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## HOUSE RESOLUTION

URGING EACH COUNTY TO CURB THE PROLIFERATION OF ILLEGAL VACATION RENTALS.

1           WHEREAS, the illegal rental of housing units for less than  
2 thirty days at a time without a valid county permit has become  
3 widespread throughout the State; and  
4

5           WHEREAS, operators of unpermitted transient vacation  
6 rentals in residential areas are able to offer those units for  
7 lower prices than legal hotel rooms largely by avoiding the  
8 payment of taxes, such as higher property taxes that hotels and  
9 resorts pay in order to comply with county zoning requirements;  
10 and  
11

12           WHEREAS, owners of residential property used for  
13 unpermitted transient vacation rentals may also be claiming  
14 homeowners exemptions in order to avoid paying higher property  
15 taxes; and  
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17           WHEREAS, in addition to avoiding higher property taxes,  
18 operators of unpermitted residential transient vacation rentals  
19 often fail to report and pay the transient accommodations taxes  
20 and general excise taxes that they owe to the State; and  
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22           WHEREAS, by failing to pay their fair share of taxes,  
23 operators of unpermitted residential transient vacation rentals  
24 effectively force all other taxpayers to subsidize their illegal  
25 operations; and  
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27           WHEREAS, the collection of taxes from each individual  
28 taxpayer of a transient vacation rental should therefore be made  
29 more efficient and reliable, and one method worthy of study is  
30 the use of tax lien foreclosures to both curb the proliferation  
31 of illegal vacation rentals and generate increased tax revenues  
32 to the counties; now, therefore,



# H.R. NO. 105

1 BE IT RESOLVED by the House of Representatives of the  
 2 Thirtieth Legislature of the State of Hawaii, Regular Session of  
 3 2019, that each county is urged to curb the proliferation of  
 4 illegal vacation rental units by:

- 5  
 6 (1) Conducting expedited foreclosures on illegal vacation  
 7 rental properties with amounts in arrears over \$5,000;  
 8 and  
 9  
 10 (2) Imposing increased minimum levels of fines to  
 11 discourage repeat offenses; and  
 12

13 BE IT FURTHER RESOLVED that certified copies of this  
 14 Resolution be transmitted to the Mayor of each county.  
 15  
 16  
 17

DL Hlt

OFFERED BY:

[Signature]

Doug Carnes

Del Hlt

Stratton/Mor

[Signature]

Arthur Yoneda

Tou Ba

MAR 08 2019

