

COUNTY OF HAWAI‘I PLANNING DEPARTMENT
RECOMMENDATION REPORT

COUNTY COUNCIL INITIATED BILL NO. 147
AMENDMENT TO CHAPTER 2 AND CHAPTER 25 OF THE HAWAI‘I COUNTY CODE
1983 (2016 EDITION, AS AMENDED), RELATING TO TRANSIENT
ACCOMMODATIONS

Since implementation of Ordinance No. 18-114 in 2018, which only regulated un-hosted transient accommodations (STVRs), the Planning Department has administered transient accommodation regulations through registration review, permitting, complaint investigation, compliance monitoring, and enforcement activities. Through administration of the existing framework, the Department has identified recurring operational and enforcement challenges involving unregistered transient accommodation operations, online advertising of unregistered units, verification of hosted occupancy requirements, inconsistent responsiveness of local contacts and operators, complaint investigation workloads, and coordination between zoning, registration, and enforcement requirements.

Based on this implementation experience, the Planning Department finds that the proposed amendments of Bill 147 generally advance the County’s land use and planning objectives by maintaining the County’s existing transient accommodation framework while improving operational accountability, regulatory consistency, and neighborhood compatibility. The proposed amendments continue to allow transient accommodations within areas where such uses have historically operated, while establishing clearer operational standards intended to reduce land use conflicts involving parking, noise, occupancy, and event-related activities within residential and agricultural communities. The proposed amendments also improve consistency between zoning regulations, registration requirements, and enforcement provisions applicable to hosted and un-hosted transient accommodations.

Additionally, several provisions within Bill 147 are generally consistent with recommendations contained within the 2025 Hunden Partners *County of Hawai‘i*

Economic Impact Study on Short-Term Vacation Rentals. The Hunden study concluded that transient accommodations contribute substantial economic activity through visitor spending, lodging revenue, employment, and tax generation, while also acknowledging continuing concerns relating to housing affordability, neighborhood compatibility, infrastructure impacts, and enforcement challenges. The study additionally concluded that enhanced registration compliance, operational standards, and targeted enforcement measures may provide more effective regulatory tools than broad prohibitions on transient accommodations. The Department finds that Bill 147 generally reflects this policy approach by maintaining the County’s existing regulatory framework while strengthening operational standards, registration requirements, and enforcement capability.

The Department additionally reviewed the transient accommodation regulatory frameworks adopted by neighboring counties within the State of Hawai‘i and found that several provisions proposed under Bill 147, including registration requirements, operational standards, and enforcement mechanisms, are generally consistent with regulatory approaches implemented elsewhere in the State.

The following table summarizes regulatory approaches adopted by neighboring counties:

County	Zoning Restrictions	Permit/ Registration	Initial Fees	Annual Fee
City and County of Honolulu	STRs generally limited to resort-zoned areas and a limited number of apartment-zoned districts. Bed & Breakfasts (hosted rentals) and Transient Vacation Units (TVUs) are regulated separately under the STR ordinance.	Requires registration and/or Nonconforming Use Certificate (NUC) for grandfathered operations B&Bs and TVUs require registration and compliance with operational standards.	TVU Registration / NUC Fee: \$1,000. Bed and Breakfast or Initial Fee: \$1,000	TVU Renewal: \$500. B&B Renewal: \$500.

Kauai County	TVRs generally restricted to Visitor Destination Areas (VDAs) and grandfathered operations Homestays generally limited to VDAs; owner-occupied requirements and guest room limits apply	TVR permits and renewal requirements Homestay / Class IV Zoning Permit and annual recertification requirements.	No registration fee. Homestay Permit: Approx. \$800 Class IV Zoning Permit fee.	\$750 for a TVR outside of VDA Homestay Renewal: \$750 annual recertification fee.
Maui County	STRHs heavily regulated; apartment-zoned TVRs being phased out under Bill 9	STRH permit system; Minatoya List grandfathered units; caps by community plan areas	STRH Permit: \$1,370 application fee; additional \$1,676 if public hearing required. B&B Permit: \$206 application fee; additional \$1,676 if public hearing required.	STRH Renewal: \$1,370 B&B Renewal: \$206;
Hawaii County (Existing)	Existing STVR (un-hosted) framework allows NUCs and hosted rentals in certain zoning districts	Registration and NUC framework established under Ordinance 18-114	\$500 Filing Fee for all Un-hosted TVR (STVR)	\$250 Annual Fee for STVRs with NUCs
Hawaii County (Bill 147)	Retains existing STVR and adds B&B framework while expanding operational standards for hosted accommodations.	Registration and Special Permit for those in the State Land Use Agricultural District	\$500 Special Permit (if required) \$500 New Un-hosted STVR Permit \$250 New Hosted B&B Permit	\$100 Renewal Fee for Hosted TVR (B&B) \$250 Renewal Fee for Unhosted TVR STVR

Compared to neighboring counties, Hawai'i County generally maintains a less restrictive regulatory framework while emphasizing operational standards, registration compliance, and enforcement rather than broad zoning prohibitions. Hawai'i County's current and proposed application fees also remain substantially lower than comparable fees charged by neighboring counties, indicating that the County's fee structure remains relatively modest. The Department notes that under the County's existing zoning framework, bed and breakfast establishments within the RS zoning district currently require approval of a use permit by the Planning Commission. Bill 147 proposes to remove this requirement; thus should Bill 147 not be adopted, bed and breakfast operations would continue to be subject to the use permit requirements under the existing Code.

The Department supports the proposed operational standards relating to parking, local contact responsiveness, advertising requirements, and good neighbor provisions because these standards will improve neighborhood compatibility and enforcement capability. Because Bill 147 relies primarily upon operational regulation, registration compliance, and ongoing enforcement oversight rather than broad zoning restrictions, effective implementation of the proposed amendments will require continued coordination between registration, permitting, compliance monitoring, and enforcement functions.

The Department additionally recognizes that the proposed regulatory framework distributes transient accommodation regulations between Chapter 6 (Businesses) and Chapter 25 (Zoning), representing a significant administrative shift from the County's historical practice of regulating land use requirements primarily within Chapter 25. As implementation proceeds, additional technical amendments, clarifications, or conforming revisions may be identified to improve coordination and administration between the two chapters.

PLANNING DIRECTOR'S RECOMMENDATIONS

While the Department generally supports the intent of Bill 147, staff identified several areas where additional clarification may improve consistency in code interpretation, permit administration, enforcement application, and coordination between land use, registration, and operational requirements. The Department's recommended revisions

are intended to improve administrative consistency, reduce ambiguity, and facilitate more predictable implementation of the proposed regulations.

The Director's proposed text changes to Bill 147 are shown below in Ramseyer format with material to be added noted in underline and material to be deleted shown in brackets and struck through.

Recommendation #1: Amend Title of TVR Enforcement Fund in Section 2 of the Bill as follows:

"Section 2- . ~~[STVR]~~TVR enforcement fund.

- (a) There is established an ~~[STVR]~~ TVR enforcement fund to be administered by the planning director and funded by all fees, fines, and other monies collected in connection with the administration and enforcement of County transient vacation rental laws, rules, or land use regulations.
- (b) Use of the fund is restricted to expenses and payments that support, expand, improve, or otherwise facilitate enforcement of County transient vacation rental laws, rules, or land use regulations."

Reason: The proposed amendment clarifies that the enforcement fund applies to all transient vacation rentals, rather than only short-term vacation rentals. The amendment improves consistency with the broader regulatory framework established under Bill 147 and ensures that enforcement-related revenues may be used to support administration, inspections, investigations, staffing, technology, and compliance activities relating to all transient vacation rental operations.

Recommendation #2: Clarify the B&B Definition Residency Requirements as follows:

"~~["B&B" or]~~ "Bed and breakfast" (B&B) means a TVR that is ~~[incidental and subordinate to use as the principal home of a host.]~~located on a building site in which a host resides in a principal home."

Reason: Clarifies that a B&B must be located on the same building site as the host's principal residence. The amendment is intended to improve consistency in the administration and enforcement of hosted occupancy requirements applicable to bed and breakfast operations.

Recommendation #3: Clarify Host Definition Residency Requirements as follows:

““Host” means a reachable person who resides ~~[on the same building site as a TVR while is rented.]~~ in a dwelling on the building site while the B&B is rented.”

Reason: Clarifies that the host must reside on the same building site as the B&B during rental activity. The amendment is intended to improve consistency in the administration and enforcement of hosted occupancy requirements applicable to bed and breakfast operations.

Recommendation #4: Clarify the definition of a Transient Vacation Rental as follows:

~~["TVR" or "transient"]~~ Transient vacation rental (TVR) means a dwelling unit or portion thereof, containing no more than five bedrooms ~~[or suites]~~ on a building site, unless subject to a condominium property regime:

- (1) That is, or is offered to be, furnished and rented to a transient:
 - (A) For a rental period less than one hundred and eighty consecutive days; and
 - (B) In exchange for money, goods, services, or other consideration; and
- (2) Excluding hotels, motels, inns, apartment hotels, boarding facilities, lodges[, and] timeshares[, and tents]."
- (3) Tents shall not be used as a transient vacation rental.

Reason: The proposed amendment expressly clarifies that tents shall not be used as transient vacation rentals and further clarifies the applicability of bedroom limitations to properties subject to a condominium property regime. The recommendation is intended to improve regulatory clarity and support consistent administration and enforcement of transient vacation rental regulations relating to temporary accommodations. The amendment is also consistent with comments provided by the Department of Public Works, Building Division.

Recommendation #5: - Remove sections relating to “TVR Enforcement; Generally” and “TVR Enforcement; Cumulative Effect” within Section 5 of the Bill as follows:

"Division . Violations, Penalties, Enforcement; Transient Vacation Rentals.

[Section 25-2- TVR enforcement; generally.

- ~~(a) In administering County transient vacation rental laws and applicable land use regulations, the planning director shall:~~
- ~~(1) Establish enforcement and inspection procedures to investigate and determine the factual basis of a complaint and whether a violation of this chapter has occurred; and~~
 - ~~(2) Keep information regarding County transient vacation rental laws, policies, rules, and procedures publicly accessible.~~
- ~~(b) In the case of a B&B, the owner and host are jointly and severally liable for all fines, fees, and penalties assessed, whether under this section or any other provision of this chapter.]~~

[Section 25-2- TVR enforcement; cumulative effect

~~This division does not displace, dispense with, preclude, limit, or otherwise affect any other enforcement power, penalty, or legal remedy available under this chapter or other applicable law."]~~

Reason: The proposed removal is intended to avoid redundancy and potential inconsistency within Chapter 25, as the Hawai'i County Code already contains comprehensive administrative enforcement and cumulative remedies provisions under Sections 25-2-35 ("Administrative enforcement") and 25-2-36 ("Remedies cumulative"). Retaining duplicative enforcement language specific to transient vacation rentals may create confusion regarding applicability, interpretation, and enforcement authority. Consolidating enforcement authority under the existing countywide enforcement provisions promotes clarity, consistency, and efficient administration of the Code.

Recommendation #6: Add TVR Enforcement Fund Provisions to Chapter 25 as follows:

"Section 25-2- . TVR enforcement fund.

- (a) There is established an TVR enforcement fund to be administered by the planning director and funded by all fees, fines, and other monies collected in connection with the administration and enforcement of County transient vacation rental laws, rules, or land use regulations.
- (b) Use of the fund is restricted to expenses and payments that support, expand, improve, or otherwise facilitate enforcement of County transient vacation rental laws, rules, or land use regulations."

Reason: Bill 147 establishes a TVR enforcement fund in Chapter 2; however, these same provisions should be added to Chapter 25 since it is the Planning Director's responsibility to enforce the TVR regulations. The proposed amendment establishes TVR enforcement fund provisions within Chapter 25 to support enforcement activities associated with the County's zoning and land use regulations applicable to transient accommodations. Because Bill 147 distributes transient accommodation regulations and enforcement authority across multiple code chapters, including Chapters 6 and 25, HCC, corresponding enforcement fund provisions within Chapter 25 will improve administrative coordination and clarify that enforcement-related revenues may be used to support zoning compliance, permit administration, inspections, complaint investigation, and other land use enforcement activities relating to transient accommodations.

Recommendation #7: Clarify permitted locations of Bed and Breakfast Establishments as follows:

"Section 25-4- . Bed and breakfasts; where permitted.

A B&B is permitted in the following zoning districts:

- (1) RS, RD, RM, RCX, RA, V, CN, CG, CV, CDH, and PD; and
- (2) Any agricultural district, other than IA, that is wholly situated within:
 - (A) The State land use urban or rural district; or
 - (B) The State land use agricultural district, provided that:
 - i. Where the B&B is located in a single-family dwelling or farm dwelling, as defined in Chapter 205 Hawai'i Revised Statutes, and the dwelling is also the principal home of the host;
 - ii. The dwelling is not an additional farm dwelling or farm employee housing;~~and~~
 - iii. A host shall not live in the guest house or detached bedroom;
and
 - iv. A special permit is obtained[-], as defined in Chapter 205, Hawai'i Revised Statutes."

Reason: Clarifies that B&Bs are permitted within the RA zoning district. This recommendation incorporates comments from the Office of Planning and Sustainable Development ("OPSD") clarifying that applicable dwellings and special permits are those defined pursuant to Chapter 205, Hawai'i Revised Statutes ("HRS"). The recommendation additionally clarifies that the host must reside on

the same building site, but not within the rented guest house or detached bedroom, in order to improve consistency between hosted occupancy requirements and bed and breakfast operational standards. The recommendation also recognizes that House Bill 1737, currently pending the Governor's signature, proposes revisions to Chapter 205, HRS, terminology relating to additional farm dwellings and farm employee housing, and is intended to improve consistency with potential future amendments to State land use law.

Recommendation #8: Clarify STVR Zoning Applicability and Limitation of STVRs to One Per Building Site as follows:

Section 25-4- . Short-term vacation rentals; where permitted; nonconforming use certificate.

- (a) An STVR is permitted in the following zoning districts:
 - (1) RM, V, CG, CN, CV, and CDH;
 - (2) ~~[Any residential district other than RM,]~~ RS, RD, RCX zoning districts that [is] are wholly situated within any of the following:
 - (A) A Resort or Resort Node area, as designated in the General Plan; or
 - (B) An area designated as Open in the General Plan that is adjacent to an area identified in subparagraph (A) and that is located along the shoreline~~[- and]~~.
 - (3) A project district where consistent with the uses allowed in the underlying zoning district.
- (b) ~~[An STVR is not permitted in a multiple-family dwelling, unless the dwelling is defined and governed as a condominium property regime under the Hawai'i Revised Statutes, chapter 514B.]~~ STVRs are limited to one per building site, unless the dwelling is defined and governed as a condominium property regime under the Hawai'i Revised Statutes, chapter 514B.

Reason: The proposed amendment clarifies the zoning districts in which STVRs are permitted and further clarifies that STVRs are generally limited to one per building site, except for condominium property regimes governed under Chapter 514B, Hawai'i Revised Statutes. The recommendation is intended to improve clarity and consistency in the administration and enforcement of transient vacation rental regulations.

Recommendation #9: Add Applicability Exemptions Consistent with Chapter 6 as follows:

“Section 25-4- . Applicability.

This article does not apply to any accommodation, lease, letting, or rental activity:

- (1) Exempt from Hawai‘i Revised Statutes chapter 237D;
- (2) Subject to Hawai‘i Revised Statutes chapter 521; or
- (3) Furnished to a health care worker temporarily employed at a medical facility in the County; or
- (4) Authorized by a declaration of a state of emergency.”

Reason: The proposed amendment is intended to maintain consistency between Chapter 25 and Chapter 6 of the Hawai‘i County Code regarding activities exempt from transient vacation rental regulations. The amendment incorporates existing applicability exemptions already recognized under Chapter 6.

Recommendation #10: Clarify General Compliance and Permitting Requirements for TVRs as follows:

“Section 25-4- General provisions.

- (a) Use of a TVR, including the structure or dwelling, the rental activity, and any other activity on the property in connection therewith, must be done in accordance with the provisions of this division[.], and Chapter 6, Article 6 (Transient Vacation Rentals) of the Hawai‘i County Code, which governs business registration for transient vacation rentals.
- (b) The owner and, if applicable, the host of a TVR are responsible for compliance with the provisions of this division.
- ~~[(c) In the case of a conflict between the operational standards set forth in this division and the conditions of a use permit or special permit regulating the rental activity of a TVR, the latter shall control.]~~
- (c) No more than one accessory dwelling unit may be used as a transient vacation rental, provided there are no other transient vacation rentals on the building site.
- (d) A TVR may only be established within a dwelling that has been issued final approvals by the building division for building, electrical, and plumbing permits and any land use permits that may be applicable such as a special permit.
- (e) The applicant may be granted a one-year period to come into compliance with the requirements listed in subsection (d). Additional time may be granted to the applicant if needed.”

Reason: The proposed amendment clarifies compliance obligations applicable to transient vacation rentals and improves consistency between zoning, permitting, building code, and business registration requirements under the Hawai'i County Code. The recommendation also incorporates existing accessory dwelling unit limitations applicable to transient vacation rentals into the general TVR provisions in order to improve clarity and consistency in administration and enforcement. The recommendation further incorporates comments from the Department of Public Works, Building Division, requesting clarification that required building, electrical, and plumbing permits receive final approval prior to operation of a transient vacation rental. The amendment additionally removes potentially conflicting language regarding permit conditions and provides administrative flexibility for existing properties working toward compliance.

Recommendation #11: Clarify that weddings, wedding receptions, concerts, and other special events may be permitted at a TVR when authorized through an approved use permit or special permit issued by the Planning Commission.
Proposed revisions:

Operational standards; good neighbor policy:

“(e) A guest or renter of a TVR may not use it for a wedding, wedding reception, concert, or other special event[-], unless approved by a use permit or special permit.”

Operational standards; advertising and signage:

“(b) No person may advertise a TVR as a venue for weddings, wedding receptions, concerts, or other special events[-], unless approved by a use permit or special permit.”

Reason: The proposed revisions clarify that weddings, wedding receptions, concerts, and other special events may be permitted where authorized through an approved use permit or special permit pursuant to the Hawai'i County Code. The clarification promotes consistency with existing land use entitlement processes and avoids unintended interpretation that all special events are categorically prohibited regardless of prior land use approvals. This recommendation does not

independently authorize commercial event activity but recognizes that certain properties may already possess separate land use approvals permitting such uses.

Recommendation #12: Remove Bed and Breakfast Parking Requirements and Revise Transient Dwelling Parking Standards as follows:

“Section 25-4-51. Required number of parking spaces.

(a) The number of parking spaces for each use shall be as follows:

~~[(2) Bed and breakfast establishments: one for each guest bedroom, in addition to one for the dwelling unit.]~~

~~[(8)]~~(7) Dwellings, single-family and double-family or duplex that are occupied for any period of less than one hundred eighty days~~[:]~~ if operated as a B&B: one space for each rented bedroom in addition to one space for the dwelling unit if rooms in the dwelling unit are rented individually, or two spaces if the dwelling unit is rented as a whole and operated as a STVR.”

Reason: The proposed amendment consolidates parking requirements for all TVRs. The amendment is intended to eliminate redundant code provisions, improve clarity and organization within Section 25-4-51, and promote more consistent administration and interpretation of parking requirements applicable to bed and breakfast establishments and transient vacation rentals.

The following recommendations are proposed as housekeeping measures:

Recommendation #13: Revise Formatting of Defined Terms as follows:

~~“[“B&B” or] “Bed and breakfast”~~ (B&B) means a TVR that is incidental and subordinate to use as the principal home of a host.”

~~“[“STVR” or] “[short-term]”~~ Short-term vacation rental” (STVR) means a TVR located on a building site on which a host does not reside.”

Reason: The proposed amendment revises the formatting of defined terms to improve readability and clarity by identifying the full defined term before the acronym. The amendment is intended to make the definitions easier for the public to read and interpret consistently.

Recommendation #14: Remove Definition of “Audible” as follows:

Section 25-4-___. Operational standards; good neighbor policy.

- (f) Quiet hours shall be from 10:00 p.m. to 8:00 a.m. during which time any noise from a TVR may not disturb neighbors. During all other times, any noise from a TVR may not exceed the standards set forth in Title 11, Chapter 46 of the Hawai'i Administrative Rules. ~~[For the purposes of this subsection, “audible” means perceptible by person without the use of a sound detection device or an audio aide.]~~

Reason: The proposed amendment removes the definition of “audible” because the term is not otherwise used within Bill 147 and may create unnecessary ambiguity in the interpretation and enforcement of applicable noise standards.

Recommendation #15: Clarify code references relating to signage requirements applicable to TVRs as follows:

Section 25-4-___. Operational standards; advertising and signage.

- (a) Signage associated with a TVR must comply with ~~[section 22-2.6 and chapter 3 of this Code.]~~ Chapter 22 (County Streets), section 22-2.6, and Chapter 3 (County Signs) of this Code.

Reason: This recommendation is intended to improve readability and clarify code references.

Based on the analysis provided, the Planning Director recommends that **the Windward and Leeward Planning Commission forward a favorable recommendation** of Bill No. 147 to the County Council, with the additional recommendations outlined in this report.

PLANNING COMMISSION ACTION

The Windward and Leeward Planning Commissions are required to take action on Bill 147 as described in Section 25-2-43 (b) of the Zoning Code. This bill was transmitted by the County Council to the Department on April 10, 2026, therefore the commissions are required to transmit their recommendations to the council by August 8, 2026. The commissions shall recommend approval in whole or in part, with or without modifications, or rejection of the proposed bill. Each commission's recommendations will be forwarded

separately, but at the same time, to the County Council for their consideration and decision. In the event the commissions fail to act on the proposed bill by this date, such inaction shall be considered as an unfavorable recommendation by the commission.