I live in my home and host an Airbnb currently in a room in the lower level of my home in Kealakekua. I have both my TA license and Excise Tax licence, and pay taxes bi-annually, and then again at the end of the year.

I greet every guest when they arrive to be sure they know the quiet hours and follow all my rules... but beyond all that, I also help them know how to treat sacred places here, how to be compassionate, how to give back. So much nicer than a standard hotel check in.

I sincerely feel I am contributing so much more to the betterment of tourism, yet I keep feeling like I am the bad guy. Thousands of amazing stays at places like mine are happening every year, but the bad hosts (mostly non-residents I would think) are making it bad for the hosts like myself who should be praised for what we do.

Mahalo for listening,

Michael (Scooter) Lowrimore.

Submitted on: 2/10/2023 6:56:45 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
James Govier	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I am very concerned about the Bill SB219 that is being voted on Monday February 13th. It appears that the intent of this bill is to possibly eliminate or substantially restrict short term rentals in Hawaii. While I do understand that the intent of this bill may be good, or may not be, one must consider the fact that many families like mine cannot afford to own property without the income from using part of the property as a short term rental. If this bill passes and short term rentals are eliminated or even just restricted, there are going to be a lot of people that will no longer be able to afford to pay their mortgage and they will either default on their loans or be forced to sell their home and move away from Hawaii. Many of these families are the people that are doing the jobs necessary for Hawaii's economy to thrive. We are already seeing how difficult it is for employers to find the necessary workers to keep their business running, why make it even harder for them by eliminating even more of the workforce. I do understand that to many corporations have been allowed to purchase large amounts of rental properties and have converted them into short term rentals, but eliminating short term rentals for the average hard working person that is just trying to make ends meet is not the answer. Short term rentals have been in Hawaii for as long as tourism has and is a vital part of the market. Unfortunately the average person/family like mine doesn't have the money to lobby for bills to be passed like the corporate hotels do.

Sincerely,

James Govier

Submitted on: 2/10/2023 8:48:52 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Brandy Marie Cajudoy	Individual	Comments	Written Testimony Only

Comments:

Aloha

Please know that not everyone that has short term rentals are millionaires nor are they making millions. Many are just trying to make sure the mortgage gets paid. Some of us are hard working and are trying to leave something for their children. Each month we work hard to make it all happen. I know it would take more man power to go through and really see each case one by one, but sometimes that is what needs to be done. When me and my husband were growing up we were always told that real estate was an important to have. So as we have worked our two and three jobs at one time through out our lives we have been able to build a portfolio for us to manage and we intend to keep for many more generations to come. We are local! Locals can do this if we work hard.

Mahalo,

Brandy

Submitted on: 2/10/2023 9:21:54 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Marlene Hall	Individual	Oppose	Written Testimony Only

Comments:

I oppose bill SB219.

I feel that there is already zoning in place. Making a blanketed change for whatever your purpose is, is not good for the people who have held the communities together for years.

This is not fair to change it up on these people who made these communities. I feel these changes are being implimented by the new people coming in and trying to gentrfy our islands, why... why come here and try to change Hawaii into the mainland, not right.

I ask you humbly to reject Bill SB219

Sincerely

Marlene Hall

Submitted on: 2/11/2023 4:34:14 AM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Jonathan Tunney	Individual	Oppose	Written Testimony Only

Comments:

Perhaps having an economics degree, I have bitten the forbidden fruit of knowledge in terms of what makes housing affordable, but to further restrict availability for people to stay in houses in no way, shape or form, has ever shown to DECREASE housing costs and improve affordability. And as a legislator, I'm sure you think that housing in Hawaii is an unaffordable DESPITE all the rules and regulations you have put in place. I'd offer that housing is unaffordable due in part BECAUSE of all the rules and regulations you have put in place. To place more rules and regulations surrounding housing options will only further increase prices and reduce affordability. This is a simple fact of economics. Don't be fooled by the hotel lobby and all of their obvious greedy intentions. No on SB219. Jon Tunney 4154206090

Submitted on: 2/11/2023 5:49:56 AM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
tom kelly	Individual	Oppose	Written Testimony Only

Comments:

Further restricting airbnb use would harm the Island economuy. Money made from airbnb stays on the island and is spent here. Profits from the big resorts like Hilton et al, goes back to the mainland. The dumb bill would further expedite the vaporization of the middle class. In Waikoloa the new Foodland and Ace hardware stores remain dead hulks because they cannot find woekers. Making \$20 anh hour and paying \$4500 rent doesnt work.

Submitted on: 2/11/2023 8:23:22 AM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Paul D Crawford	Individual	Oppose	Written Testimony Only

Comments:

I live in Puna on the Big Island, where the lava, followed by the hurricane, followed by the pandemic have ravaged our local economy. 700 houses were taken out by the lava, and the effect on Pahoa's stores, restaurants, and all the support people who managed them was devastating. Now our government is going to finish off what the lava started. STR's are pretty much the only legitimate way to make a living here. Without it, the economy will completely collapse, and the area will probably go back to pakalolo, and methamphetamine. The argument that my guest bedroom, that tree house down the road, or the farm building are in anyway going to be a long term housing solution is empty. Most structures being rented are not suitable for long term rental. Volcanic zoning restrictions, plus lack of insurance will insure, that very little new housing will ever be built here again. Sensable restrictions requiring hosting or somebody nearby are needed, and of course the GET and TAT should be paid. Nobody is against those.

I feel for the people of the more crowded places in Hawaii, but their problems are different from ours.

Please don't finish, what the volcano started here!

Paul Crawford

Submitted on: 2/11/2023 9:01:09 AM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
James (Kimo) Walz	Individual	Oppose	Written Testimony Only

Comments:

To Whom It May Concern:

We have recently become aware of the proposal regarding short-term rentals. My wife and I have two short-term rental that are listed as approved on the Minatoya list for short-term renting. We also have GET and TA tax number accounts that are paid up and current. We are requesting that SB219 be struck down.

We purchased these condo because they were approved as short-term rentals. If a decision is made to rezone these, we are prepared to use litigation to respond to a decision of this sort. Naturally, we would hope it does not come to this, however, we felt the need to let you know of our stance and our willingness to fight this if need be. Here are the reasons we would resist any rezoning of our properties:

- When we purchased both of our properties, we were required to get investment loans at higher rates in order to get the needed financing.
- We would not have considered these investments if they had not previously been approved as short-term rentals.
- We put 30% down, therefore, we have a significant investment in our properties.
- We are current with our GET/TA taxes.
- Our guests provide additional revenues to Maui and also to the tax base.
- We take pride in offering superior services to our guests and use every means to represent our beautiful island of Maui.

We hope you understand our position and will not allow rezoning.

Very Respectfully,

Jim (Kimo) & Laurie Walz

808.707.9411

Submitted on: 2/11/2023 10:20:06 AM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Elizabeth Neal	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I am opposed to SB219. We rent a spare bedroom and bathroom on Airbnb to help to pay out monthly expenses. My husband is on a fixed income. The extra money from renting this room on Airbnb is a meaningful financial support to my husband and to me.

Submitted on: 2/11/2023 10:44:51 AM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
matthias kusch	Individual	Oppose	Written Testimony Only

Comments:

SB219 is an overreach of government into the legal fee simple use of property in Hawaii. It is a distraction and deflection to the fact that county legislators have created such a system of NIMBYism that we have litterally excluded affordable homes in Hawaii. To use a vehicle analogy: We can only build Mercedes Benz homes due to legislation, excluding the Toyota Tercels we used to build for the starter home market.

This bill will further NIMBYism and hurt the middle class trying to make ends meet. Fix the problem, not continue to deflect it with legislation like this. Political populism at it's finest.

thank you for your consideration

Matthias Kusch

Submitted on: 2/11/2023 11:55:15 AM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Heather Loughridge- Buono	Individual	Oppose	Written Testimony Only

Comments:

I recognize the strain that over-tourism has produced in the State of Hawaii.

One STR helps support many local small businesses. Cleaning, maintenance, landscaping, and management services are all reliant on this industry.

Guests who stay in vacation rentals as opposed to resorts, are unique. They are interested in becoming for a short time, a part of the communities they stay in. They are motivated in their choice of staying in a local neighborhood by interest in the local culture and those neighborhoods, and they seek out local business to spend their vacation dollars. Conversely, large resorts actively discourage guests from leaving their properties, and are set up to keep guests there. Ensuring that most of the visitors' vacation dollars are spent at that property. Truly both are important to the visitor industry, but without local accommodations, guests are left with a very limited viewpoint of the Hawaiian culture. STR provide an opportunity to give visitors a broader view of the unique culture of Hawaii, and the diverse counties.

Hawaii has had the greatest per capita impact on unemployment from the Pandemic.

The return of the visitor numbers from pre-pandemic has also served to illustrate how dependent we have become on the hospitality industry. Diversification is needed, but certainly not at the expense of people being able to feed their families, and keep a roof over their heads.

Limiting zoning for STR will not significantly increase the rental pool of affordable homes on Hawaii counties. With the increase in property taxes and the costs of maintenance most of these homes are significantly beyond the range of affordable for Hawaii families. They will be sold as second homes to people who will visit occasionally, and the economic impact to the local businesses that currently make their living from the care of these homes will have a great impact to their abilities to thrive and be a positive contribution to the Hawaii state economy.

I submit that further damage to an already greatly stressed economy is not necessary.

Allowing the money visitors bring to Hawaii counties to the resort industry, so that those dollars can be funneled off island, and in many case out of the country, is short sighted indeed.

Submitted on: 2/11/2023 1:11:49 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Kathleen M Pahinui	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Chair Wakai and Committee Chair Inouye -

I strongly support SB219. The North Shore has been inundated with illegal vacation rentals for many years and this bill will allow our county government to work with us to ensure that we have affordable rentals and housing in our community. I support properly permitted TVUs but the illegals far out number the legal ones.

Mālama pono,

Kathleen M. Pahinui

Waialua Resident

Submitted on: 2/11/2023 1:19:42 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Pamela Polland	Individual	Oppose	Written Testimony Only

Comments:

PLEASE do NOT let this Bill pass. It's very unfair to local families who make their living with permitted short term rental homes, and it's equally unfair to visitors who benefit from so many values of STRH's: generally far more affordable than hotels and condos, much homier with a wider range of ammendities, and most of all, visitors get the chance to "live like a local", or at the very least, see more of Maui than the standard tourist fare. STRH's *especially* benefit visitors with families, where they can all stay together in one home, instead of having to rent a bunch of individual hotel rooms. Please OPPOSE SB219. Mahalo!

Submitted on: 2/11/2023 1:57:27 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Kathleen Carr	Individual	Oppose	Written Testimony Only

Comments:

I am writing to you because I have concerns about the proposed new regulations for hosted vacation rentals.

I have been operating a vacation rental in my home for a number of years, and have not been required to register as a hosted vacation rental, according to the Planning Dept. With the new proposal, I would need to register as a hosted TAR. Would I be grandfathered in?

What alarms me is the following quote in the proposal for requirement to register. My house was built in 1980 with building permits. The building code has changed a lot since 1980, so I'm not sure whether it would pass current codes for the inspection. How would this be handled? There are a lot of homes in South Kona that were built around this time period.

"Transient accommodation rentals shall only be established within a dwelling that has been issued final approvals by the building division for building, electrical, and plumbing permits."

This building division approval is also problematic because the building permits presently take about two years, and this proposal would overburden the permitting process even more.

One of the reasons for the new proposed regulations is to create more housing for residents. However, my unit and many others would not be suitable for long term rental. One reason among others, is that there have been no stoves permitted in these units or rooms, so I only provide a hot plate. Most vacationers do not do much, if any, cooking so as a vacation rental it is not a problem. Mine is a 350 sq. ft. downstairs studio, which just doesn't have satisfactory facilities for long term rental.

The county passed regulations for non-hosted vacation rentals in 2018 to create additional local housing, but there has been no independent research presented on the results. Have those regulations helped the housing situation?

This legislation will affect more than 7500 families, including me, plus all the jobs created for service providers who clean and maintain the rentals. For many of us, we rely on this short term vacation rental income to be able to afford to live on this island. Many of us depend on this income to make ends meet each month. I will be turning 77 in a few months, and there are not a lot of other employment opportunities for me, so it is essential that I be able to continue offering part of my home for short term vacation to be able to continue living in my home.

This legislation will create far more hardship than whatever benefits it will provide. What is the problem that this proposed legislation is aiming to solve?

I live in South Kona, and there is only one hotel, the Manago Hotel, in the area. My visitors do not want to stay in a hotel or resort setting, but would rather have a more authentic Hawaiiana vacation, so they love vacation rentals. I think it is important for our visitors to have a choice in the kind of experience they want in accommodations. This legislation will also hurt our tourists.

Before passing any new legislation, I would hope that you would commission independent research to see what benefit it would actually have. From my perspective, it seems that this proposed legislation would create a lot of hardship fo the thousands of families currently hosting vacation rentals, create angry constituents, litigation and unintended consequences.

I hope that you will listen to the feedback you are receiving, and either come up with a plan that benefits all concerned, or leave the vacation rental regulations as they are—at least until independent research has come to some actual results from the 2018 legislation.

Thank you for considering my request.

Submitted on: 2/11/2023 9:38:26 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Lois Crozer	Individual	Oppose	Written Testimony Only

Comments:

Was this bill written by someone from the hotel industry? Do we want to kill tourism here? Studies have shown those who stay in vacation rentals are NOT going to stay in hotels just because you shut vacation rentals down! They will do elsewhere even if the HTA spends all our tax dollars trying to convince them otherwise if they continue on this course.

Submitted on: 2/12/2023 6:35:41 AM

Testimony for PSM on 2/13/2023 3:02:00 PM

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

Comments:

am respectfully asking you to vote against this measure. Owners of approved short-term rentals in areas zoned as such, purchased property at prices that reflected the ability to rent these properties. Allowing countines to re-zone established short term rentals will likley greatly reduce these property values. Our property is mainly rented by couples on their honeymoon or anniversaries, many coming to Hawaii for the first time. We offer an affordable alternative to the much higher rates offered by corporate owned hotels and resorts. Allowing counties to re-zone and eliminate short-term rentals will only benefit these corporations. The state of Hawaii and the county of Maui earned over \$43,000 in tax revenue from our three rental properties last year. If they were to be re-zoned as long term rentals, locals would likely not be able to afford what we would have to charge in rent just to pay our mortgage and association dues. (So if the reason this bill is being proposed is to benefit locals, it is a smokescreen. The beneficiaries of this bill are the corporations) Most likely we would be forced to sell and purchase rental properties in a state where the tax revenue is desired and supported.

In the end, it is inherently unfair to allow us to purchase a property in an area zoned and primarily used for short-term rentals, collect taxes on the purchase of the property, collect years of GE/TAT/MCTAT/Income taxes and then turn around and rezone the area and devalue our property. Not to mention force us to rethink our retirement plans which include living in Hawaii part-time. All of this to allow corporate hotels and resorts to be able to have less competition and charge even higher rates. Mahalo for listening. Steve and Gail Weber

Submitted on: 2/12/2023 6:36:47 AM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
LauraHolbrook	Individual	Oppose	Written Testimony Only

Comments:

Thank you for considering the opinion of a private citizen.

Please don't take away the income from Ocean View vacation rentals. We desperately need it to survive these economic hard times. We are just starting to recover from the pandemic. My family has a small one room dwelling in Ocean view. It gets rented two or three days a month, on average. Next door to it, lives other family, who clean it, including a son with special needs, who is learning to clean it too, after guests leave, which provides the family with an additional \$120-\$180 per month. This may not sound like much, but when a family is struggling financially, it means gas money to get to their other job. We are working on another dwelling that will double the income, when it's ready, \$260 or maybe even more. This makes a big, positive improvement in our lives, when our budget is so tight.

This dwelling also provides tourist customers for Ocean View coffee shop, gas station, grocery stores, and restaurants, that they would not normally have, because Ocean View is not normally a tourist attraction. But with a vacation rental, such as airbnb or VBNO, etc. tourist come to experience quiet, off grid sunsets and sunrises, breath the fresh air, view the Ocean from 4,000 - 5,000 feet above, see old lava flows.

Tourists come to get away from normal life for a day or so. My family has had repeat vacation guests, because they loved the quiet, simple experience. We have never had any trouble from our guests, they always thank us for the experience.

Sincerely,

Laura Holbrook (representing the opinion of 8 family members)

Submitted on: 2/12/2023 8:52:07 AM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Stephanie Jaeger	Individual	Support	Written Testimony Only

Comments:

Aloha community members,

I have an Airbnb next-door to me. It is a tiny house. All experiences there have been positive and respectful. This has provided jobs for the neighborhood. Some people clean ..some people take care of the yard work. It is much welcome income for the community. The house that was used was up for sale for many years. At a very low price. It was filled with mold and needed a lot of work. Finally it was bought and the owners removed all the mold and did upgrades, and brought this back to life. Now the house is available for families that cannot afford hotels to come visit their Ohana on this island. It wouldn't make any sense and it would be a shame to take away this opportunity for the families of this island. And also the extra income for the neighbors. It is a beautiful ,positive ,loving experience. Done with respect and love for community.

Mahalo for your listening

From my heart to yours

Stephanie Jaeger

Submitted on: 2/12/2023 9:21:08 AM

Testimony for PSM on 2/13/2023 3:02:00 PM

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

Comments:

Dear Legislative members,

I am writing to express my support for short-term vacation rentals in the State of Hawaii and to share my personal experiences and observations regarding the benefits they provide. I am a proud host in Hawaii, and I have seen firsthand how short-term rentals have helped my family and my local community.

First and foremost, I would like to stress the important role that short-term rentals play in Hawaii's economy. As a host, I have the opportunity to earn extra income by sharing my space, and I know that I am not alone in this. In fact, Hosts like me contribute significantly to the local economy, generating income and creating jobs. This additional economic activity is a major boost to Hawaii's economy, and it is something that we should be proud to support.

In addition to the economic benefits, short-term rentals also provide many other benefits to my family and my local community. For example, they allow us to experience the authentic local culture and make connections with people from all over the world. This has been a wonderful way for my family and me to broaden our horizons and experience new things.

Short-term rentals also provide a convenient and affordable housing option for travelers, who would otherwise have to spend a lot more money on hotels or other forms of accommodation. This, in turn, supports local businesses, such as restaurants, shops, and attractions, by generating additional foot traffic and revenue.

However, I am deeply concerned that changing the zoning rules in a manner that restricts short-term rentals will have a serious adverse effect on the possibility of hosts like me to continue offering their space for short-term rental. This will not only negatively impact the local economy, but it will also limit the opportunities for travelers to experience the authentic local culture and make meaningful connections with people from all over the world.

In conclusion, I would like to express my strong support for the right of residents to earn extra income by sharing their space. I believe that short-term rentals are a valuable and beneficial part of Hawaii's economy, and I urge you to vote against SB219. By supporting short-term rentals, you will be supporting the local economy, fostering cultural exchange, and providing affordable housing options for travelers.

Thank you for considering my perspective. I hope that you will take my testimony into account as you consider this important issue.

Sincerely, Thomas White

Submitted on: 2/12/2023 10:24:39 AM

Testimony for PSM on 2/13/2023 3:02:00 PM

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

Comments:

I am writing in opposition to SB 219 concerning short term rentals. I own a condominum and am not able to live in Hawaii full time. To support the Hawaiian tourest industry I rent my condo when I am not on island. This rental provides the State with Transit Accomodation and General Excise Taxes. The renters support the local economy by purchasing goods, services and entertainment. If visitors can't find the accomodations they need they will not come to Hawaii but go elsewhere. This bill is not in the best interest of the people of Hawaii.

Mahalo, for allowing me to present my views.

Richard J. Harr

Submitted on: 2/12/2023 12:44:44 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Yuchen Liu	Individual	Oppose	Written Testimony Only

Comments:

My name is Yuchen Liu, and I am a part-time resident of Kihei, HI. I am writing to testify in opposition to the bill SB219. As a resident of Hawaii, I strongly believe that the proposed bill would be detrimental to my family and community. Short-term rentals provide an important source of income for me and my family, and our local economy benefits significantly from the influx of visitors who are attracted to the area. Many of the visitors who book short-term rentals stay for extended periods of time and spend their money on local businesses and services. This economic activity supports the local economy and helps to create jobs, which is essential for both the local and statewide economy. Furthermore, restricting or banning short-term rentals would reduce the availability of housing for visitors and could have a negative impact on the tourism industry. Many visitors rely on short-term rentals for their accommodations, and this bill would make it more difficult for them to find housing. Finally, I believe it is important to consider the impact that this bill would have on the people who are currently relying on short-term rentals as a source of income. Banning or restricting these rentals would make it difficult for them to make ends meet, and could have a long-term impact on their financial stability. For all of these reasons, I urge you to reject this bill and to consider the impact that it will have on the people of Hawaii and the local economy. Thank you for your consideration.

Submitted on: 2/12/2023 1:21:51 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Penny Lee	Individual	Oppose	Written Testimony Only

Comments:

With these bills they are trying to legislatively weasel themselves out of ongoing court proceedings they already lost. The district judge already stated that the existing law is very clear on protecting property rights. But they actually think they can just change that very law and undermine the judge's ruling and any future challenges by people like you and me, the people who own property in this state. They are trying to take away our fundamental property ownership rights and hand the tourism accommodation market exclusively to large corporate hotels and resorts. In the process they are trying all kinds of angles like raising our TAT taxes to 25% (why not 99% or 125%?) or trying to classify stays under 30 or 180 days as non-residential uses, or just look at bill 41 and you will find all kinds of other shenanigans. Unfortunately those over the top careless regulations have real damaging effects on local residents trying to make a living in this state.

When owners purchased real estate fee simple in Hawaii State, they entered a contract purchasing a bundle of property rights protected by the laws of the State of Hawaii and the United States. These are not rights that can easily be reneged on later and taken away. The number one economy in Hawaii is tourism. Owners purchased Real Estate in Hawaii at a premium, with the expectation to participate in the tourism economy in Hawaii and have been relying on the financial income for many years. The legislators can not just rewrite select property rights out of the existing laws. The current laws are very clear on protecting those very same property rights. The legislature is trying to pretend that vacation rental owners do not have any property rights.

What State Rep. Daniel Holt is calling "closing a legal loophole" is actually stealing your property rights.

<u>SB-219</u> Submitted on: 2/12/2023 2:51:19 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
J. Chang	Individual	Oppose	Written Testimony Only

Comments:

Please defer this Bill. It has adverse consequences for homeowners. Please protect owners' rights.

Thank you.

Submitted on: 2/13/2023 11:02:09 AM Testimony for PSM on 2/13/2023 3:02:00 PM



	Submitted By	Organization	Testifier Position	Testify
Ja	anet Iliahi Curtis	Testifying for The Bali House and Cottage at kehena beach	Oppose	Written Testimony Only

Comments:

Aloha Kākou,

We do NOt support this measure as it will cause more harm to existing Legally permited STVR NUC that was already approved under Bill 108 from Hawaii County Planning Dept.

Malama Pono,

Janet Iliahi Curtis

Submitted on: 2/12/2023 6:02:16 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Dawn Smith-Theodore	Individual	Oppose	Written Testimony Only

Comments:

My family has owned condos at Maalaea Kai for 35 years. During that time, my family and myself have had the opportunity to enjoy Maui and share that aloha spirit with guests from around the world. My husband and I currently own a two bedroom condo in Maalaea Kai that we have owned for 20 years. During that time, we have rented the condo as well as had the opportunity to visit Maui multiple times per year. I was a flight attendant for 34 years for United Airlines where I flew to Maui multiple times per month bringing thoiusands of visitors to the island. My mother moved to Maui for 14 years where she worked at multiple restaurants and taught dance on the island. Maui is my second home.

Many families cannot afford the high prices to stay at a hotel or to eat out for all meals. A condo allows those who could not otherwise afford a trip to Maui to visit the beautiful island. I have always believed that Hawaii's main source of income was and is tourism. If you do not allow Short term rentals, it will cut your tourism and restrict the number of visitors who could afford to visit the beautiful islands. The hotels are so highly priced that it is difficult to afford to stay at a hotel for even a few days. I attended a conference in Kauai in November and stayed at an old hotel and paid almost \$2000 for less than a week stay.

I also believe that restricting short term rentals, owners would be forced to sell their units, which could impact the real estate market in Hawaii.

I hope that you explore all areas before deciding to restrict short term rentals as it could have long term effects on visitors and owners.

As a STVR owner in Hawaii, I am opposed to the SB219 bill because it would allow counties to impose new zoning requirements that restrict or even ban short-term rentals including those that are permitted or have a NUC. This would have a negative impact on my personal income as well as the Hawaii economy. Through my STVR, I help create local employment in the community and help support the tourist industry in Hawaii which is a major source of revenues that boost the economy. I hope you will re-consider the SB219 bill and allow for the STRs to continue operating in Hawaii which will be a win-win for everyone including Hawaii.

Robert Wu 2/12/2023

Submitted on: 2/12/2023 7:21:56 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Mitch Maxwell	Individual	Oppose	Written Testimony Only

Comments:

This is a terrible bill that will unfairly punish property owners who have played by the rules, have NUCs, and pay their taxes. Allowing any government agency to shut down these LEGAL rentals is absurd. Moreover, it will lead to a lengthy, expensive court battle. We don't need that.

Submitted on: 2/12/2023 7:41:28 PM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Matt Hubner	Individual	Oppose	Written Testimony Only

Comments:

Aloha nō,

I strongly urge that this Bill be withdrawn as it unequivocally singles out one group of people to be penalized by the Government. The existing law permits amortization under circumstances of extreme cause (i.e., an imminent danger is posed by a non-conforming use), and this Bill only serves to make it explicit that one business model is not guaranteed their Constitutional rights. The modifications proposed by this Bill are undeniably arbitrary and capricious. Please do not proceed with this Bill as it will only draw unnecessary legal challenges. Most Counties of Hawai'i have capped the number of vacation rentals outside of resort-zoned areas. Please focus on enforcement of existing laws to ensure those not abiding by the rules are penalized versus penalizing everyone.

Mahalo for the opportunity to provide testimony.

Sincerely,

Matt Hubner

Submitted on: 2/13/2023 7:00:55 AM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
james robinson	Individual	Oppose	Written Testimony Only

Comments:

I am strongly opposed to this bill. As a resident who lives on Puako Beach Drive in Hawaii county, the street has been long used for vacation rentals. I currently rent out my Ohana on a nightly basis. My wife and I depend on this income to make ends meet. Without our rental income we cannot afford to live where we do. We bought this property specifically because it has two dwellings, one to live in, and one to rent. This proposed bill will destroy not only our ability, but our neighborhood's ability to sustain life in Hawaii.

Submitted on: 2/13/2023 7:11:26 AM

Testimony for PSM on 2/13/2023 3:02:00 PM

Submitted By	Organization	Testifier Position	Testify
Kyla McKee-Robinson	Individual	Oppose	Written Testimony Only

Comments:

As a redient of Hawaii who lives here full time I am opposed to this bill. Many full time residents of the islands rely on the rental income from short term vacation rentals to make ends meet to continue to be able to live here.

I live on the island of Hawaii in an area called Puako. The area I live has numerous STVR's and Hosted rentals, a majority of the street is used as vacation rentals. Our specific property has two small permited houses, one of which we use as a short term rental. We would not have purchased a property with two dwellings if not for the rights we have had to rent one of them.

By taking away the rights of Hawaii residents to use their spaces as short term rentals you are not only negatively effecting those who run a short term rental, but will be negatively effecting small business owners on the islands who rely on tourism as well going. Should this bill pass there will be a detrimental effect on thousands of people's livelyhoods in Hawaii.

Submitted on: 2/13/2023 10:18:26 AM Testimony for PSM on 2/13/2023 3:02:00 PM



Submitted By	Organization	Testifier Position	Testify
Jennifer Wilkinson	Individual	Oppose	Written Testimony Only

Comments:

Housing is, and has been for some time, a significant problem in Hawaii. Any legislation that provides for the ability of a County to eliminate housing for any individual based on unsubstantiated claims or stale data is inherently wrong. In a time where the public has lost trust in government entities that have enabled those in power to decieve and defruad the public of much needed housing solutions and failed to adequately account for public funds, giving these entities more power (and removing the state-level protections citizens have in 46-4(a)) is a very dangerous and slippery slope. Please to not revise 46-4a until we have real, long-term, and substantial housing development in place. ADDING housing is the solution to housing, not limiting time/place/duration of housing in existing legal residential buildings. Force counties to devise and work within current zoning plans that create and add housing - not just play a game of musical chairs by moving residents around in already existing homes. That is not a long-term, sustainable housing solution.

WRITTEN TESTIMONY: SB219

FEBRUARY 13, 2023

Aloha!

We have lived in Maui for many decades and are very fortunate to benefit from the great quality of life our island affords. To give back, our ohana has generously supported our community through charity donations and volunteerism.

This proposed legislation which may phase out short term rentals in any zoning classification is distressing since it will restrict our ability to rent property! Such action certainly affects our Ohana by prohibiting future rental opportunities in our own communities!

Crucially, short-term renting contributes to our livelihood, our retirement, our children, our grandchildren, and our great grandchildren's futures!

We do not understand who benefits from this proposed legislation! Please consider the negative impacts: 1) our keiki will be denied a future opportunity to help defray increasing cost of living; 2) residents will continue the need of working multiple jobs to improve quality of life; 3) shackles future attempts to keep family wealth by using real property investments; 4) boosts big resort business at the expense of small family businesses.

Lastly, if this bill passes and restricts us from offering residential property for rent, it seems to also violate our current rights regarding the use our property.

We hope that you will Consider our Concerns and oppose this proposed legislation!

Ralph W. Overton

Rulph W. Durton

Nancy Leis Overton

nagdalut

Submitted on: 2/13/2023 11:51:17 AM

Testimony for PSM on 2/13/2023 3:02:00 PM

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

Comments:

As long time visitor to Hawaii and now a permanent resident, I stayed in many air B&Bs in rural areas including those zoned agricultural property. I wanted to express my thoughts about the VALUE of these alternative accommodations on the islands.

not only do they help land owners financially, but they represent the true nature and magic of the Hawaiian Āina.

So many people need that connection with the earth that they don't get in their dally lives. That is one of the gifts of Hawaii. One of the main reasons people come to Hawaii, is to connect with nature. For some people they get all the connection they want by staying in a hotel and taking a tour during the day so one of the waterfalls or the volcano. But for many others, the chance to live away from a crowed atmosphere, to quiet themselves, and reflect on nature and their place in it is vitally important. The experience which many call "spiritual" is a gift Hawaii can give visitors, that most places can even begin to match. I urge to you reconsider the rules banning ohana or detached bedrooms from Airbnb rentals. It really is a special part of the Hawaii experience. I recommend you visit some of these rentals to understand the VITAL part they play in the Hawaiian economy, and value they have that can not be replicated in any other accommodations on the islands.