



TESTIMONY OF  
**CAROLINE ANDERSON**  
**Interim President & CEO**  
Hawai'i Tourism Authority  
before the  
**HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS**  
Tuesday, February 10, 2026  
2:00 p.m.  
State Capitol, Room 325

In consideration of  
**HB 1590 HD 1**  
**RELATING TO VACATION RENTALS**

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

The Hawai'i Tourism Authority (HTA) supports the intent of HB 1590 HD 1, which includes provisions related to short-term vacation rental compliance and requires the Hawai'i Tourism Authority's (HTA) plans, practices, and efforts involving destination management to include promotion of use of traditional or lawful transient accommodations.

We agree with the language that adds to the definition of destination management on page 3, lines 6-12. This aligns with HTA's strategy for responsible travel, encouraging stays in legal traditional transient accommodations or short-term rentals:

- In 2019, HTA, in partnership with the Hawai'i Visitors & Convention Bureau, launched the Kuleana Campaign, which aimed at curbing some of the challenges each county faced, such as ocean and land safety, pono travel, and astute renting of short-term vacation rentals.
- On the HTA-funded travel planning website, gohawaii.com, each island's accommodations page states that short-term rentals must be located in zoned areas and have the required authorizations. It also advises confirming property compliance with state and county laws before booking.
- Our Global Marketing Team educates travel agents, tour operators, and consumers about booking legal traditional accommodations and short-term vacation rentals.

We defer to the Department of Taxation on the substantive provisions and operational requirements of the proposed legislation.

Mahalo for the opportunity to share our comments on HB 1590 HD 1.



‘Ōlelo Hō‘ike ‘Aha Kau Kānāwai

**HOUSE BILL 1590 HD1**

Ke Kōmike Hale o ka Ho‘okolokolo a me ke Kuleana Hawai‘i  
(House Committee on Judiciary & Hawaiian Affairs)

Hawai‘i State Capitol

Pepeluali 10<sup>th</sup>, 2026

2:00 PM

Lumi 325

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Aloha e Chair Tarnas, Vice Chair Poepoe, and Members of the Committee on Judiciary & Hawaiian Affairs:

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB1590 HD1, which strengthens enforcement against illegal short term vacation rentals. Enforcement of illegal use of residential housing for vacationing visitors protects our communities from over-tourism and ensures our housing supply is appropriately used for long-term rentals by our local families and workers.

OHA’s constitutional and statutory responsibilities include advocating for the betterment of Native Hawaiians and supporting public policies that promote stable housing, community well-being, and the responsible stewardship of land. Illegal short-term vacation rentals undermine each of these objectives by removing housing from the long-term market, increasing neighborhood instability, and disproportionately impacting Native Hawaiian families who already face the greatest barriers to housing security.

**OHA supports this measure because it focuses on enforcing existing laws while coordinating with county zoning authority and fair destination management.** The bill clarifies enforcement by allowing counties to use time-stamped screenshots as evidence when enforcing short-term vacation rental ordinances and by defining illegal short-term vacation rentals based on court determinations of illegality, ensuring that enforcement actions are grounded in judicial findings. The measure also strengthens compliance with existing tax laws by requiring hosting platforms to register as tax collection agents and to collect and remit general excise and transient

accommodations taxes on behalf of operators. This approach improves tax compliance, reduces evasion, and shifts administrative burdens away from counties and individual enforcement actions. In addition, the bill authorizes counties to use county transient accommodations tax revenues for enforcement, providing a dedicated and lawful funding source tied to visitor activity. Together, these provisions reinforce and support county authority over land use and zoning, discourage illegal conversions of housing stock, and support the preservation of residential units for long-term use.

Illegal short-term vacation rentals have a disproportionate impact on Hawai‘i’s housing crisis. Hawai‘i has the highest share of rent-burdened households in the nation, with roughly half of all renters paying more than 30% of income toward housing.<sup>1</sup> Native Hawaiians experience even higher rates of rent burden and overcrowding. At the same time, thousands of housing units statewide are estimated to be used as short-term vacation rentals, many of them operating outside of county zoning and permitting laws. Research consistently shows that converting even a small share of housing stock to short-term rentals tightens local housing supply, drives up rents, and accelerates displacement particularly in rural areas and communities with limited rental inventory. Because Native Hawaiians are more likely to rent, live in multigenerational households, and remain in their home communities, the loss of residential units to illegal transient use disproportionately harms Native Hawaiian families and undermines long-term housing stability.

Recent events demonstrate supporting housing for our families requires laws that support controlling for demand, not just incentivizing construction of housing supply. In 2025, OHA joined the Maui community in supporting Maui County Bill 9, a proposal advanced by Mayor Richard Bissen to return housing to local residents by ensuring that properties in apartment-zoned areas remain in residential use. Economic analysis by the University of Hawai‘i Economic Research Organization (UHARO) estimates that Bill 9 would return approximately 6,000 housing units to the long-term market, an impact equivalent to roughly ten years of new housing construction. This emphasizes that effective enforcement of existing zoning and land-use laws can restore housing at a scale that far exceeds what new construction alone can achieve in the near term.

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<sup>1</sup> UHARO, Hawai‘i Housing Factbook (2024), indicating that a majority of Hawai‘i renter households were rent-burdened, reflecting statewide housing cost pressures

For these reasons, the OHA urges the Committee to **PASS** this measure.

Mahalo for the opportunity to testify.

**JOSH GREEN M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LT. GOVERNOR



**GARY S. SUGANUMA**  
DIRECTOR

**KRISTEN M.R. SAKAMOTO**  
DEPUTY DIRECTOR

STATE OF HAWAII  
**DEPARTMENT OF TAXATION**

Ka 'Oihana 'Auhau  
P.O. BOX 259

HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
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**TESTIMONY OF  
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

**TESTIMONY ON THE FOLLOWING MEASURE:**

H.B. No. 1590, H.D.1, Relating to Vacation Rentals

**BEFORE THE:**

House Committee on Judiciary & Hawaiian Affairs

**DATE:** Tuesday, February 10, 2026

**TIME:** 2:00 p.m.

**LOCATION:** State Capitol, Room 325

Chair Tarnas, Vice-Chair Poepoe, and Members of the Committee:

The Department of Taxation (DOTAX) strongly supports Part II of H.B. 1590, H.D.1 and offers the following comments for your consideration.

Section 4 of the bill appropriates an unspecified dollar amount to DOTAX to collect taxes owed by illegal short-term rental operators.

Part II of the bill contains the contents of H.B. 2330, an Administration measure. Specifically, Part II requires hosting platforms that earn service fees for providing booking services for transient accommodations in the State to register with DOTAX as tax collection agents for purposes of collecting general excise tax (GET) and transient accommodations tax (TAT). Tax collection agents will be required to report, collect, and pay GET and TAT on behalf of all operators using its booking services and will be subject to personal liability, penalties, and interest for unpaid taxes.

Additionally, tax collection agents will be required to include with their annual GET and TAT return a report with information on each operator, including identifying

information and amounts of taxes paid on their behalf. Tax collection agents must also maintain records for each operator for a period of three years.

Part II of the bill also exempts tax collection agents from duplicative reporting requirements under sections 237-30.5 and 237D-8.5, HRS.

The measure takes effect on July 1, 2026, with Part II effective starting January 1, 2027.

DOTAX strongly supports Part II of the bill. Despite DOTAX's enforcement efforts, many short-term rental operators remain out of compliance with their tax obligations. Requiring hosting platforms to register as tax collection agents will improve overall tax compliance by shifting the responsibility for reporting and remitting GET and TAT from thousands of individual operators to a smaller number of hosting platforms. This bill will help minimize tax evasion, ease enforcement burdens, and assist with timely and efficient collection of revenue.

DOTAX further notes that it concurs with the House Committee on Tourism's recommendation to delete section 4, which appropriates an unspecified amount to DOTAX.

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



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**  
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKĀ'I

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR

JAMES KUNANE TOKIOKA  
DIRECTOR

DANE K. WICKER  
DEPUTY DIRECTOR

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Statement of  
**JAMES KUNANE TOKIOKA**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS**

Tuesday, February 10, 2026  
2:00 PM  
State Capitol, Conference Room 325

In consideration of  
**HB 1590, HD1**  
**RELATING TO VACATION RENTALS.**

Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

The Department of Business, Economic Development and Tourism (DBEDT) supports HB1590, HD1, which allows counties to use time-stamped screenshots as evidence for enforcement; requires the Hawai'i Tourism Authority's plans, practices and efforts involving destination management to include promotion of use of traditional or lawful transient accommodations; requires hosting platforms to register with the Department of Taxation as tax collection agents and report, collect and remit general excise and transient accommodations taxes on behalf of operators; and appropriates funds.

Community concerns about tourism – particularly visitor encroachment in Hawai'i's residential neighborhoods and the proliferation of vacation rentals operating illegally – remain a high priority. DBEDT is in support of strengthening state and county tools to address illegal short-term vacation rentals in Hawai'i.

DBEDT is also supportive of promoting positive visitor experiences aimed at encouraging visitors to stay at traditional transient accommodations – such as hotels, time shares and legally permitted vacation rentals – and discouraging the use of illegal short-term vacation rentals. Ensuring compliance and responsible tourism practices is essential to preserving Hawai'i's unique sense of place, protecting community well-being and sustaining a healthy economy that benefits residents and visitors alike.

We look forward to continued collaboration to achieve destination management goals and minimize the negative economic and social impacts associated with illegal short-term vacation rentals.

Thank you for the opportunity to support this measure.



**LIBERTARIAN**  
PARTY of HAWAII  
**IN OPPOSITION TO HB1590**

The Libertarian Party of Hawaii strongly opposes HB1590. This bill expands government power in ways that directly undermine private property rights, voluntary exchange, and limited government.

The measure forces banks and lenders to foreclose on properties if alleged illegal short-term rental activity remains unresolved after five years, authorizes counties to treat time-stamped screenshots from booking platforms as sufficient evidence of violations, compels online platforms to submit detailed annual reports about hosts and properties to the Department of Taxation under threat of fines, integrates enforcement into the Hawaii Tourism Authority's mission, and explicitly permits counties to redirect transient accommodations tax revenue toward cracking down on the free markets. It also appropriates tax dollars to support an expanded enforcement apparatus.

These changes invert the proper relationship between citizen and state. Property owners should be free to use and rent their own homes through consensual, peaceful transactions with guests, without facing state-compelled seizure of their asset over local zoning disputes or ordinances that often end up reflecting neighbor complaints rather than objective harm. Forcing private lenders to foreclose based on unproven allegations (without the due process required for serious criminal matters) is nothing short of government-directed confiscation of property.

Requiring private companies to collect and report extensive personal and financial information about customers turns them into unpaid extensions of government surveillance. It imposes compliance costs while increasing risks of data misuse and future overreach. Allowing counties to funnel tourism tax dollars specifically into enforcement creates a built-in financial incentive for more aggressive action.

It distorts markets and favors large hotel interests over individual homeowners and small-scale entrepreneurs who provide much-needed flexible housing and lodging options. Short-term rentals increase supply in both housing and tourism markets through voluntary cooperation. This free-market option helps local residents supplement income and offers visitors more affordable and diverse choices. Heavy-handed state-level enforcement reduces these economic benefits by driving up costs, harming small property owners, and stifling liberty. We need more market-driven solutions to Hawaii's challenges, not more bureaucratic enforcement against them.

Existing county rules already address legitimate nuisance or zoning concerns, and the State already outlines what is considered unlawful in the realm of contractual law. HB1590 unnecessarily escalates enforcement by involving multiple state agencies in what should remain



unregulated. True liberty favors decentralization and minimal intervention, allowing individuals, neighbors, and markets to resolve issues without new layers of bureaucracy, mandatory reporting, fines, or forced foreclosures.

The Libertarian Party of Hawaii is urging the Committee to reject it entirely and preserve the freedom of Hawaiians to engage in peaceful, consensual economic activity without expanded government mandates.

In Liberty,

Abbra Green | LPHI Secretary | [LibertarianHawaii.com](http://LibertarianHawaii.com) | (808)824-LPHI

# TAX FOUNDATION OF HAWAII

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735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

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SUBJECT: GENERAL EXCISE, TRANSIENT ACCOMMODATIONS, Short-term Vacation Rentals Enforcement; Hosting Platform as Tax Collection Agent

BILL NUMBER: HB 1590 HD 1

INTRODUCED BY: House Committee on Tourism

EXECUTIVE SUMMARY: Part I: Allows counties to use time-stamped screenshots as evidence for the enforcement of short-term vacation rentals. Requires the Hawai'i Tourism Authority's plans, practices, and efforts involving destination management to include promotion of use of traditional or lawful transient accommodations. Clarifies that the counties may use revenue from the County Transient Accommodations Tax for the enforcement of short-term vacation rentals. Appropriates funds. Part II: Requires hosting platforms that earn service fees for providing booking services for transient accommodations to register with the Department of Taxation as tax collection agents and report, collect, and remit general excise and transient accommodations taxes on behalf of operators. Part II effective 1/1/2027. (HD1)

SYNOPSIS: Adds a new chapter to the HRS stating that a county may consider time-stamped screenshots of vacation rentals operating illegally on a hosting platform as evidence of the offering or advertising of illegal short-term vacation rentals.

Defines "Hosting platform" by cross-referencing section 237D-1.

Defines "Illegal short-term vacation rental" as any short-term vacation rental that a court has determined violates a county ordinance related to short-term vacation rentals, minimum stay requirements, or zoning.

Defines "Short-term vacation rental" as a room, apartment, suite, single family dwelling, shelter, vehicle, boat or other watercraft, or the like rented to a transient that does not exceed a certain number of days as established by the counties.

Amends section 201B-1, HRS, to the effect that Hawaii Tourism Authority is to promote positive visitor experiences aimed at encouraging visitors to stay at traditional transient accommodations, such as hotels or time shares, or legal vacation rentals and discourage the use of illegal short-term vacation rentals.

Amends section 237D-2.5, HRS, to allow counties to use revenue from the county TAT for the enforcement of short-term vacation rentals.

Adds new sections to chapters 237 and 237D requiring a hosting platform to register with the Department of Taxation as a tax collection agent, who will then report, collect, and pay taxes on

behalf of its operators. A hosting platform failing to do so is liable for the taxes that should have been collected but were not.

Amends section 237-41.5, HRS, to impose personal liability on responsible persons of an entity that has collected tax but has not turned it over to the State.

Adds definitions to section 237D-1, HRS, as follows:

"Booking service" means any service, including a reservation or payment service, provided by a person or entity that facilitates a transient accommodations transaction between an operator and a prospective transient or occupant, 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 service provided for the transient accommodations transaction.

"Hosting platform" means a person or entity that participates in the transient accommodations business by providing, and collecting or receiving a fee for, booking services through which an operator may offer transient accommodations. "Hosting platform" includes a person or entity that, usually though not necessarily, provides the booking services through an online or digital platform that allows an operator to advertise transient accommodations and enables a renter to arrange, reserve, or pay for the rental of transient accommodations, whether payment is made directly to the operator or through the hosting platform. "Hosting platform" does not include a marketplace facilitator as defined in section 237-1 and described in section 237-4.5.

"Tax collection agent" means a person or entity that collects money and taxes from a renter owed to an operator, and the portion of the amounts representing taxes does not constitute the tax collection agent's own income."

Makes technical and conforming amendments to sections 231-8.5, 237-30.5, 237-41. 237D-8.5, and 237D-12.

EFFECTIVE DATE: July 1, 2026; provided that part II is effective January 1, 2027.

STAFF COMMENTS: This bill apparently is an attempt to address concerns about counties unable to enforce their own zoning restrictions on short-term vacation rentals. It allows counties to use funds from the county TAT to do so, which appears reasonable.

In addition, it places the onus on short-term vacation rental brokers to collect and pay over the applicable GET and TAT. This appears to be a reasonable method to increase compliance with tax collection requirements.

We understand that the personal liability imposed on brokers is not simply on unpaid liability, but on tax collected but not turned over. That appears appropriate. Perhaps the language could be modified to make this point clearer.

Digested: 2/7/2026



**Testimony to the House Committee on Judiciary & Hawaiian Affairs  
Tuesday, February 10, 2026, 2:00 pm  
Conference Room 325**

To: The Honorable David Tarnas, Chair  
The Honorable Mahina Poepoe, Vice-Chair  
Members of the Committee

From: Janel Cozzens, Airbnb

Re: **HB 1590 HD1 - Relating to Vacation Rentals**

Thank you for the opportunity to submit testimony in opposition to HB 1590 HD1 which would establish a new state-level enforcement and tax collection framework for short-term vacation rentals. We appreciate the Committee's continued efforts to ensure that Hawai'i effectively collects and remits taxes on overnight accommodations. We support the underlying intent of improving the State's revenue collection efforts. However, this bill introduces unnecessary complexity to those very efforts.

Despite the amendments in HB 1590 HD1, significant concerns remain with the bill as currently drafted. The bill risks creating additional administrative burdens on hosts and platforms without meaningfully improving tax collection objectives.

While tax collection compliance is an important objective, the breadth of information required raises legitimate privacy and data security concerns. The collection and centralized storage of sensitive personal and financial data should be narrowly tailored to demonstrated enforcement needs, and the current language does not sufficiently balance enforcement goals with privacy protections. These provisions create unnecessary privacy and due-process risks without a corresponding improvement in tax compliance or enforcement effectiveness.

Platforms have consistently supported mechanisms that ensure full tax compliance and administrative efficiency. We remain committed to working collaboratively with lawmakers and state agencies on solutions that facilitate compliance, protect privacy, and strengthen Hawai'i's tourism economy. For these reasons, we respectfully urge the Committee to work collaboratively with stakeholders on a more targeted and effective approach.

Mahalo for the opportunity to testify.

Janel Cozzens  
Sr. Policy Manager, Hawaii

Committee on Judiciary & Hawaiian Affairs  
State House of Representatives  
State of Hawaii  
415 S. Beretania Street, Rm. 325  
Honolulu, HI 96813



February 10, 2025

Dear Chair,

RE: COMMENTS on HB1590 HD1

Aloha Chair and Members of the Committee:

My name is Caitlin Miller, and I am submitting testimony on behalf of the **HIMAST Alliance**, a statewide organization representing lawful mid- and short-term rental owners, operators, and professional managers across Hawai‘i.

HIMAST appreciates the substantial revisions reflected in H.B. 1590, H.D. 1. Compared to earlier versions, this draft demonstrates a more disciplined approach to enforcement, tax compliance, and due process, and we thank the Legislature for responding to concerns raised by stakeholders.

First, HIMAST strongly supports the bill’s clarification that a short-term vacation rental is “illegal” only after a court determination. This change is critical. Tying illegality to judicial findings rather than administrative or presumptive enforcement protects lawful operators from premature penalties and aligns enforcement with fundamental due-process principles. This revision meaningfully improves fairness and reduces the risk of inconsistent or arbitrary application across counties.

Second, shifting tax collection responsibility to hosting platforms is a more effective and equitable compliance strategy. Requiring booking platforms to register as tax collection agents and remit GET and TAT on behalf of operators addresses long-standing gaps in tax administration. Centralized platform-based collection improves compliance, reduces administrative burden on small operators who already seek to comply, and creates a more level playing field across the accommodations sector.

Third, HIMAST urges continued attention to guardrails and consistency in enforcement tools. While allowing counties to use time-stamped screenshots as evidence and authorizing the use of county TAT revenues for enforcement may increase efficiency, these tools should be applied consistently and with clear standards to avoid uneven enforcement across counties or enforcement actions focused on paperwork rather than actual unlawful activity.

Fourth, HIMAST respectfully raises concerns about data privacy and security risks created by requiring social security numbers in Sections 5 and 6.

Requiring hosting platforms to report operators' social security numbers creates significant data privacy and security risks. Centralized databases of SSNs are high-value targets for cybercriminals, and a single breach could expose thousands of individuals to identity theft. Federal employer identification numbers and existing tax license numbers already provide sufficient identification for tax compliance purposes without creating this unnecessary vulnerability.

**Finally, HIMAST cautions against destination-management messaging that could unintentionally stigmatize lawful vacation rentals.**

We support discouraging illegal activity. However, lawful short-term and mid-term rentals are a regulated, tax-paying part of Hawai'i's visitor economy and housing ecosystem. State messaging should clearly distinguish between illegal operations and compliant operators who contribute to local communities and public revenues.

In closing, HIMAST believes H.B. 1590, H.D. 1 represents a meaningful improvement over prior drafts and reflects a more balanced approach to enforcement and compliance. We respectfully request continued refinement to ensure implementation remains fair, uniform, and focused on truly illegal activity, while protecting lawful operators acting in good faith.

Mahalo for the opportunity to submit testimony

**Respectfully submitted,**

Caitlin Miller, Executive Director



February 10, 2026

**The Honorable David Tarnas, Chair**

House Committee on Judiciary & Hawaiian Affairs  
State Capitol, Conference Room 325 & Videoconference

**RE: House Bill 1590, HD1, Relating to Vacation Rentals**

**HEARING: Tuesday, February 10, 2026, at 2:00 p.m.**

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR provides **comments** on House Bill 1590, HD1, which Part I: Allows counties to use time-stamped screenshots as evidence for the enforcement of short-term vacation rentals. Requires the Hawai'i Tourism Authority's plans, practices, and efforts involving destination management to include promotion of use of traditional or lawful transient accommodations. Clarifies that the counties may use revenue from the County Transient Accommodations Tax for the enforcement of short-term vacation rentals. Appropriates funds. Part II: Requires hosting platforms that earn service fees for providing booking services for transient accommodations to register with the Department of Taxation as tax collection agents and report, collect, and remit general excise and transient accommodations taxes on behalf of operators. Part II effective 1/1/2027.

Under the measure, hosting platform is defined broadly to include any "person or entity that participates in the transient accommodations business by providing, and collecting or receiving a fee for, booking services through which an operator may offer transient accommodations." As drafted, this definition may be construed to include real estate licensees, who pursuant to contract, advertise rental properties, arrange reservations or rental agreements, and collect rent on behalf of property owners for a fee. In addition, real estate licensees may manage both short-term and mid-term rentals, such as month-to-month rentals that are less than 180 days, which would be considered transient accommodations.

The collection and remittance of taxes is the responsibility of the owner and property owners. Sometimes property managers may negotiate by contract the remittance of taxes for the owner. This measure would require hosting platforms to register as tax collection agents. However, given the broad definitions, there is a risk that real estate licensees managing rental properties could be unintentionally included and required to become tax collection agents.



Under Act 76, Session Laws of Hawaii 2024, persons authorized under agreements to collect rent on behalf of owners of real property and transient accommodations located within the State are already required to make filings with the Department of Taxation ("DoTax"). As such, third party rent collectors, including real estate licensees who are property managers, are already required to submit the following documents to the DoTax: Form RCA-1, with a copy of the first page of the rent collection agreement; Form RCA-1, with a copy of federal Form 1099; or Form RCA-1, without attachments with specific timeframes for each.<sup>1</sup>

If the Committee is inclined to pass this measure, we would respectfully request the following amendments:

Page 8, after line 4:

(e) This section shall not apply to a real estate broker or a real estate salesperson or to the collection of rentals by a third party under sections 237D-8.5 or 237-30.5.

Page 8, lines 5-15:

(ef) For the purposes of this section, and unless the context otherwise requires:

"Booking service" has the same meaning as in section 237D-1.

"Hosting platform" has the same meaning as in section 237D-1.

"Operator" has the same meaning as in section 237D-1.

"Real estate broker" has the same meaning as in section 467-1.

"Real estate salesperson" has the same meaning as in section 467-1.

"Tax collection agent" has the same meaning as in section 237D-1.

"Transient accommodations" has the same meaning as in section 237D-1."

Mahalo for the opportunity to provide testimony on this measure.

<sup>1</sup> Department of Taxation. (April 23, 2025). *Rental Collection Agreement Information*.  
<https://tax.hawaii.gov/rca/>



February 9, 2026

Chair David Tarnas  
House Committee on Judiciary and Hawaiian Affairs  
Conference Room 325  
State Capitol  
415 South Beretania Street  
Honolulu, Hawai'i 96813

Re: HB 1590, HD1

Dear Chair Tarnas, Vice Chair Poeopoe, and members of the House Committee on Judiciary and Hawaiian Affairs,

On behalf of Expedia Group, a family of brands that includes Expedia.com, Hotels.com, and short-term rental leader Vrbo, I am writing to share comments on HB 1590 HD1 which would allow and newly make platforms responsible for collecting and remitting taxes on behalf of short-term rentals.

Expedia Group supports becoming tax responsible for short-term rentals and believes that allowing platforms to remit will both promote tax compliance and reduce tax leakage. However, there are some important ambiguities and challenging reporting requirements in the current draft of the legislation that we are hoping to clarify.

Presently, in most instances Vrbo collects general excise tax (GET) and transient accommodations tax (TAT) from short-term rental guests and then sends the taxes to short-term rental owners and operators for them to remit to the state Department of Taxation. This legislation would newly allow Vrbo to remit on behalf of owners and operators.

As currently drafted the legislation could be interpreted to apply to conventional lodging, like hotels and motels, as well as short-term rentals. We recommend amending the definition of "short-term vacation rental" in Part I, Section 1 as follows to clarify.

"Short-Term Vacation Rental" means a **residential dwelling unit** ~~a room, apartment, suite, single family dwelling, shelter, vehicle, boat or other water craft, or the like~~ rented to a transient that does not exceed a certain number of days as established by the counties. **Short-Term Vacation Rentals do not include hotels, motels, inns, apartment hotels, boarding facilities, lodges, timeshares, or other conventional lodging properties.**



Similarly, we recommend updating two of the definitions in Section 11, as well as adding the definition of “short-term vacation rental” above to Sections 5 and 11, to clarify that this bill relates solely to short-term vacation rentals. For this clarification, references to “transient accommodations” in Sections 5, 6, 9, and 13 would also be changed to “short-term vacation rentals.” The proposed changes to the definition of “hosting platform” would also help to ensure that multiple entities were not considered a hosting platform for the same booking.

“Booking service” means any service, including a reservation or payment service, provided by a person or entity that facilitates a ~~transient accommodations~~ **short-term vacation rental** transaction between an operator and a prospective transient or occupant, 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 service provided for the transient accommodations transaction.

“Hosting platform” means a person or entity that ~~participates in the transient accommodations business by providing, and collecting or receiving a fee for, booking services through which an operator may offer transient accommodations.~~ “Hosting platform” includes a person or entity that, usually though not necessarily, provides the booking services through an online or digital platform that allows an operator to advertise **list** transient accommodations **short-term vacation rentals** and enables a renter to arrange, reserve, ~~or~~ **and** pay for the rental of ~~transient accommodations~~ **short-term vacation rentals**, ~~whether payment is made directly to the operator or through the hosting platform.~~ “Hosting platform” does not include a marketplace facilitator as defined in section 237-1 and described in section 237-4.5.

We also kindly request that you amend the reporting in Section 6 (d) to read:

- (1) Address of each transient accommodation;
- (2) Gross receipts;
- (3) General excise tax license number; and
- (4) Transient accommodations tax registration number.

Providing gross receipts still allows the Department of Taxation (DOTAX) to compute the General Excise Tax (GET) and Transient Accommodations Tax (TAT) remitted for each short-term rental, but this information correlates with the existing tax compliance systems that all major hosting platforms use. Further, short-term rentals do not have “names” the way that hotels do. Finally, providing thousands of short-term rental owners’ social security numbers makes the reporting significantly more sensitive and inherently complex to ensure sensitive, personally identifiable data is protected. In contrast, providing GET and TAT numbers will still allow DOTAX to see whether each rental is properly registered for both taxes.



Finally, we request that a new subsection (e) be added to Section 9 that reads.

**(e) Information provided by a hosting platform pursuant to section 237-(d) shall be confidential and shall not be divulged to any other department or official or any other political subdivision of the state. Such information shall be used by such officials only for the purpose of levying and collecting general excise tax and transient accommodations tax.**

Making platforms tax responsible would likely increase tax collections for the state and simplify administration for short-term vacation rental operators. We are eager to work with you to make the technical corrections that would allow us to successfully implement this tax change in Hawai'i.

We would be happy to meet with you to discuss any of these proposed changes and are grateful for your consideration.

Thank you,

Mackenzie Chase  
Regional Manager, Hawai'i  
Expedia Group

CC: Rep. Adrian Tam





*Cade Watanabe, Financial Secretary-Treasurer*

*Gemma G. Weinstein, President*

*Eric W. Gill, Senior Vice-President*

February 10, 2026

House Committee on Judiciary & Hawaiian Affairs  
Rep. David Tarnas, Chair  
Rep. Mahina Poepoe, Vice Chair

**Testimony re: HB 1590 HD 1**

Chair Tarnas, Vice Chair Poepoe, and Committee Members:

UNITE HERE Local 5 represents 10,000 working people in the hotel, food service and health care industries across Hawaii.

We support the intent of HB 1590 to designate vacation rental hosting platforms as tax collection agents. We have a few comments regarding the HD1 version of the bill and some suggestions:

- We support the use of time-stamped screenshots of vacation rental ads as prima facie evidence for counties to use in enforcement.
- We support recordkeeping provisions such as those in the bill. It is extremely important for enforcement efforts that enforcement agencies have access to the lists of operators with detailed enough information to determine whether operators have broken the law.
- Regarding the liability to a tax collection agent that fails to pay any portion of the tax for any unit(s), we are concerned the proposed penalties may not be enough to ensure hosting platforms would prioritize accurately collecting and paying taxes for all units that owe, especially if those units are not operating legally.
- The change to the definition of “Illegal short-term vacation rental” in the HD1 version to require a court determination of legality could severely restrict the enforcement capabilities of this measure in practice.
- The revised definition of “destination management” uses the restrictive definition of “illegal short-term vacation rentals”, and cuts the responsibility on private partners to ensure that vacation rentals are operating legally. It would be better to go back to the original definition under HB 1590.

Thank you.

**HB-1590-HD-1**

Submitted on: 2/7/2026 7:03:44 PM

Testimony for JHA on 2/10/2026 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Nancy D Moser	Individual	Support	Written Testimony Only

Comments:

Now that this bill has been moved forward with amendments as HB1590 HD1, by the prior Committee on Tourism, please pass this bill and maintain the important focus on enforcement actions against STVR that are not complying with law.

**HB-1590-HD-1**

Submitted on: 2/9/2026 9:35:56 AM

Testimony for JHA on 2/10/2026 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Cory	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I am in opposition to this bill. Private information should not be shared in the public forum as presented in this bill. Very concerned about SSN and other private informaiton being leaked.

Mahalo,

Cory

**HB-1590-HD-1**

Submitted on: 2/9/2026 3:41:00 PM

Testimony for JHA on 2/10/2026 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Nicholas Zehr	Individual	Oppose	Written Testimony Only

Comments:

Chair, Vice Chair, and Members of the Committee:

I respectfully oppose HB1590. Hawai‘i’s housing and visitor-management challenges are real, but this bill takes an overly punitive and centralized enforcement approach that risks unintended harm to residents, small property owners, and lawful commerce, without clear evidence it will improve housing affordability or community well-being.

First, HB1590 expands enforcement authority and evidentiary standards in ways that weaken due process. Allowing time-stamped screenshots as sufficient evidence of illegal activity invites error and abuse, particularly where listings may be outdated, duplicated, or mischaracterized. Enforcement should be accurate and fair, not expedient at the expense of basic procedural protections.

Second, the bill deputizes hosting platforms as tax collection agents and compels extensive disclosure of operator data. This shifts core government enforcement and surveillance functions onto private intermediaries, raising privacy concerns and imposing significant compliance burdens, especially on small, local operators who already struggle with Hawai‘i’s high costs and complex regulations. The likely result is market consolidation favoring large hotels and well-capitalized firms, not healthier communities.

Third, dedicating new tax revenues and general funds to intensified enforcement, rather than addressing root causes like permitting bottlenecks, infrastructure constraints, and overall housing supply, misallocates scarce public resources. There is little evidence that escalating enforcement meaningfully increases long-term housing availability, while the costs to residents who rely on supplemental rental income are immediate and real.

Finally, amending “destination management” to actively discourage lawful consumer choices risks politicizing tourism policy and undermining competition. Hawai‘i can protect neighborhoods and cultural resources without steering visitors toward favored accommodations or penalizing alternative, lawful models.

A more balanced approach would prioritize clear, consistent county rules; streamlined permitting; targeted enforcement against demonstrably harmful actors; and policies that expand housing supply across the board.

For these reasons, I urge the Committee to oppose HB1590 or significantly amend it to protect due process, privacy, and fair competition while pursuing effective, evidence-based solutions.

Mahalo for the opportunity to testify.