



HAWAI'I LODGING & TOURISM
A S S O C I A T I O N

Testimony of

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County of Hawai'i
County Council

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Bill 108 (Draft 6) – Relating to Short Term Vacation Rentals

Chair Poindexter and members of the Hawaii County Council, mahalo for the opportunity to offer this testimony on behalf of the Hawai'i Lodging & Tourism Association.

The Hawai'i Lodging & Tourism Association—nearly 700 members strong, of which 170 are lodging properties accounting for over 50,000 rooms and representing nearly 40,000 workers—supports Bill 108. One of the major advocacy priorities of the Hawai'i Lodging & Tourism Association is to create parity between the short term online rental market and traditional visitor industry accommodations.

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

Through Bill 108 (Draft 6) we are glad to see that the Hawai'i County is being proactive in addressing the many concerns from the visitor industry and community at large. In the wake of the State's inability to agree on a measure in the past three legislative sessions, we applaud the counties for moving forward.

In regards to the issue of transient vacation rentals the goal of the HLTA is to address the points of transparency, registration, accountability, and enforcement. We commend the County Council and planning commissions for addressing these concerns through the likes of registration forms that require verification of both State GET and TAT licenses, listing an on-island contact for each vacation rental, requiring print and internet advertisements to include posting registration or non-conforming use certificate numbers, require site plans to be submitted to the Department of Planning, and having TVRs adhere to a "good neighbor" policy. Following recent disasters that befell the Pahoia region on Hawai'i Island and the floods that occurred in northern Kaua'i, we see the importance of having an inventory of vacation rentals in all neighborhoods, and in turn having local contacts for each unit that our state's

visitors could potentially be at.

In the City & County of Honolulu they are looking to mold a very comprehensive TVR measure which will address limiting the TVR inventory as we enforce those that are not in compliance. We believe the current measure, Bill 108, is a positive step in the right direction. We commend the County Council, the Planning Department, and Commissions, and the Mayor's Administration for all the deliberations that have ensued over this issue. We look forward to using this as a foundation to addressing the concerns of the visitor industry and the community.

Mahalo.