
HOUSE RESOLUTION

REQUESTING THE AUDITOR TO CONDUCT AN ANALYSIS OF THE NEED FOR
THE LICENSING AND REGULATION OF TRANSIENT VACATION RENTALS.

1 WHEREAS, section 26H-6, Hawaii Revised Statutes, requires
2 that new regulatory measures being considered for enactment be
3 referred to the Auditor for analysis; and
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5 WHEREAS, the analysis considers the probable effects of the
6 proposed regulatory measure and assesses whether its enactment
7 is consistent with the policies set forth in section 26H-2,
8 Hawaii Revised Statutes, which include:
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10 (1) Assessment of the reasonable necessity of the
11 regulation to protect the health, safety, or welfare
12 of consumers of the service; and
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14 (2) Determination of whether regulation in the form of
15 full licensure or other restrictions shall be retained
16 or adopted when health, safety, or welfare of the
17 consumer may be jeopardized by the nature of the
18 service being offered; and
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20 WHEREAS, the Hawaii Tourism Authority contracted a study by
21 SMS Research & Marketing Services, Inc., to:
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23 (1) Research the evolving use of visitor accommodations in
24 Hawaii;
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26 (2) Understand the impact of internet distribution
27 channels and the shared economy on the availability
28 and use of visitor accommodations;
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30 (3) Determine the number of lodging units in Hawaii; and
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32 (4) Quantify how these changes affect Hawaii's lodging
33 supply; and



1 WHEREAS, the SMS study identified 22,238 individually
2 advertised units in Hawaii; and
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4 WHEREAS, the *Honolulu Star-Advertiser* in December 2014
5 published a series on the proliferation of vacation rentals
6 titled "Rogue Rentals" that reported about:
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- 8 (1) The rising vacation rental market and the
9 "proliferation of mostly illegal vacation rentals" in
10 areas beyond Waikiki that is "pitting neighbor against
11 neighbor";
12
- 13 (2) Ineffective and arbitrary enforcement policies which
14 have exacerbated disputes between neighborhood
15 residents and vacation rental owners; and
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- 17 (3) The need for better regulations on the vacation rental
18 market to avoid the potential loss of millions of
19 dollars of State tax revenues from homeowners not
20 paying the required taxes and the increased
21 victimization of tourists by bogus transient vacation
22 rental scammers who are likely to escape prosecution
23 because these out-of-state crimes are out of the
24 State's jurisdiction; and
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26 WHEREAS, H.B. No. 825 and S.B. No. 1237 (2015), propose to
27 license and regulate transient vacation rentals, and these
28 proposals require analysis by the Auditor pursuant to section
29 26H-6, Hawaii Revised Statutes; now, therefore,
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31 BE IT RESOLVED by the House of Representatives of the
32 Twenty-eighth Legislature of the State of Hawaii, Regular
33 Session of 2015, that the Auditor is requested to conduct an
34 analysis of the regulatory scheme proposed by H.B. No. 825 and
35 S.B. 1237 (2015), pursuant to section 26H-6, Hawaii Revised
36 Statutes; and
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38 BE IT FURTHER RESOLVED that the Auditor is requested to
39 consider data and other information gathered in prior studies on
40 this issue, including those contracted by the Hawaii Tourism
41 Authority and other relevant agencies; and



1 BE IT FURTHER RESOLVED that the Auditor is further
2 requested to submit findings and recommendations, including any
3 proposed legislation, to the Legislature no later than twenty
4 days prior to the convening of the Regular Session of 2016; and
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6 BE IT FURTHER RESOLVED that certified copies of this
7 Resolution be transmitted to the Auditor; Director of Taxation;
8 the Chair of the Hawaii Tourism Authority Board of Directors;
9 and the President and Chief Executive Officer of the Hawaii
10 Tourism Authority.
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