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To: [Planning LPC Testimony](#)
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Subject: Testimony about Bill 147 and Ordinance 25-50 for Leeward Planning Commission
Date: Thursday, June 25, 2026 7:50:44 AM

To the Hawaii County Leeward Planning Commission,

I am writing a testimony to you because I oppose Bill 147, and parts of Ordinance 25-50 in their current form. I am 80 and have been operating one small vacation rental room in my home for 24 years, paying all TAT and GET taxes, and had not been required to register as a hosted vacation rental until the deadline is set, according to the Planning Dept. With the new ordinance and bill, I would need to register as a Bed & Breakfast, subject to all of those requirements including getting a special uses permit, even though as a hosted TVR, I do not provide breakfast or food. I would like to see a simple hosted rental category that doesn't require a special uses permit or being classified as a B & B. I would support a reasonable registration process, but the Ordinance and Bill 147 are too complex and confusing as written.

In 2025, the County Council passed a resolution to conduct an economic impact study on the effects of short-term rentals on the economy, and reiterated the need for information before moving forward with the regulations. However, Ordinance 25-50 was passed a week **before** the economic impact study was released. The Study, conducted by Hunden Partners, revealed that STVRs (the term then applied to all short-term vacation rentals, hosted or not) generate \$710 million in annual lodging revenue and account for about 43.7% of all Big Island visitor stays, making them vital to the island's tourism-driven economy. [\[1, 2, 3\]](#)

Key Economic Impacts

- **Lodging and Visitor Spending:** STVRs generate nearly the same lodging revenue as hotels on the island. Beyond lodging, STVR visitors inject an additional \$565 million to \$862 million into the local economy through food, shopping, transportation, and activities. [\[1, 2\]](#)
- **Job Creation & Employment:** The study estimates that each STVR unit supports an average of 1.6 full-time and 4 part-time jobs. Limiting or banning STVR operations could jeopardize over 12,000 full-time and 30,000 part-time jobs island-wide. [\[1, 2\]](#)
- **Tax Revenue:** The study estimates there were roughly 8,000 active STVR units on the Big Island, but only about half were licensed (hosted vacation rentals were not required to register, but many still paid TAT and GE). Achieving full registration compliance could increase county Transient Accommodations Tax (TAT) collections from \$9 million up to \$21 million annually. [\[1, 2\]](#)

Housing & Ownership

- **Impact on Long-Term Housing:** The study found that restricting STVRs would not significantly free up long-term housing. Only 4% of STVR owners surveyed

stated they would convert their property to long-term rentals if STVRs were banned, with 68% stating they would not. [1]

- **Primary Owners, Not Investors:** More than 75% of STVR owners operate only one unit, and 54% rely on this rental income to cover their basic housing-related costs. Only 20% of operators view their property strictly as an investment. [1]

Tourism Preferences

- STVRs largely attract budget-conscious travelers, larger family groups, and visitors interested in outdoor recreation and local culture. [1]
- Approximately 24% of STVR visitors indicated they would not have visited Hawaii Island at all if vacation rentals had been unavailable, meaning that their spending would be completely lost rather than redirected to hotels. [1]

Recommendations

Rather than a blanket countywide ban, the Hunden study recommended that Hawaii County continue to allow and support STVRs, but strictly focus on 100% registration and licensing compliance to ensure all tax revenues are collected. [1, 2]

To review the full, comprehensive findings, you can access the complete [Economic Impact Study on Short-Term Vacation Rentals](#) provided by Hunden Partners. [1]

One of my many concerns about the bill is the following section in the proposal for requirement to register. Section 25-2-(a)(1). Establish enforcement and inspection procedures to investigate and determine...whether a violation of this chapter has occurred. My house was built in 1980 with building permits. The building code has changed since 1980, so I'm not sure whether there would be a requirement to pass current codes. How would this be handled? Will there be inspections, and if so, by who? There are a lot of homes in South Kona that were built around this time period.

This requirement and other registration requirements are vague and do not inspire trust that a registration application would be accepted. That places some of us in a situation where if our applications are not accepted, then we become illegal if we continue to rent, or if we stop renting, we will probably not be able to afford to stay in our homes and may be forced to leave the island. It has become very expensive to live here, with the rising property tax, insurance and costs of living. And if we are forced to sell, the local residents would mostly not be able to afford the market prices these days, which means that mainlanders or foreign interests would be purchasing those properties. There are many houses on the market currently, and very few are selling.

The building division approval is also problematic because the **building permits presently can take up to two years to build a house, and this proposal would overburden the permitting process even more. Part of the housing shortage problem is the obstacles in getting permits in a timely manner.**

One of the reasons for the new proposed regulations is to create more housing for residents. However, my unit and many others would not be suitable for long

term rental. One reason among others, is that there have been no stoves permitted in these units or rooms. Most vacationers do not do much, if any, cooking so as a vacation rental it is not a problem. Mine is a 350 sq. ft. downstairs room, which just doesn't have satisfactory facilities for long term rentals, with no closets or storage.

A reason that many vacation rental owners are hesitant to do long term rentals is the way the Hawaii rental code is written. All the benefits go to the renters, and if you end up with a bad renter, it is almost impossible to get them out This has happened to me in the past in another location, and not only did the long term renters not pay rent or utilities for 5 months, but they were nasty and damaged the place before they eventually left. They ignored the eviction notice, and there was no prompt action by the county to get them to leave. It was a real financial hardship and left a very bad taste in my mouth. I would not want to have that situation in my home.

The county passed regulations for non-hosted vacation rentals in 2018 to create additional local housing, but has there has been any independent research presented on the results? Have those regulations helped the housing situation? The current legislation as written will create far more hardship for locals than whatever benefits it will provide and will not solve the housing shortage.

I understand that **Bill 147 isn't trying to shut down all vacation rental units, but it will dramatically decrease the number of vacation rental units unless the registration process is more simple and user-friendly, and the penalties of non-acceptance aren't so severe.** Fines listed as \$5500/day for a first offense, \$7500/day for a second offense, and \$10,000 a day for subsequent offenses seem quite hostile and out of proportion to what residents could pay.

This legislation will affect more than 7500 families, including me, plus all the jobs created for service providers who clean and maintain the rentals. For many of us, we rely on this short-term vacation rental income to be able to afford to live on this island, to make ends meet each month. Being 80, there are not a lot of other employment opportunities for me, so it is essential that I be able to continue offering part of my home for short term vacation in order to be able to continue living in my home and staying on the island.

In Ordinance 25-50, Section 6-43, Applicability (3) rental furnished to a health care worker temporarily employed at a medical facility, there would be no requirement to register. What would be the requirements, if any, to demonstrate such a listing and rental under 180 days?

I live in South Kona, and there was only one hotel, the Manago Hotel, in the area, which is now no longer available as a hotel. My visitors do not want to stay in a hotel or resort setting, but would rather have a more affordable authentic Hawaiiana vacation, so they love vacation rentals. I think it is important for our visitors to have a choice in the kind of experience they want in accommodations. This legislation will also hurt our tourists and the income that the

state derives from these vacation rentals.

From my perspective, it seems that this proposed legislation would create a lot of hardship for the many families currently hosting vacation rentals, create angry constituents, and unintended consequences, financial and otherwise.

Thank you,

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