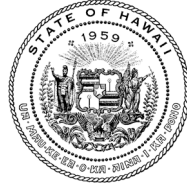


JOSH GREEN M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**

Ka 'Oihana 'Auhau

P.O. BOX 259

HONOLULU, HAWAII 96809

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GARY S. SUGANUMA  
DIRECTOR

KRISTEN M.R. SAKAMOTO  
DEPUTY DIRECTOR

**TESTIMONY OF  
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

**TESTIMONY ON THE FOLLOWING MEASURE:**

H.B. No. 1590, H.D.3, Relating to Vacation Rentals

**BEFORE THE:**

Senate Committees on Economic Development and Tourism, Energy and Intergovernmental Affairs, and Commerce and Consumer Protection

**DATE:** Wednesday, March 25, 2026

**TIME:** 9:30 a.m.

**LOCATION:** State Capitol, Room 229

Chairs DeCoite, Wakai, and Keohokalole, Vice-Chairs Wakai, Chang, and Fukunaga, and Members of the Committees:

The Department of Taxation (DOTAX) supports the intent of Part II of H.B. 1590, H.D.3, and offers the following comments for your consideration.

Part II of H.B. 1590, H.D.3 requires hosting platforms that earn service fees for providing booking services for short-term vacation rentals (STVRs) in the State to register with DOTAX as tax collection agents for purposes of collecting general excise tax (GET) and transient accommodations tax (TAT). Hosting platforms registered as 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, a hosting platform registered as a tax collection agent will be required to include with their annual GET and TAT return a report with information on each STVR operator, including the STVR address, GET license number, TAT registration number, and gross receipts. The information provided to DOTAX by the hosting platforms can be

used only for levying and collection of GET and TAT and may not be disclosed to any other department, official or political subdivision. Tax collection agents must also maintain records for each operator for a period of three years.

The tax collection agent registration and collection requirements do not apply to real estate brokers, real estate salespersons, and rents collected by a third party under section 237-30.5 or 237D-8.5, HRS.

Sections 8 and 12 of the bill exempt hosting platforms registered as tax collection agents from the reporting requirements in sections 237-30.5 and 237D-8.5, HRS, which apply to persons who collect rent on behalf of an owner.

The bill defines a “hosting platform” as a person or entity that provides booking services through an online or digital platform for short-term vacation rentals, where renters can book and pay for those rentals through the platform. A “short-term vacation rental” is defined as residential dwelling rented to a transient, and does not include hotels, motels, inns, apartment hotels, boarding facilities, lodges, times shares, or other similar conventional lodging properties.

The measure takes effect on July 1, 3000, with Part II effective starting January 1, 2027.

DOTAX supports the intent of the bill, as 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 will help minimize tax evasion, ease enforcement burdens, and assist with the timely and efficient collection of revenue. DOTAX requests, however, that the following amendments be made to the H.D.3 version.

First, DOTAX recommends amending section 237-\_\_(e) on pages 7 to 8 of the bill and section 237D-\_\_(e) on page 11 of the bill by deleting the provision that information provided by a hosting platform may be used only for levying and collecting GET and TAT. In addition to being subject to GET and TAT, hosting platforms and operators are also subject to State income tax. Prohibiting DOTAX from using information to enforce the State's income tax laws would impede enforcement and collection efforts.

Additionally, DOTAX notes that the bill, as currently drafted, may prohibit DOTAX from providing data from the hosting platforms to the counties or the Internal Revenue Service even if the data is shared for tax purposes. DOTAX recommends amending sections 237-\_\_(e) and 237D-\_\_(e) to clarify that information provided by a hosting platform to DOTAX may be shared with other government officials, but for tax purposes

only. Specifically, DOTAX recommends that pages 7 to 8 and page 11 be amended to read:

(e) Information provided by a hosting platform pursuant to subsection (d) to the department of taxation, any other state or county tax official or employee, or any other person to whom such tax information is divulged, shall be confidential and shall not be divulged to any other department or official or any other political subdivision of the State or any county, except as authorized under section 231-18 for tax purposes only.

Second, DOTAX recommends that section 237-\_\_ (f) on page 8, which exempts real estate brokers, real estate salespersons, and the collection of rentals by a third party under sections 237-30.5 and 237D-8.5, HRS, from the new tax collection agent requirements, be amended. Under current law, persons who collect rent on behalf of an owner, including hosting platforms, property managers, and agents, are required to report rental information to DOTAX pursuant to sections 237-30.5 and 237D-8.5, HRS. Sections 8 and 12 of the bill exempt hosting platforms that register as a tax collection agent from these reporting requirements.

However, the bill also exempts the collection of rent for third parties under sections 237-30.5 and 237D-8.5, HRS, from the hosting platform registration requirements. This may create ambiguity for hosting platforms as to whether they are required to comply with the tax collection agent requirements or whether they may instead choose to comply with sections 237-30.5 and 237D-8.5, HRS, and forego the tax collection agent requirements. DOTAX therefore recommends amending subsection (f) on page 8 to read:

(f) This section shall not apply to a real estate broker or real estate salesperson.

Third, DOTAX requests that the definition of "hosting platform" on page 16 be amended by replacing it with the definition in the H.D.1 version, which included all platforms that received a fee for their booking services:

"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

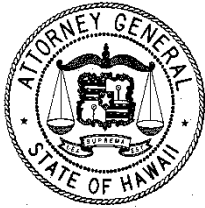
digital platform that allows an operator to advertise transient accommodations and enables a renter to arrange, reserve, or pay for the rental of transient accommodations, whether payment is made directly to the operator or through the hosting platform. "Hosting platform" does not include a marketplace facilitator as defined in section 237-1 and described in section 237-4.5.

Fourth, DOTAX recommends that the definition of "short-term vacation rental" and all references to STVRs be deleted and replaced with "transient accommodations." The GET and TAT apply to "transient accommodations," as defined in section 237D-1, HRS. There is no distinction between a transient accommodation and an STVR for purposes of chapters 237 and 237D, HRS. TAT is imposed on all rooms, apartments, suites, single family dwelling, and shelters furnished to a transient for less than 180 days, regardless of county definitions. The bill, by requiring tax collection agents to only collect taxes for STVRs, which will be based on county requirements that are completely unrelated to TAT liability, will complicate administration and enforcement efforts. Accordingly, DOTAX recommends deleting "short-term vacation rental" from the bill.

Notwithstanding the foregoing, DOTAX is amenable to adding an exemption for hotels that are booked through hosting platforms, provided a definition of "hotel" is added to the bill.

Lastly, with these amendments, DOTAX can administer Part II of the bill with the stated effective date of January 1, 2027.

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



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
KA 'OIHANA O KA LOIO KUHINA  
THIRTY-THIRD LEGISLATURE, 2026**

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**ON THE FOLLOWING MEASURE:**

H.B. NO. 1590, H.D. 3, RELATING TO VACATION RENTALS.

**BEFORE THE:**

SENATE COMMITTEES ON ECONOMIC DEVELOPMENT AND TOURISM AND ON ENERGY AND INTERGOVERNMENTAL AFFAIRS AND ON COMMERCE AND CONSUMER PROTECTION

**DATE:** Wednesday, March 25, 2026      **TIME:** 9:30 a.m.

**LOCATION:** State Capitol, Room 229

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or  
Maya A. VanDrunen, Deputy Attorney General

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Chairs DeCoite, Wakai, and Keohokalole and Members of the Committees:

The Department of the Attorney General has concerns regarding this bill and provides the following comments and proposed amendment.

Part II of this bill proposes to add new sections to chapters 237 and 237D, Hawaii Revised Statutes (HRS), requiring "hosting platforms" that earn service fees for providing booking services to register as tax collection agents and file returns and report, collect, and remit general excise and transient accommodations taxes on behalf of operators. Section 11, on page 16, lines 9-15, of the bill adds to section 237D-1, HRS, a new definition of a "hosting platform" as follows:

"Hosting platform" means a person or entity that provides the booking services through an online or digital platform that allows an operator to list short-term vacation rentals and enables a renter to arrange, reserve, and pay for the rental of short-term vacation rentals, 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.

The requirement that hosting platforms collect and remit taxes may be subject to challenge under the Internet Tax Freedom Act (ITFA), 47 U.S.C. § 151 note. Under section 1101(a)(2) of the ITFA, no state may impose "[m]ultiple or discriminatory taxes on electronic commerce." Section 1105(2)(A)(iii) of the ITFA defines a discriminatory tax, in part, as "any tax imposed by a State or political subdivision thereof on electronic

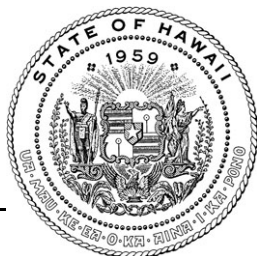
commerce that- . . . (iii) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving similar property, goods, services, or information accomplished through other means[.]"

For example, in *Performance Mktg. Ass'n, Inc. v. Hamer*, an act requiring out-of-state retailers who provided services via the internet to collect state use tax was challenged under the ITFA. See 2013 IL 114496, ¶ 9, 998 N.E.2d 54, 56–57 (Ill. 2013). The Supreme Court of Illinois found that the act was expressly preempted by the ITFA because it did not apply to those performing the same actions "offline." *Id.* at ¶ 23, 998 N.E.2d at 59-60. Therefore, the act was void and unenforceable. *Id.*

The current draft of this bill requires only "online or digital" platforms to collect and remit taxes, while there is no such requirement for the offline counterparts of these platforms performing the same actions. Therefore, to address this issue, we recommend that the definition of "hosting platform" be amended to change "an online or digital platform" in section 11, on page 16, line 10, to "a platform". Alternatively, we recommend that the definition of "hosting platform" be replaced with the definition in the H.D. 1 version of this bill:

"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.

We believe that this proposed amendment addresses the legal concerns. Thank you for the opportunity to provide comments.



**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

**SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM,  
SENATE COMMITTEE ON ENERGY AND INTERGOVERNMENTAL AFFAIRS, AND  
SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION**

Wednesday, March 25, 2026  
9:30 AM  
State Capitol, Conference Room 229

In consideration of  
**HB 1590, HD3**  
**RELATING TO VACATION RENTALS.**

Chairs DeCoite, Wakai and Keohokalole, Vice Chairs Wakai, Chang and Fukunaga, and Members of the Committees:

The Department of Business, Economic Development and Tourism (DBEDT) **supports** HB1590, HD3, 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.

DBEDT Testimony  
HB1590, HD3  
March 25, 2026  
Page 2 of 2

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.



TESTIMONY OF  
**CAROLINE ANDERSON**  
Interim President & CEO  
**Hawai'i Tourism Authority**  
before the  
**SENATE COMMITTEES ON ECONOMIC DEVELOPMENT AND TOURISM; ENERGY AND  
INTERGOVERNMENTAL AFFAIRS; AND COMMERCE AND CONSUMER PROTECTION**

Wednesday, March 25, 2026

9:30 a.m.

State Capitol, Room 229

In consideration of  
**HB 1590 HD3**  
**RELATING TO VACATION RENTALS**

Aloha Chairs DeCoite, Wakai, and Keohokalole, Vice Chairs Wakai, Chang, and Fukunaga, and Members of the Committees:

The Hawai'i Tourism Authority (HTA) supports the intent of HB 1590 HD3, 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 definition of destination management on page 2, lines 20-21 and page 3, lines 1-5. 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 HD3.



‘Ōlelo Hō‘ike ‘Aha Kau Kānāwai

**TESTIMONY IN SUPPORT OF  
HOUSE BILL 1590 HD3**

Ke Kōmike ‘Aha Kenekoa o ka Ho‘omohala Waiwai a me ka ‘Oihana Ho‘okipa Malihini  
(Senate Committee on Economic Development and Tourism)

Ke Kōmike ‘Aha Kenekoa o ke Ikehu, a me ka Pilina O Nā Aupuni  
(Senate Committee on Energy and Intergovernmental Affairs)

Ke Kōmike ‘Aha Kenekoa o ka ‘Oihana Kālepa a me ka Ho‘omalū Mea Kemu  
(Senate Committee on Commerce and Consumer Protection)

Ke Kapitala ‘o Hawai‘i  
Hawai‘i State Capitol

Malaki 25<sup>th</sup>, 2026

9:30 AM

Lumi 229

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Aloha Chair Decoite, Wakai, & Keohokaole, Vice Chair Wakai, Chang, & Fukunaga,  
and Members of the Committees:

The Office of Hawaiian Affairs (OHA) submits testimony in **SUPPORT** for **HB1590 HD3**, which strengthens enforcement against illegal short term vacation rentals and protects long term housing supply and residential communities.

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 amendments strengthen due process protections and add confidentiality safeguards while maintaining strong tax compliance mechanisms. 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 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 the scale of housing recovery that can result from enforcing existing land-use rules. 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 (UHERO) 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

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

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.

For these reasons, the Office of Hawaiian Affairs **SUPPORTS** this measure.

Mahalo for the opportunity to testify.

March 25, 2026

**The Honorable Lynn DeCoite, Chair**

Senate Committee on Economic Development and Tourism

**The Honorable Glenn Wakai, Chair**

Senate Committee on Energy and Intergovernmental Affairs

**The Honorable Jarrett Keohokalole, Chair**

Senate Committee on Commerce and Consumer Protection  
State Capitol, Conference Room 229 & Videoconference

**RE: House Bill 1590, HD3, Relating to Vacation Rentals**

**HEARING: Wednesday, March 25, 2026, at 9:30 a.m.**

Aloha Chair DeCoite, Chair Wakai, Chair Keohokalole and Members of the Joint Committees:

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, HD3, 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 short-term vacation rentals 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. Effective 7/1/3000.

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 a transient accommodation.

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>

We are grateful for the prior amendments to this measure exempting real estate brokers and salespersons. However, if the Committee is inclined to pass this measure, we respectfully request the following additional amendments to provide clarity and following the intent of the previous amendments made.

Page 8, lines 4-8:

(f) This section shall not apply to a real estate broker or real estate salesperson ~~or to who collects the collection~~ general excise tax ~~of rentals by a third party~~ under section 237-30.5 or ~~transient accommodations tax under~~ 237D-8.5.

Page 10, after line 13:

A corresponding exemption should also be applied to Section 6, which relates to the transient accommodations tax, as Section 5 relates to the general excise tax.

(e) This section shall not apply to a real estate broker or real estate salesperson who collects general excise tax under section 237-30.5 or transient accommodations tax under 237D-8.5.

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

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

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

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/>



# KOSTRO

Kama'āina Occupied Short-Term Rentals O'ahu  
Defending short-term rental rights of kama'āina whose rental property is their primary residence.

March 24, 2026

Re: For Hearing on [2026 Bill HB1590 HD3](#) Relating to Short Term Rentals

Aloha Chairs DeCoite, Wakai, Keohokalole, Vice Chairs Chang, Fukunaga and members of the Senate Economic Development & Tourism, Energy & Intergovernmental Affairs, Commerce & Consumer Protection Committees,

Thank you for the opportunity to testify on HB1590.

## COMMENTS

AirBnB and VRBO as tax collection agents

We agree with this attempt to increase and regularize tax revenues from transient rentals state-wide. KOSTRO members are a legal-minded, tax-paying group. We think that, once the agents collect sufficient data, they will find some truly illegal Short-Term Rentals in those operators that lack a GET and/or TAT number. If they have no such numbers, they have not been paying GET and TAT taxes.

Add to the exceptions delineated in 237D the term Owner Occupied Short-Term Rental (formerly known as "Bed and Breakfast"). Our governor is on record as supporting legal status for short-term rentals in which the owner/host of the property actually lives on that property. We suggest the following wording:

1. Owner Occupied Rental is one which
  - (a) Is the principal residence of the Owner;
  - (b) Shares the same TMK as the Owner's principal residence; and
  - (c) has a homestead exemption for property taxes.

2. An Owner Occupied Short-term Rental is a legal Short-term rental.

The clause altering HRS section 46 authorizing the use of time stamped screen shots of a listing targeted for alleged illegality isn't necessary. Admissibility of a screen shot is the court's call on a case-by-case basis. There are due process and chain of custody issues that make a case-by-case basis necessary when it comes to the admissibility of a screen shot as evidence.

We object to the tenor of this bill. One hardly ever sees the term "transient vacation rental" without "illegal" in front of it. The addition to the destination management clause channels the efforts of the HTA toward "traditional" tourist lodging like hotels and motels-with a mention of "legal transient vacation rentals" tacked on at the end. Traditional obviously means hotels. In the definitions taken from 14 HRS § 237D-1, we would like to see the word "conventional" stricken, as it implies that Transient Vacation Rentals are unconventional.

"My personal belief is that we should enact legislation that is a lot like what we did in New York state, which is that you have to be on the premises or in the region therefore you are a local family. We support local families to do short term rentals if they are doing them legally but we don't support mainland folks making a ton of money . . . " (that is not spent in O'ahu.)

– Governor Josh Green, MD

[Video link here](#)



Mahalo for your consideration.

Respectfully Submitted for KOSTRO,

Margaret L.H. Aurand

Ed Jones

P: 808-498-1560

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E: [kostro@paradiseip.com](mailto:kostro@paradiseip.com)

Committee on Economic Development and Tourism  
Committee on Energy and Intergovernmental Affairs  
Committee on Commerce and Consumer Protection  
State House of Representatives  
State of Hawaii  
415 S. Beretania Street, Rm. 308  
Honolulu, HI 96813



March 25, 2026

RE: COMMENTS on HB1590 HD3

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 opportunity to provide comments on HB1590 HD3.

HIMAST supports efforts that improve tax administration, enhance compliance, and modernize collection mechanisms within Hawai'i's transient accommodations and general excise tax framework. Provisions within HB1590 HD3 that establish clear responsibilities for hosting platforms to register as tax collection agents and collect and remit applicable taxes represent a meaningful step toward administrative clarity and consistent compliance across the marketplace.

At the same time, HIMAST respectfully notes that Part I of the measure permits counties to rely on time-stamped screenshots of online listings as evidence of illegal short-term vacation rental activity. While HIMAST understands the intent to improve administrative efficiency, the provision presents practical considerations regarding evidentiary reliability and process clarity, including how screenshots will be obtained, whether submissions may originate from third parties, and what standards will be used to confirm completeness, authenticity, and accuracy of such materials prior to enforcement use.

To support clarity and consistency, HIMAST respectfully offers the following technical refinement for consideration:

Any county enforcing an ordinance pertaining to short-term vacation rentals may consider time-stamped screenshots obtained directly from a hosting platform as evidence of the offering or advertising of illegal short-term vacation rentals; provided that such screenshots shall be accompanied by sufficient identifying information to demonstrate authenticity and completeness of the listing at the time captured, and further provided that screenshots alone shall not constitute conclusive evidence and must be corroborated by additional documentation or verification.

HIMAST also recognizes that the measure incorporates provisions related to enforcement implementation alongside tax administration updates. As these policy areas intersect within the measure, HIMAST encourages continued attention to clarity and consistency in how new tools — including evidentiary mechanisms such as screenshots — are applied in practice. Clear standards and implementation guidance will help ensure that administrative efficiency goals are achieved while maintaining transparency and confidence across stakeholders.

HIMAST remains committed to working collaboratively with policymakers to support effective tax compliance, regulatory clarity, and balanced policy development across Hawai‘i’s visitor accommodations framework.

Mahalo for the opportunity to provide comments on this measure.

**Respectfully submitted,**

Caitlin Miller, Executive Director

# TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

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

BILL NUMBER: HB 1590 HD3

INTRODUCED BY: FIN

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 short-term vacation rentals 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. Effective 7/1/3000. (HD3)

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.

Digested: 3/19/2026



March 24, 2026

Chair Lynn DeCoite  
Senate Committee on Economic Development and Tourism  
Conference Room 229  
State Capitol  
415 South Beretania Street  
Honolulu, Hawai'i 96813

Re: HB 1590, HD3

Dear Chair DeCoite, Chair Wakai, Chair Keohokalole, and members of the Senate Committees on Economic Development and Tourism, Energy and Intergovernmental Affairs, and Commerce and Consumer Protection,

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 HD3, which would allow and newly make platforms responsible for collecting and remitting taxes on behalf of short-term rental owners and operators. We support the platform tax responsibility language, and we hope that you will move that portion of the bill forward.

Expedia Group supports becoming tax responsible for short-term vacation rentals and believes that allowing platforms to remit will both promote tax compliance and reduce tax leakage. We greatly appreciate the amendments incorporated in the HD2 and HD3 versions of the bill and support the current definitions and language regarding hosting platforms and tax collection responsibility. We are especially appreciative of the clarifications regarding definitions, tax collection language, and data reporting made in the House of Representatives.

Making platforms tax responsible would likely increase tax collections for the state and simplify administration for short-term vacation rental operators. We are grateful for the opportunity to submit comments and for your consideration.

Thank you,

Mackenzie Chase  
Regional Manager, Hawai'i  
Expedia Group

CC: Rep. Adrian Tam





Senate Committee on Economic Development and Tourism  
Senator Lynn DeCoite, Chair  
Senator Glenn Wakai, Vice Chair

Senate Committee on Energy and Intergovernmental Affairs  
Senator Glenn Wakai, Chair  
Senator Stanley Chang, Vice Chair

Senate Committee on Commerce and Consumer Protection  
Senator Jarrett Keohokalole, Chair  
Senator Carol Fukunaga, Vice Chair

### **Testimony with Comments re: HB 1590 HD 3**

Chairs DeCoite, Wakai, and Keohokalole, Vice Chairs Wakai, Chang, and Fukunaga, and Committee Members:

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

We have several concerns with the HD3 version of HB 1590. **It should be heavily amended** if it is to keep moving forward:

- Section §237-\_\_ (e) should be removed. This section of HB 1590 HD3 explicitly prevents the Department of Taxation or anyone else from sharing the information it receives with any other department or official, or using the information for anything other than taxes. This will prevent enforcement agencies from getting the list of vacation rentals from the hosting platforms through this process. The list is one of the key tools that would allow for enforcement of vacation rental laws. Vacation rentals are businesses, and are subject to both tax and zoning laws – there is no good reason for this provision. However, we would support narrowing the provision to prevent sharing the information with ICE, CBP and the Department of Homeland Security.
- The change to the definition of “Illegal short-term vacation rental” from the original version of HB 1590 would require a court determination of legality. This could severely restrict the enforcement capabilities of this measure in practice. The committee should revert to the original language on this.
- Regarding the liability to a tax collection agent that fails to pay any portion of the tax for any units, we feel the proposed penalties may not be enough to ensure all hosting platforms will prioritize accurately collecting and remitting taxes for all applicable units, especially if those units are not operating legally.
- HB 1590 HD3 removes the previously proposed requirements that the hosting platform share the amount of General Excise Tax and Transient Accommodations Tax collected on each owner’s behalf, and replaces it with gross receipts. We believe that both the gross receipts and the tax collections for each type of tax should be disclosed so as to quickly

resolve any discrepancies.

- HB 1590 HD3 also removes owners' names and social security numbers or federal employer identification numbers from the data the hosting platform must provide about the vacation rental owners. The names and FEINs should be required.
- While HB 1590 HD3 requires hosting platforms to keep records on the number of occupied nights and the rates charged, and to make those available to the tax department, they should really be included in the annual reporting requirement. Even prior to the amendments that would prevent the Department of Taxation from sharing information with other agencies, the lack of required disclosure on these would make land use enforcement much more difficult.
- The revised definition of "destination management" uses the restrictive definition of "illegal short-term vacation rentals", and removes HB 1590's original language putting 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.
- We support the use of time-stamped screenshots of vacation rental ads as prima facie evidence for counties to use in enforcement. However, we note that they will have limited usefulness without the other changes suggested above.

Thank you.



**Testimony to the Senate Committees on  
Economic Development and Tourism,  
Energy and Intergovernmental Affairs, and  
Commerce and Consumer Protection  
Wednesday, March 25, 2026 @ 9:30am  
Conference Room 229**

To: Chairs and Members of the Committees

From: Janel Cozzens, Airbnb

Re: **HB 1590 HD3 - Relating to Vacation Rentals**

Thank you for the opportunity to provide comments on HB 1590 HD3, which proposes a new state-level enforcement and tax collection framework for short-term vacation rentals.

We appreciate the efforts to ensure that Hawai'i effectively collects taxes on overnight accommodations. We support the goal of improving compliance and strengthening revenue collection. However, we have some concerns and recommendations on the bill as currently drafted.

### **Section 1**

The current definition of "short-term vacation rental" varies in terminology and duration thresholds across the counties creating administrative challenges. To promote statewide uniformity and simplify tax administration, we respectfully suggest aligning definitions with the existing statutory definition of "transient accommodations" in HRS § 237D-1.

**"§46- Short-term vacation rental enforcement; evidence.**

(a) Any county enforcing an ordinance pertaining to ~~short-term vacation rentals-transient accommodations~~ 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.

(b) As used in this section:

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

"Illegal short-term vacation rental" means any ~~short-term vacation rentals-transient accommodations~~ that a court has

determined violates a county ordinance related to ~~short term vacation rentals transient accommodations~~, minimum stay requirements, or zoning.

~~"Short term vacation rental" has the same meaning as in section 237D-1."~~

## **Sections 5 and 6**

Based on our experience collecting taxes across the U.S. and globally, platforms that collect taxes on behalf of hosts provide enough information through their standard filings for the Department of Taxation (DOTAX) to verify the amount of tax collected and remitted.

Further, existing statutory authority already allows DOTAX to request additional records as needed to ensure tax compliance.

Keeping platform filing requirements aligned with their actual role as the "taxpayer" helps ensure effective administration without creating unnecessary administrative complexity and burden for all stakeholders.

**Accordingly, we respectfully request that Section 5(b), 5(d), and 5(g) be amended to read:**

(b) In addition to its own responsibilities under this chapter, a hosting platform registered as a tax collection agent shall report, collect, and pay over the taxes due under this chapter on behalf of all operators for whom the hosting platform provides booking services; provided that the hosting platform's obligation to report, collect, and pay taxes on behalf of its operators shall apply solely to ~~short term vacation rentals transient accommodations~~ located in the State for which booking services were provided by the hosting platform. For all other business activities not related to the booking services, each operator shall remain subject to all applicable requirements of title 14 as if this section did not apply.

(d) A hosting platform registered as a tax collection agent shall file periodic returns in accordance with section 237-30 and annual returns in accordance with section 237-33. ~~Each annual return required under section 237-33 shall include, in a form prescribed by the department of taxation, the following information for each operator on whose behalf the hosting platform is required to report, collect, and pay over taxes due under this chapter:~~

~~(1) Address of each short term vacation rental;~~

- ~~—(2) Gross receipts;~~
- ~~—(3) General excise tax license number; and~~
- ~~—(4) Transient accommodations tax registration number.~~

(g) 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.

~~— "Short-term vacation rental" has the same meaning as in section 237D-1.~~

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

**Similarly, we respectfully request that Section 6(b) and 6(d) be amended to read:**

(b) In addition to its own responsibilities under this chapter, a hosting platform registered as a tax collection agent shall report, collect, and pay over the taxes due under this chapter on behalf of all operators for whom the hosting platform provides booking services; provided that the hosting platform's obligation to report, collect, and pay taxes on behalf of its operators shall apply solely to ~~short-term vacation rentals~~ transient accommodations located in the State for which booking services were provided by the hosting platform. For all other business activities not related to the booking services, each operator shall remain subject to all applicable requirements of title 14 as if this section did not apply.

(d) A hosting platform registered as a tax collection agent shall file periodic returns in accordance with section 237D-6 and annual returns in accordance with section 237D-7. ~~Each annual return required under section 237D-7 shall include, in a form prescribed by the department of taxation, the following information for each operator on whose behalf the hosting platform is required to report, collect, and pay over taxes due under this chapter:~~

- ~~—(1) Address of each short-term vacation rental;~~

- ~~—(2) Gross receipts;~~
- ~~—(3) General excise tax license number; and~~
- ~~—(4) Transient accommodations tax registration number.~~

## **Sections 9**

We support reasonable recordkeeping requirements necessary to verify taxpayer obligations subject to appropriate legal process. The type of information provided may vary depending on the specific request and circumstances involved. Any information shared should be subject to clear confidentiality safeguards to protect sensitive business and taxpayer information and to ensure it is used solely for legitimate tax administration purposes.

**Therefore, we respectfully request that Section 9 (b) be amended to read:**

(b) Each hosting platform registered as a tax collection agent under section 237- shall maintain all suitable records for each operator for whom the hosting platform provides booking services, as may be necessary to determine and verify the tax collected under section 237-including the operator's name, the address of the short term vacation rental, the period of occupancy, the gross rental or gross rental proceeds, and the taxes collected and remitted on behalf of the operator. The records shall be preserved and made available for examination as provided in subsection (a). Nothing in this subsection shall be construed to diminish or eliminate the responsibilities of taxpayers under this section. Information furnished to or secured by the department of taxation from a tax collection agent pursuant to this section or contained in any audit report or findings made pursuant to this section shall be confidential and subject to section 237-34 and shall not be divulged to any other department or official of the state or any county. Such information shall be used by such officials only for the purpose of levying and collecting the general excise tax by tax collection agents."

## **Section 10**

We respectfully request Section 10(a)(3) be deleted. Hosting platform requirements are already clearly established under the newly added subsection designating hosting platforms as tax collection agents. The proposed language is broader than necessary and could create unintended uncertainty around personal liability. We believe the proposed language under Section 5 and 6 is sufficient to effectuate the intent.

(1) Any amount collected as a recovery of the taxpayer's liability under this chapter, where the amount is passed on as the tax owed by the taxpayer under this chapter for the transaction and is separately stated or accounted for in a receipt, contract, invoice, billing, or other evidence of the business activity; [or]

(2) An amount equal to the tax liability under this chapter on a transaction where a taxpayer does not separately state or account for the amount as a tax recovery as provided in paragraph (1). For purposes of this paragraph, the amount of the imputed tax liability is the result of multiplying the gross income or gross proceeds received in the transaction by the tax rate[-]; or

~~—(3) Any amount collected by a hosting platform registered as a tax collection agent under section 237—.~~

The amounts under paragraphs (1) and ~~and~~, (2) ~~and~~ ~~(3)~~ shall be held in trust for the benefit of the State and for payment to the State in the manner and at the time required by this chapter."

## **Section 11**

We suggest refining the definition of “hosting platform” to ensure it accurately captures the intended platforms and avoids unintentional or duplicative language.

Further, a harmonized framework is a global best practice when establishing model mandatory platform collection laws. The current definition of “short-term vacation rental” varies in terminology and duration thresholds across the counties creating administrative challenges. To promote statewide uniformity and simplify tax administration, we respectfully suggest aligning definitions with the existing statutory definition of “transient accommodations” in HRS § 237D-1.

Accordingly, we request that the definitions in Section 11 for “hosting platform” and “short-term vacation rental” be amended to read:

"Hosting platform" means a person or entity that provides the booking services through an online or digital platform that allows an operator to list short-term vacation rentals and enables a renter to arrange, reserve, and pay for the rental of short-term vacation rentals, through the hosting platform, and facilitates reservations, payments, or charges a commission or fee for such booking services. ~~"Hosting platform" does not include a marketplace facilitator as defined in section 237-1 and described in section 237-4.5.~~

~~"Short term vacation rental" means a residential dwelling unit rented to a transient that does not exceed a certain number of days as established by the counties. "Short term vacation rental" does not include hotels, motels, inns, apartment hotels,~~

~~boarding facilities, lodges, time shares, or other conventional lodging properties.~~

**And we request Section 13 (b) to be amended to read:**

~~(b) Each hosting platform registered as a tax collection agent under section 237D- shall maintain all suitable records for each operator for whom the agent provides booking services, as may be necessary to determine and verify the tax collected under section 237D- including the operator's name, the address of the short-term vacation rental, the period of occupancy, the gross rental or gross rental proceeds, and the taxes collected and remitted on behalf of the operator. The records shall be preserved and made available for examination as provided in subsection (a). Nothing in this subsection shall be construed to diminish or eliminate the responsibilities of taxpayers under this section. Information furnished to or secured by the department of taxation from a tax collection agent pursuant to this section or contained in any audit report or findings made pursuant to this section shall be confidential and subject to section 237-34 and shall not be divulged to any other department or official of the state or any county. Such information shall be used by such officials only for the purpose of levying and collecting the general excise tax by tax collection agents."~~

We appreciate the Committee's consideration and remain committed to working collaboratively to ensure effective and efficient tax administration, and we appreciate the opportunity to work with policy makers on a targeted and effective approach.

Mahalo for the opportunity to testify.

Janel Cozzens  
Sr. Policy Manager, Hawaii

**HB-1590-HD-3**

Submitted on: 3/23/2026 12:52:44 PM

Testimony for EDT on 3/25/2026 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ross Isokane	Individual	Support	Written Testimony Only

Comments:

I support HB 1590.

Hawai'i's housing crisis is not simply a supply problem – it is also an excessive global demand problem. When residential housing is converted into an illegal hotel – because tourists pay more than residents – prices reflect what the global visitor market will bear, not what local residents can afford. Residents are displaced not by scarcity alone, but by global capital extracting value and distorting a market that residents can no longer compete in. Effective enforcement of existing law is one of the few tools available to correct that distortion without waiting years for new supply.

This bill does not create new restrictions or expand state authority over land use. It gives counties the tools to enforce decisions they have already made.

Opponents have raised concerns about time-stamped screenshots as an evidentiary standard. That concern is misplaced. Screenshots are not a conviction – they are a trigger for further investigation and potential enforcement. Any operator who believes they have been wrongly cited retains full due process rights to contest that determination. Further, the evidentiary threshold is not an injustice – it is a necessary deterrent. Bad actors will be discouraged knowing that documentation is readily available and enforcement is funded (while still retaining their due process rights).

HB1590 is not a complete solution. Supply-side constraints remain urgent. But we cannot simply build our way out of a crisis while existing stock continues to be extracted from residential use by capital. This bill addresses that extraction directly.

For these reasons, I support HB1590.

**HB-1590-HD-3**

Submitted on: 3/24/2026 12:17:58 AM

Testimony for EDT on 3/25/2026 9:30:00 AM

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

Comments:

If counties use time-stamped screenshots as evidence for the enforcement of short-term rentals they will open it to AI users that will attach their own pictures and text to collect payments. It has happen before. The language has to be change and please, include owner occupied short term rentals in this bill.

**HB-1590-HD-3**

Submitted on: 3/23/2026 6:16:06 PM

Testimony for EDT on 3/25/2026 9:30:00 AM

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

Comments:

**STRONG OPPOSITION TO HB1590**

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

I strongly oppose HB1590.

This bill would have serious unintended consequences for our community, especially for kūpuna and residents on fixed incomes who rely on short-term rentals as supplemental income to afford the high cost of living and remain in their homes.

I speak from personal experience. I formerly operated a short-term rental within my home with the consent of my neighbors. Because I lived on-site, I closely monitored guests and ensured there were no disturbances or negative impacts. This responsible, hosted arrangement is very different from absentee-operated rentals.

Restricting this option would place financial strain on residents like myself and many others who depend on this income to make ends meet. It risks harming those who are trying to remain in their homes and maintain stability.

I respectfully urge you to reject HB1590.

Mahalo for the opportunity to testify.

**HB-1590-HD-3**

Submitted on: 3/24/2026 8:46:04 PM  
Testimony for EDT on 3/25/2026 9:30:00 AM



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

Comments:

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.