
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
4

5 WHEREAS, the analysis is to consider the probable effects
6 of the proposed regulatory measure and assess whether its
7 enactment is consistent with the policies set forth in section
8 26H-2, 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:
22

23 (1) Research the evolving use of visitor accommodations in
24 Hawaii;
25

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
2 WHEREAS, the SMS study identified 22,238 individually
3 advertised units in Hawaii; and
4

5 WHEREAS, the Honolulu Star-Advertiser in December 2014
6 published a series on the proliferation of vacation rentals
7 titled "Rogue Rentals" that reported:
8

- 9 (1) The rising vacation rental market and the
10 "proliferation of mostly illegal vacation rentals" in
11 areas beyond Waikiki that is "pitting neighbor against
12 neighbor";
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14 (2) Ineffective and arbitrary enforcement policies which
15 has exacerbated disputes between neighborhood
16 residents and vacation rental owners; and
17
18 (3) A push for better regulations on the vacation rental
19 market to avoid the potential loss of millions of
20 dollars of State tax revenues from homeowners not
21 paying the required taxes and the increased
22 victimization of tourists by bogus transient vacation
23 rental scammers who are likely to escape prosecution
24 because these out-of-state crimes are out of the
25 State's jurisdiction; and
26

27 WHEREAS, H.B. No. 825 and S.B. No. 1237 (2015), propose to
28 regulate transient vacation rentals by establishing statutory
29 requirements for the licensing and regulation of transient
30 vacation rentals; and
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32 WHEREAS, the regulation of transient vacation rentals
33 proposed by the bills require analysis by the Auditor pursuant
34 to section 26H-6, Hawaii Revised Statutes; now, therefore,
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36 BE IT RESOLVED by the House of Representatives of the
37 Twenty-eighth Legislature of the State of Hawaii, Regular
38 Session of 2015, that the Auditor, in collaboration with the
39 Department of Taxation, and Hawaii Tourism Authority is
40 requested to conduct an analysis of the regulatory scheme as



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1 proposed by H.B. No. 825 and S.B. 1237 (2015), pursuant to
2 section 26H-6, Hawaii Revised Statutes; and
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4 BE IT FURTHER RESOLVED that the Auditor is requested to
5 consider data and other information gathered in prior studies of
6 this issue, including those contracted by the Hawaii Tourism
7 Authority and other relevant agencies; and
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9 BE IT FURTHER RESOLVED that the Auditor is further
10 requested to submit findings and recommendations, including any
11 proposed legislation, to the Legislature no later than twenty
12 days prior to the convening of the Regular Session of 2016; and
13

14 BE IT FURTHER RESOLVED that certified copies of this
15 Resolution be transmitted to the Auditor; Director of Taxation;
16 the Chair of the Hawaii Tourism Authority Board of Directors;
17 and the President and Chief Executive Officer of the Hawaii
18 Tourism Authority.
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OFFERED BY:

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