



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

Testimony of

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**Honolulu City Council**  
Bill 89 (2018): Relating to Short-Term Rentals

December 5, 2018

Dear Chair Martin and members of the Honolulu City Council, mahalo for the opportunity to submit testimony on behalf of the Hawai'i Lodging & Tourism Association, the state's largest private sector visitor industry organization.

The Hawai'i Lodging & Tourism Association—nearly 700 members strong, representing more than 50,000 hotel rooms and nearly 40,000 lodging workers —**supports the intent** of Bill 89 (2018) which aims to better regulate the short-term rental market (Transient Vacation Units).

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.

This critical step forward in regulating the Short-term vacation rental market is long overdue in the City & County of Honolulu. In our neighboring counties we have seen tangible results that address this very important issue. Hawai'i Island recently passed Bill 108 Draft 6 (2018), which looks at accountability, transparency and enforcement of TVR's on the Big Island, on Maui a recent charter amendment was approved by the voters to drastically increase the fines of illegal TVR's from \$1,000 to \$20,000, and Kaua'i has been the pioneer in establishing a separate real property classification for transient accommodations, a rate that they raised this past year.

We commend the administration for the work put forth on finally issuing an omnibus bill. We appreciate many key points addressed in the measure such as creating levels of accountability and transparency for the hosts/operators, establishing a separate RPT classification for Transient Vacation Units and Bed and Breakfasts, allowing administrative enforcement with hefty fines, and citing those who are advertising their TVU unlawfully. However, we believe that the bill still needs a lot of work and revision and we look forward to working with the City Council through the deliberation process.

We urge the City Council to pass this bill to the committee on zoning and housing, and that the subject matter committee commence promptly to convene meetings to solicit input from the stakeholders and community.

Mahalo.