

Honolulu, Hawaii

FEB 16 2024

RE: S.B. No. 2919
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection, Energy, Economic Development, and Tourism, and Public Safety and Intergovernmental and Military Affairs, to which was referred S.B. No. 2919 entitled:

"A BILL FOR AN ACT RELATING TO PROPERTY,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish and appropriate moneys for a regulatory scheme for short-term rentals of dwelling units under the Business Registration Division of the Department of Commerce and Consumer Affairs;
- (2) Expand the zoning powers of counties; and
- (3) Expand the scope of the transient accommodations tax law to include certain shelters and vehicles with sleeping accommodations.

Your Committees received testimony in support of this measure from the Hawai'i Hotel Alliance, The American Hotel and Lodging Association, Hawai'i State Association of Counties, Sierra Club of Hawai'i, Lahaina Strong, Housing Hawai'i's Future, UNITE HERE Local 5, International Longshore and Warehouse Union Local 142,



one member of the Honolulu City Council, two members of the Maui County Council, and more than two hundred-ninety individuals.

Your Committees received testimony in opposition to this measure from the Hawai'i Association of REALTORS, Airbnb, Rental By Owner Awareness Association, Expedia Group, and more than one hundred twenty individuals.

Your Committees received comments on this measure from the Department of Taxation, Department of Commerce and Consumer Affairs, Land Use Commission, Maui Paradise Properties, and six individuals.

Your Committees find that short-term rentals can be disruptive, not only to Hawaii's traditional and economically essential lodging industries, but to the character and fabric of local residential neighborhoods. Further, while short-term rentals may not be legally inconsistent with the land uses that they are intended for, they must be regulated properly so that users of short-term rentals and communities alike can mutually benefit from these transactions. Therefore, this measure establishes a comprehensive regulatory scheme for short-term rentals of dwelling units and expands the zoning powers of counties to phase out future nonconforming uses over time, in order to promote the orderly development of each county and ensure the greatest benefit for the State as a whole.

Notwithstanding, your Committees have heard the various concerns raised in testimony, and find that delegating the authority to the counties via home rule would be more appropriate than establishing a new state regulatory scheme. Accordingly, this measure needs to be amended to address this issue.

Therefore, your Committees have amended this measure by:

- (1) Deleting sections 1, 4, and 5 of this measure, which would have established and appropriated moneys for a regulatory scheme for short-term rentals of dwelling units under the Business Registration Division of the Department of Commerce and Consumer Affairs;
- (2) Inserting legislative findings;

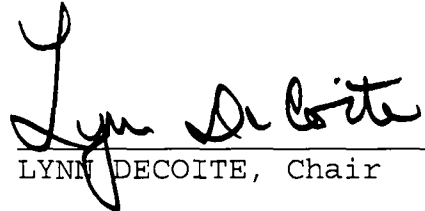


- (3) Deleting language that would have granted the counties authority to adopt ordinances relating to the practices of hosting platforms that provide booking services for short-term rentals;
- (4) Inserting language allowing transient accommodations uses to be amortized or phased out in residential or agricultural zoned areas and state that residential uses do not include transient accommodations uses;
- (5) Inserting a definition for "transient accommodations" under section 46-4(a), Hawaii Revised Statutes;
- (6) Deleting language that would have allowed a county to 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 the county;
- (7) Inserting an effective date of July 1, 2040, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

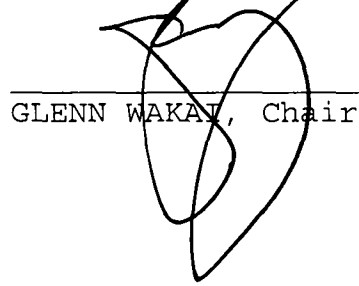
As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection, Energy, Economic Development, and Tourism, and Public Safety and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2919, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2919, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.



Respectfully submitted on behalf of the members of the Committees on Commerce and Consumer Protection, Energy, Economic Development, and Tourism, and Public Safety and Intergovernmental and Military Affairs,



LYNN DECOITE, Chair


JARRETT KEOHOKALOOLE, Chair


GLENN WAKAI, Chair

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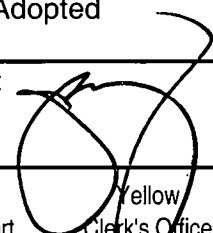
Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB 2919	Committee Referral: CPN/EET/PSM,DC/WJM	Date: 2/2/24		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"		✓		
AWA, Brenton	✓			
TOTAL	4	1		
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

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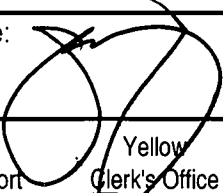
Record of Votes
Committee on Energy, Economic Development, and Tourism
EET

Bill / Resolution No.:*	Committee Referral:	Date:		
SB2919	CPN/EET/PSM, JDC/WAM	2-2-24		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DECOITE, Lynn (C)	✓			
WAKAI, Glenn (VC)	✓			
FUKUNAGA, Carol	✓			
KIM, Donna Mercado	✓			
FEVELLA, Kurt	✓			
TOTAL	5	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

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The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Public Safety and Intergovernmental and Military Affairs
PSM

Bill / Resolution No.:* SB2919	Committee Referral: CPN/EET/PSM, JDU/WAM	Date: 2/2/24		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
ELEFANTE, Brandon J.C. (VC)	✓			
FUKUNAGA, Carol	✓			
RHOADS, Karl				✓
AWA, Brenton	✓			
TOTAL	4	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original File with Committee Report Yellow Clerk's Office Pink Drafting Agency Goldenrod Committee File Copy				

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