

DAVID Y. IGE  
GOVERNOR

SHAN TSUTSUI  
LT. GOVERNOR



MARIA E. ZIELINSKI  
DIRECTOR OF TAXATION

STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
P.O. BOX 259  
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To: The Honorable Tom Brower, Chair  
and Members of the House Committee on Tourism

Date: Wednesday, February 11, 2015  
Time: 9:30 A.M.  
Place: Conference Room 312, State Capitol

From: Maria E. Zielinski, Director  
Department of Taxation

Re: H.B. 1288, Relating to Transient Accommodations

The Department of Taxation (Department) has concerns regarding H.B. 1288 and provides the following information and comments for your consideration.

H.B. 1288 amends Transient Accommodations Tax law to specify that single family dwellings can be transient accommodations. This measure also requires the Department to maintain a database of all operators and plan managers that receive a TAT registration number, and specifies that the database have certain search functionality. This measure also requires that operators report gross rental income by zip code and that operators report their TAT registration number on their TAT returns.

The Department does not object to the inclusion of single family dwellings in the definition of "transient accommodations," but notes that this amendment is unnecessary because they are already clearly subject to TAT if furnished in exchange for gross rental income.

The Department also notes that it already has a searchable database of all registered operators and plan managers, searchable on the Department's website by name and registration number. The Department, however, does not have useable electronic data that matches the license numbers with the unit addresses. Adding the functionality to search by address would require a significant enhancement of the Department's current computer system and would require additional resources for the collection of data that the Department currently does not have.

It is important to note that the issuance of a tax license, such as a TAT license, does not mean that the transient accommodation is in compliance with other applicable laws, such as

zoning regulations, land use ordinances or consumer protection laws. In the area of transient accommodations, a taxpayer is subject to the TAT if engaging in the furnishing of transient accommodations, whether or not that accommodation is being rented out in a completely lawful manner. The issuance of a tax license merely indicates the person applied for a business license with the Department.

Lastly, the Department notes that if the intent of this bill is to regulate illegal transient rentals in the State, the Department prefers the language in H.B. 825, which addresses the broader issues associated with illegal rentals.

Thank you for the opportunity to provide comments.



**HAWAII TOURISM**  
AUTHORITY

Hawaii Convention Center  
1901 Kalākeua Avenue, Honolulu, Hawaii 96815  
**kelepona** tel 808 973 2255  
**kelepa'i** fax 808 973 2253  
**kahua pa'a** web [hawaii-tourismauthority.org](http://hawaii-tourismauthority.org)

**Neil Abercrombie**  
*Governor*

**Mike McCartney**  
*President and Chief Executive Officer*

Testimony of  
**Ronald Williams**  
President and Chief Executive Officer  
Hawaii Tourism Authority  
on  
**H.B. No. 1288**  
**Relating to Transient Accommodations**  
House Committee on Tourism  
Wednesday, February 11, 2015  
9:30 a.m.  
Conference Room 312

The Hawaii Tourism Authority opposes H.B. No. 1288, which amends the definition of "transient accommodations" and requires the Department of Taxation to establish and maintain a public database of transient accommodations and time shares.

We prefer, instead, H.B. 825, which was heard earlier by this Committee, and takes a more comprehensive approach to regulate transient vacation rentals.

Mahalo for the opportunity to offer these comments.

DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET, 7<sup>TH</sup> FLOOR • HONOLULU, HAWAII 96813  
PHONE: (808) 768-8000 • FAX: (808) 768-6041  
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KIRK CALDWELL  
MAYOR



GEORGE I. ATTA, FAICP  
DIRECTOR

ARTHUR D. CHALLACOMBE  
DEPUTY DIRECTOR

February 11, 2015

The Honorable Tom Brower, Chair  
and Members of the Committee on Tourism  
Hawaii House of Representatives  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Brower and Members:

Subject: House Bill No. 1288  
Relating to Transient Accommodations

The Department of Planning and Permitting (DPP) **supports** House Bill No. 1288, which amends the definition of transient accommodations to include single-family dwellings, establishes a public database of all operators and plan managers that receive a certificate of registration, and requires monthly reporting of revenues collected from transient accommodation operations.

This Bill would require the operators and plan managers of transient accommodation operations to apply for a certificate of registration for tax purposes, and to include the name and address of each place of business. The Bill states that the State Department of Taxation (DOTAX) will process this information to create and manage a public online database. This information is intended to assist the counties with their enforcement initiatives against illegal vacation rental operations by adding to the preponderance of evidence necessary for verification that a transient vacation rental is being operated illegally.

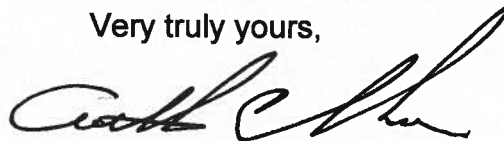
Further, the City and County of Honolulu is encouraged by the requirement specified in the Bill for the operator of a transient vacation rental to submit to DOTAX monthly tax revenues collected. This information will also help to determine that a

The Honorable Tom Brower, Chair  
and Members of the Committee on Tourism  
Hawaii House of Representatives  
Re: House Bill No. 1288  
February 11, 2015  
Page 2

vacation rental operation is being conducted for less than 30 days, which is the threshold for illegal short-term rentals as defined in the Land Use Ordinance.

Thank you for this opportunity to testify on House Bill No. 1288.

Very truly yours,

A handwritten signature in black ink, appearing to read "George I. Atta". The signature is fluid and cursive, with a prominent loop at the end.

George I. Atta, FAICP  
Director

GIA:fmt  
HB1288-TransientAccommodations-mf

# TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

**SUBJECT:** TRANSIENT ACCOMMODATION, Tax on single family dwelling; public database

**BILL NUMBER:** HB 1288

**INTRODUCED BY:** C. Lee, Brower, Evans, Ing, Thielen and 1 Democrat

**BRIEF SUMMARY:** Amends HRS section 237D-1 to amend the definition of “transient accommodation” to include single family dwellings which are used as vacation rentals.

Amends HRS section 237D-4 to require the department of taxation to create and manage a public, online database of all registered transient accommodation operators and plan managers. The database shall enable a user to: (1) search by property address to determine whether that property is managed by an operator or a plan manager who has received a certificate of registration; (2) enter the name of an operator or plan manager to determine whether the operator or plan manager has received a certificate of registration; (3) enter the name of an operator to determine the address of every transient accommodation managed by that operator; and (4) enter the name of a plan manager to determine the address of every resort time share vacation unit subject to a resort time share vacation plan managed by the plan manager.

Amends HRS section 237D-6 to require an operator or plan manager of a transient accommodation to include the amount of the transient tax revenues collected by zip code and also the registration number of the filer’s certificate of registration when an annual return is filed.

**EFFECTIVE DATE:** July 1, 2015; applicable to tax years beginning after December 31, 2015

**STAFF COMMENTS:** This measure is aimed at reducing the number of illegal vacation rentals by including single family dwellings in the definition of “transient accommodation,” but it is questionable why multiple family dwellings are not included. The measure would also require the creation of a database of all transient accommodations which would allow a user to determine whether a property address is properly registered as a transient accommodation, but who would benefit from the database? How about a neighbor of the subject property who would then be able to verify whether the property is a transient accommodation? If it is not registered, what is the next course of action - to report the neighbor?

The measure would require the department of taxation to create and maintain the database, but there is no appropriation for staff or funds to carry out this task. Since the beneficiaries of the transient accommodations tax are the counties, they too should share in the cost of this endeavor.

Digested 2/10/15



## HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Eighth Legislature, State of Hawaii  
Hawaii State House of Representatives  
Committee on Tourism

Testimony by  
Hawaii Government Employees Association  
February 11, 2015

H.B. 1288 – RELATING TO TRANSIENT  
ACCOMMODATIONS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of H.B. 1288. This important legislation closes a loophole in our state's transient accommodations tax (TAT) by amending the definition of transient accommodations to include single family dwellings.

This loophole needs to be closed because illegal bed and breakfasts and transient vacation units are not paying their fair share of the TAT. The Hawaii Tourism Authority (HTA) recently commissioned a study which revealed that home-based rentals account for 25% of all visitor lodging units statewide. The same survey found that there are more than 22,000 in-home vacation units statewide – more than 3 times the estimate of 6,943 in 2013. While the counties decide how to deal with the rapid growth of illegal vacation rentals, the State of Hawaii should collect TAT revenue from these properties to pay for the additional community services that are directly related to their use and lower the tax burden on local residents.

H.B. 1288 also directs the Department of Taxation to manage a public database of all registered transient accommodation and resort time share vacation plan businesses. Filers of the transient accommodations tax will be required to include the amount of transient accommodations tax revenues collected by zip code and certificate of registration number on their annual tax return.

Until this particular market is better regulated, it is difficult to know how many millions of dollars to the state are lost from homeowners who are operating home-based vacation rentals not paying the TAT. On a statewide level, there must be enforcement of the TAT so that the playing field is level. It is only fair that anyone doing business as a lodging entity pay some form of the transient accommodations tax through proper permitting and taxation.

The HTA study highlighted the scope of this problem. Now, state and county officials must respond with strict regulations for it. Thank you for the opportunity to testify in support of H.B. 1288.

Respectfully submitted,  
  
Randy Perreira  
Executive Director



*Maui Hotel & Lodging*  
ASSOCIATION

Testimony of  
**Lisa H. Paulson**  
Executive Director  
Maui Hotel & Lodging Association  
on  
HB 1288  
**Relating To Transient Accommodations**

COMMITTEE ON TOURISM  
**Wednesday, February 11, 2015, 9:30am**  
**Conference Room 312**

Dear Chair Brower, Vice Chair Ohno and Members of the Committees,

The Maui Hotel & Lodging Association (MHLA) is the legislative arm of the visitor industry. Our membership includes over 150 property and allied business members in Maui County – all of whom have an interest in the visitor industry. Collectively, MHLA’s membership employs over 20,000 local residents and represents over 19,000 rooms. The visitor industry is the economic driver for Maui County. We are the largest employer of residents on the Island - directly employing approximately 40% of all residents (indirectly, the percentage increases to 75%).

MHLA **supports** HB 1288 that amends the definition of "transient accommodations" to include single family dwellings. Requires the department of taxation to manage a public database of all registered transient accommodation and resort time share vacation plan businesses. Requires filers of transient accommodations tax to include the amount of transient accommodations tax revenues collected by zip code and certificate of registration number on annual tax return.

MHLA **supports** this measure, because it amends the definition of “transient accommodations” to include single family dwellings and because it will help the State and counties better manage the overall enforcement of transient accommodations tax on transient vacation rentals, which will help reduce the tax burden on local residents. With advances in technology and the popularization of the “sharing community” Hawai'i has witnessed a growing number of vacation rentals by owners (VRBO's), most of which are not operating within a legal capacity. By allowing the Department of Taxation to create a comprehensive database of transient accommodations through a registration process and enforcement of penalties for noncompliance, this measure is an important step in regulating and bringing fair equity to all accommodation options within the State of Hawaii.

Thank you for the opportunity to testify.



**brower1-Luke**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 09, 2015 7:38 AM  
**To:** TOUtestimony  
**Cc:** thedachtlers@gmail.com  
**Subject:** Submitted testimony for HB1288 on Feb 11, 2015 09:30AM

**Categories:** CN

**HB1288**

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
Elizabeth Dachtler	Individual	Oppose	No

Comments: I support the goal of HB 1288 (a database of TVRs to ensure compliancy with tax & zoning requirements) but **STRONGLY** oppose the provision to publicly disclose addresses. This is a serious safety concern as criminals could easily use this to match up our address with our "availability" from our rental listings and know exactly when and where to break into the units. I **OPPOSE** these provisions: (c) The department shall create and manage a public, online database of all operators and plan managers that receive a certificate of registration pursuant to subsection (a). The database shall enable a user to: (1) Search the database by property address to determine whether that property is managed by an operator or a plan manager who has received a certificate of registration; (2) Enter the name of an operator or plan manager to determine whether the operator or plan manager has received a certificate of registration; (3) Enter the name of an operator to determine the address of every transient accommodation managed by that operator; and (4) Enter the name of a plan manager to determine the address of every resort time share vacation unit subject to a resort time share vacation plan managed by the plan manager.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**brower1-Luke**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, February 08, 2015 4:35 AM  
**To:** TOUtestimony  
**Cc:** nealhalstead@yahoo.ca  
**Subject:** Submitted testimony for HB1288 on Feb 11, 2015 09:30AM

**Categories:** CN

**HB1288**

Submitted on: 2/8/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Neal Halstead	Individual	Support	No

Comments: Aloha I support this bill in its entirety. I believe it strikes the right balance of gathering the information necessary to enforce the regulations on the books without unnecessarily jeopardizing privacy and security of the vacation rental property. I find this bill to be well considered. Mahalo.

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## **brower1-Luke**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 09, 2015 5:51 AM  
**To:** TOUtestimony  
**Cc:** mhubner@halehubner.com  
**Subject:** Submitted testimony for HB1288 on Feb 11, 2015 09:30AM

**Categories:** CN

### **HB1288**

Submitted on: 2/9/2015

Testimony for TOU on Feb 11, 2015 09:30AM in Conference Room 312

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Matthew Hubner	Individual	Oppose	No

Comments: To the honorable Chair and Members of the Committee, I am writing in opposition of HB 1288 with suggested amendments. As an owner of a transient vacation rental (TVR) in the County of Hawai'i, I support any efforts that aid the counties and State to enforce the current laws for TVRs while minimizing the burdens of owners of legal rentals who have faithfully paid their General Excise (GET) and Transient Accommodations Taxes (TAT). This Bill proposes to establish a certification of registration for legal TVR owners. Further, a database will be established which would aid the State and counties to track TVRs under their jurisdiction. I support both objectives for internal departmental purposes; however, for privacy and guest safety, I respectfully request that the Bill be amended in such a way that the public portion of the database not reveal a property address when an owner's name is searched. Many TVR owners on the Big Island (especially in rural areas not immediately close to a police station) do not advertise their property addresses in order to prevent their homes from being the target of criminal activity, be it physical (theft, vandalism, etc) or cyber (i.e. Craigslist scams or other forms of identity theft). As the public database is currently proposed, any bad actor could search online TVR listings for any number of owners' names in a specific area. Those names could then be inputted into the database, and the result would be a list of target homes. This scenario reduces security for TVR owners and their guests as well as potentially creates an undue burden on local police should there be a rise in crime. A suggested alternative for the public database would be if the search for an owners' name would result in the affirmation (or lack) of certificate(s) of registration in a more general location than that the exact street address (i.e. zip code, town, condo, or even street name only). This would allow members of the public to search an owner in order to verify that they are legally renting in the vicinity of the property they are curious about but may not have the address for. I have no issues with the database being searchable by property address, which would allow neighbors of a TVR to search and see if a property is being rented legally (something which apparently is a problem for Oahu residents). If the Bill were amended to incorporate stronger security measures for property owners and guests, I would surely support the remaining measures. I thank you for your consideration and the opportunity to provide testimony. Mahalo. Matt Hubner

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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## **brower1-Luke**

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**From:** Elen Stoops <stoose@gmail.com>  
**Sent:** Monday, February 09, 2015 3:48 AM  
**To:** TOUtestimony; Rep. Cindy Evans; Rep. Cynthia Thielen  
**Cc:** CPCtestimony  
**Subject:** HB1288 TOU Hearing Feb. 11. OPPOSE (support but only with amendments)

**Categories:** CN

Dear Legislators,

I am an owner of a licensed vacation rental condo on Maui which is in a hotel-zone. I support and meet the all requirements of Act 326.

While I agree with the intent of this bill I must OPPOSE it as currently written and respectfully request your consideration of some amendments.

I agree that in HRS 237D-1, the definition of "Transient Accomodations" should be updated to include the term "single-family dwelling".

Each County has the responsibility to create and maintain relevant local laws that find a county-specific correct balance between allowing legal and permitted single family dwelling vacation rentals (VRs) to support the state's lifeblood tourism industry as well as providing reasonable protection and quality of life for the permanent residents.

I share the concerns expressed by the bill's authors for the problems caused to the state, its residents and visitors relative to the unabated proliferation of unpermitted and illegal vacation rentals. The adverse consequences are far reaching and only growing worse where the problem is not being managed.

I believe one of the first steps is to create tools that support the efforts of the enforcement agencies. To the extent that such a database shall actually be utilized by the enforcement agencies to achieve this goal, yet doesn't have offsetting serious consequence, I support HB1288.

However, I ask the Legislation to reconsider those provisions of the bill that provide this information to ANYONE for ANY purpose.

Helping residents who are affected as well as visitors who are arranging lodging is also an important yet secondary consideration. Unfortunately some of this information can be used by persons to do harm to visitors and the owners of the properties that are listed in the data base.

As an owner of a vacation rental, I am required to keep an updated calendar that is viewable to anyone on the internet which shows when my unit is occupied and when it is vacant.

I am always concerned and feel responsible for the welfare, safety and protection of my guests and their property. This is not a pleasing message to leave for a guest because we want them to just relax and enjoy their stay, but after we write the part that says "Aloha, Welcome to Maui!", we inform each of our guests in writing to not leave their valuables in view and to lock the doors and lanais and windows whenever they leave the unit.

Burglaries of vacation rentals is a real problem in the islands and one we must all constantly be aware of. Our resident managers are always watching out, we have methods to help manage that only the appropriate persons are on the property but they are imperfect. Contractors are nearly always coming and going. We have found we need to continually adapt and change our methods to keep unwanted visitors off the premises. Criminals' methods change given the opportunities and the circumstances. For a while we had a problem with security cameras and we stopped using them after they were repeatedly stolen!

In the case of single family dwellings, perhaps a different situation, an unoccupied unit may look great to someone to break into. I don't have experience with the types of problems associated with this type of dwelling.

However, making it too easy for persons with the wrong intentions to identify whether a property is vacant or occupied is a consequence of the bill as currently written. It may burden not only owners and visitors but also be objectionable to local police agencies potentially faced with a new levels and types of crime to deal with.

Therefore I propose the following for your consideration:

Amend the language to have a public database which has access ONLY to

- (1) Search the database by property address to determine whether that property is managed by an operator or a plan manager who has received a certificate of registration;
- (2) Enter the name of an operator or plan manager to determine whether the operator or plan manager has received a certificate of registration;

Please Delete from the bill:

- (3) Enter the name of an operator to determine the address of every transient accommodation managed by that operator; and
- (4) Enter the name of a plan manager to determine the address of every resort time share vacation unit subject to a resort time share vacation plan managed by the plan manager.

Items 3 and 4 are useful and reasonable to make available by enforcement agencies but have the potential for misuse to create more hazard to public safety, and welfare than benefit.

If Oahu County would be strongly benefitted by retaining items 3 and 4 above, to the extent that the detrimental effects to it's citizens and visitors are offset by the benefits, I propose that this be a county specific measure.

It can be adoptable by each county on an as-desired basis, but likely this bill should not a statewide requirement as currently written.

Thank you for the opportunity to provide comments.

**brower1-Luke**

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**From:** Linda Mitchell <lindafinearts@gmail.com>  
**Sent:** Monday, February 09, 2015 4:55 PM  
**To:** TOUtestimony  
**Subject:** Opposition to HB 1288

I oppose HB1288.

I do not wish to have my property addresses available in a data base for others to see. No one needs to access my properties except for ones who are renting it. A public listing could be an invitation to thieves who could check my calendar and know when the property is vacant.

Sincerely,

Linda Mitchell

[Lindafinearts@gmail.com](mailto:Lindafinearts@gmail.com)

408-472-6506

## Opposition to HB 1288

I fully support Hawaii's tax laws as well as complying with local authorities. There are already laws, rules and regulations in place for this. It is not that laws do not exist and need to be created.

This bill calls for a public database to be created to *assist the counties with identifying and keeping track of illegal vacation rentals to obtain accurate data to help the counties.*

Act 326 ALREADY provides for the collection and remittance to the tax department the names, addresses, tax i.d., and advertising website for each operator. Act 326 ALREADY provides for the tax department to share this information with the counties. Act 326 ALREADY provides for the counties to share their information with the tax department. All this cross over of sharing information is ALREADY taking place. Therefore, a PUBLIC sharing of this information provides NOTHING NEW that these agencies do not already have.

Additionally, what would be the benefit to the state of a public database. What would the public be doing with this information? What action would they take upon receiving this information? What would be the purpose of the public having this information? Only the tax department and counties have authority to enforce laws - so what action is the public suppose to be taking?

A collection of names, addresses, etc. of TA operators who ARE in compliance does not yield a list of who is NOT in compliance. How does a PUBLIC list of who is in compliance assist with identification of those not in compliance. Additionally, since only the tax department knows who pays taxes (as this is constitutionally a right to privacy) this bill can only be proposed for local zoning compliance.

Maui clearly identifies on a map which zones are authorized for TA rental making it easy for all to comprehend without making public anyone name and address. The zoning issues are most problematic on Oahu. To sweep the entire state into a database when much of the state does not have the issue, doesn't seem to be necessary. Each county prefers to control their own zoning issues and under Hawaii law has a right to do so. Zoning should be remedied on the county level and not the state level.

That is exactly the purpose ALREADY in effect with the information sharing between the tax department and the counties.

Although not stated explicitly in the intent for the bill, it is reasonable to assume that the purpose of showing who is in compliance is so that if a person's next door neighbor is not on the list they could take action. Should individuals be taking personal action for enforcement? Wouldn't the state and counties want to encourage everyone who suspects that a TA operation next door might be operating without proper permits, to contact the counties to inquiry? Each neighbor ALREADY has that right to contact the authorities and inquiry. Again, this bill does not add anything that does not already exist as a remedy.

Making public the address of every compliant TA as this public database would do, would be a significant risk to those tourist staying at the location as well as putting the property itself at risk. By publishing addresses it also provides a full means of scamming tourists by crooks placing fake adds on the internet. One of the biggest protections for preventing such scams is not providing an address openly on the internet. If addresses are required to be posted on the internet scamming will increase and have a very negative impact for tourism.

This Bill was also proposed as a result of a (quote) *recent study showed that there are approximately twenty two thousand vacation rentals around the State, most of which are illegal* (end quote).

This is a reference to the Hawaii Transit Authority's report conducted in 2014 to determine HOW MANY transient accommodations were advertised on certain websites.

A study to *Quantify* how many exists does not equate to how many are operating without paying taxes. That would be a determination by the Tax Department. This would seem to be a rather anecdotal conclusion rather than one based in fact.

R. Stewart







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

Testimony of George Szigeti  
President & CEO  
HAWAI'I LODGING & TOURISM ASSOCIATION  
Committee on Tourism  
Hearing on February 011, 2015, 9:30 A.M.  
HB 1288 Relating to Transient Accommodations

Dear Chair Brower, Vice Chair Ohno, and Members of the Committee. My name is George Szigeti and I am the President and CEO of the Hawai'i Lodging & Tourism Association.

The Hawai'i Lodging & Tourism Association (HLTA) is a statewide association of hotels, condominiums, timeshare companies, management firms, suppliers, and other related firms that benefit from and strengthen Hawai'i's visitor industry. Our membership includes over 150 lodging properties, representing over 50,000 rooms, and over 400 other Allied members. The visitor industry was responsible for generating \$14.9 billion in visitor spending in 2014 and supported 170,000 jobs statewide – we represent one of Hawai'i's largest industries and a critical sector of the economy.

On behalf of HLTA, permit me to offer this testimony regarding HB 1288 relating to transient accommodations, which amends the definition of "transient accommodations" to include single family dwellings. Requires the Department of Taxation to manage a public database of all registered transient accommodation and resort time share vacation plan businesses and requires filers of transient accommodations tax (TAT) to include amount of TAT and registration number on annual tax return.

The Hawai'i Lodging & Tourism Association **supports the intent** of this measure, as it offers to amend the definition of "transient accommodations" to include single family dwellings and as it will help the State and counties to better manage the overall enforcement of transient accommodations tax on transient vacation rentals. With advances in technology and the popularization of the "sharing community" Hawai'i has witnessed a growing number of vacation rentals by owners (VRBO's), most of which are not operating within a legal capacity. By allowing the Department of Taxation to create a database of transient accommodations through a registration process and enforcement of penalties for noncompliance, this measure is a good step towards pin pointing illegal transient vacation rentals and will help ensure that if accommodation services are being offered that the necessary taxes are being paid.

Thank you for this opportunity to testify.