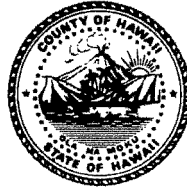


COUNTY OF HAWAI'I



STATE OF HAWAI'I

BILL NO. 147

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHAPTER 2 AND CHAPTER 25 OF THE HAWAI'I COUNTY CODE 1983 (2016 EDITION, AS AMENDED), RELATING TO TRANSIENT ACCOMMODATIONS.

BE IT ORDAINED BY THE COUNCIL OF THE COUNTY OF HAWAI'I:

SECTION 1. Chapter 2, article 7, of the Hawai'i County Code 1983 (2016 Edition, as amended) is amended by adding a section to be appropriately inserted and to read as follows:

"Section 2- . STVR enforcement fund.

- (a) There is established an STVR 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."

SECTION 2. Chapter 25, article 1, section 25-1-5, is amended by deleting from subsection (b) the following definitions:

~~"["Bed and breakfast establishment" means any single-family dwellings and/or guest houses (pursuant to section 25-4-9), which have been permitted on a building site, in which overnight accommodations and only breakfast meals are provided to a maximum of ten guests, for compensation, for periods of less than thirty days.]"~~

~~"["Short-term vacation rental" means a dwelling unit of which the owner or operator does not reside on the building site, that has no more than five bedrooms for rent on the building site, and is rented for a period of thirty consecutive days or less. This definition does not include the short-term use of an owner's primary residence as defined under section 121 of the Internal Revenue Code.]"~~

SECTION 3. Chapter 25, article 1, section 25-1-5, is amended by adding definitions to be appropriately inserted in subsection (b) and to read as follows:

"B&B" or "Bed and breakfast" means a TVR that is incidental and subordinate to use as the principal home of a host."

““Host” means a reachable person who resides on the same building site as a TVR while it is rented.”

““STVR” or “short-term vacation rental” means a TVR located on a building site on which a host does not reside.”

““TVR” or “transient vacation rental” means a dwelling unit or portion thereof, containing no more than five bedrooms or suites:

- (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, timeshares, and tents.”

SECTION 4. Chapter 25, article 1, section 25-1-5, is amended by amending the definition of “reachable” in subsection (b) to read as follows:

““Reachable” means being able to:

- (1) Respond via telephone to a request or message from a guest, neighbor, or County agency within one hour of receiving [that] the request[;] or message; and
- (2) Be physically present at [the short-term vacation rental] a TVR within three hours of receiving a [call]request to do so from a guest, neighbor, or County agency[; when that guest, neighbor, or County agency requests the presence of the reachable person].”

SECTION 5. Chapter 25, article 2, of the Hawai‘i County Code 1983 (2016 Edition, as amended) is amended by adding a division to be appropriately inserted and to read 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; administrative provisions.

- (a) Upon determining that a TVR is in violation of any provision of this chapter, the director may assess an administrative fine for each day in which the violation persists in an amount no greater than twice the highest daily rate at which the TVR has been advertised in the preceding twelve months added to the following:
- (1) \$5,500 for the first violation;
 - (2) \$7,500 for the second violation; and
 - (3) \$10,000 for any subsequent violation.
- (b) In all respects not otherwise provided for, an enforcement action under this section is subject to and must be made in accordance with section 25-2-35.

Section 25-2- . TVR enforcement; prima facie evidence.

- (a) A determination that a TVR is in violation of any provision of this chapter may be made on the basis of any of the following prima facie evidence:
- (1) An active rental advertisement of the property;
 - (2) The fact that the property may be booked or reserved through a booking service;
 - (3) Transient accommodations tax returns; or
 - (4) Other information reported by a third party which the County may contract with to provide transient vacation rental information.
- (b) The burden of proof is on the owner to establish either that the property is not being used as a transient vacation rental or that it is being used for such purpose legally.

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.”

SECTION 6. Chapter 25, article 4, division 1, sections 25-4-7, 25-4-16, 25-4-16.1, 25-4-16.2, and 25-4-16.3, of the Hawai‘i County Code 1983 (2016 Edition, as amended) are hereby repealed.

SECTION 7. Chapter 25, article 4, of the Hawai‘i County Code 1983 (2016 Edition, as amended) is amended by adding a division to be appropriately inserted and to read as follows:

“Division . Use Regulations; Transient Vacation Rentals.

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

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

- (1) RS, RD, RM, RCX, 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 farm dwelling, the dwelling is also the principal home of the host;
- (ii) The dwelling is not an additional farm dwelling; and
- (iii) A special permit is obtained.

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, that is 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.
- (c) In any district or area not identified in subsection (a), an STVR may operate with a nonconforming use certificate issued pursuant to Ordinance No. 18-114.
- (d) In the event that the director, pursuant to section 6- of this Code, cancels the TVR registration of a TVR operating under a nonconforming use certificate, such cancellation shall also cause and constitute revocation of the nonconforming use certificate.
- (e) An STVR operating under a nonconforming use certificate may increase the number of bedrooms available to rent; provided that the number of rooms available to rent does not exceed five and that the owner registers the change with the director.

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.
- (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.

Section 25-4- . Operational standards; responsible management.

- (a) The owner of a TVR shall keep conspicuously posted in a manner visible or accessible within the TVR the following information:
 - (1) A copy of the TVR registration issued under chapter 6, article 6, of this Code, and any applicable nonconforming use certificates;

- (2) A copy of the operational standards set forth in this division; and
- (3) The name, phone number, and e-mail of the host or other reachable person.
- (b) A host shall reside on the same building site as the B&B during rental operations.
- (c) In the case of an STVR, the reachable person shall:
 - (1) Respond via telephone to a request or message from a guest, neighbor, or County agency within one hour of receiving the request or message; and
 - (2) Be physically present at a TVR within three hours of receiving a request to do so from a guest, neighbor, or County agency.

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

- (a) Unless established otherwise by the director, the renter limit for adult occupants in a TVR is the lesser of:
 - (1) Twelve; or
 - (2) Twice the number of bedrooms available for rent plus two.
- (b) The number of individuals who may gather at a TVR at the same time may not exceed twice the applicable renter limit of the TVR.
- (c) Any gathering at a TVR must be consistent with activities of a residential nature or character, such as a picnic, family dinner, birthday party, or fitness activity.
- (d) Breakfast may not be served or offered, whether or not in exchange for payment, to any person at a B&B, except a registered guest.
- (e) A guest or renter of a TVR may not use it for a wedding, wedding reception, concert, or other special event.
- (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 a person without the use of a sound detection device or an audio aide.
- (g) In the case of an STVR, the rental of individuals bedrooms, such that multiple renters can rent different bedrooms within the STVR at the same time, is prohibited.
- (h) A guest vehicle at a TVR must be parked within the designated on-site parking area.

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

- (a) Any advertising of a TVR, including signage or other public listing of a TVR as available for rent, whether in print or an electronic format, must include the TVR registration number issued under section 6- .
- (b) No person may advertise a TVR as a venue for weddings, wedding receptions, concerts, or other special events.
- (c) Signage associated with a TVR must comply with section 22-2.6 and chapter 3 of this Code.
- (d) The street address of a TVR must be visible from the street used to access the TVR.”

SECTION 8. Chapter 25, article 2, division 6, section 25-2-61, of the Hawai‘i County Code 1983 (2016 Edition, as amended) is amended by striking from subsection (a) the paragraph reading “Bed and breakfast establishments in RS, RA, FA, and A districts, provided that the property is within the state land use urban district.”.

SECTION 9. Chapter 25, article 4, division 5, section 25-4-51, of the Hawai‘i County Code 1983 (2016 Edition, as amended) is amended by striking “breakfast establishments:” and inserting “breakfasts:” in lieu thereof.

SECTION 10. Chapter 25, article 5, division 1, section 25-5-3, of the Hawai‘i County Code 1983 (2016 Edition, as amended) is amended by striking from subsection (b) the paragraph reading “Bed and breakfast establishments as permitted under section 25-4-7.”.

SECTION 11. Chapter 25, article 5, division 1, section 25-5-3, of the Hawai‘i County Code 1983 (2016 Edition, as amended) is amended by adding a paragraph to be appropriately inserted in subsection (a) and to read as follows:

“() Bed and breakfasts.”

SECTION 12. Chapter 25, article 5, division 2, section 25-5-22, of the Hawai‘i County Code 1983 (2016 Edition, as amended) is amended by striking from subsection (a) “Bed and breakfast establishments as permitted under section 25-4-7.” and inserting “Bed and breakfasts.” in lieu thereof.

SECTION 13. Chapter 25, article 5, division 3, section 25-5-32, division 4, section 25-5-42, division 9, section 25-5-92, division 10, section 25-5-102, division 11, section 25-5-112, division 12, section 25-5-122, and article 7, division 2, section 25-7-22, of the Hawai‘i County Code 1983 (2016 Edition, as amended) are amended by striking from each respective subsection (a) “Bed and breakfast establishments, as permitted under section 25-4-7.” and inserting “Bed and breakfasts.” in lieu thereof.

SECTION 14. Chapter 25, article 5, division 5, section 25-5-52, of the Hawai‘i County Code 1983 (2016 Edition, as amended) is amended by striking from subsections (c) and (d) the paragraph reading “Bed and breakfast establishments, as permitted under section 25-4-7.”.

SECTION 15. Chapter 25, article 5, division 5, section 25-5-52, of the Hawai‘i County Code 1983 (2016 Edition, as amended) is amended by adding a paragraph to be appropriately inserted in subsection (a) and to read as follows:

“() Bed and breakfasts, as permitted under section 25-4-__.”

SECTION 16. Chapter 25, article 5, division 6, section 25-5-62, and division 7, section 25-5-72, of the Hawai‘i County Code 1983 (2016 Edition, as amended) are amended by striking from each respective subsection (c) and (d) the paragraph reading “Bed and breakfast establishments, as permitted under section 25-4-7.”.

SECTION 17. Chapter 25, article 5, division 6, section 25-5-62, and division 7, section 25-5-72, of the Hawai‘i County Code 1983 (2016 Edition, as amended) are amended by adding in each respective subsection (a) and (c) a paragraph to be appropriately inserted and to read as follows:

“() Bed and breakfasts, as permitted under section 25-4-__.”

SECTION 18. Chapter 25, article 5, division 1, section 25-5-3, division 2, section 25-5-22, and division 4, section 25-5-42, of the Hawai‘i County Code 1983 (2016 Edition, as amended) is amended by striking from each respective subsection (a) “Short-term vacation rentals situated in the general plan resort and resort node areas.” and inserting “Short-term vacation rentals, as permitted under section 25-4-__.” in lieu thereof.

SECTION 19. Chapter 25, article 5, division 3, section 25-5-32, of the Hawai‘i County Code 1983 (2016 Edition, as amended) is amended by amending subsection (a) to read as follows:

“(a) The following uses shall be permitted in the RM district:

- (1) Adult day care homes.
- (2) Apiaries.
- (3) Bed and breakfast establishments, as permitted under section 25-4-7.
- (4) Boarding facilities, rooming, or lodging houses.
- (5) Cemeteries and mausoleums, as permitted under chapter 6, article 1 of this Code.
- (6) Commercial or personal service uses, on a small scale, as approved by the director, provided that the total gross floor area does not exceed one thousand two hundred square feet and a maximum of five employees.
- (7) Crop production.
- (8) Dwellings, double-family or duplex.
- (9) Dwellings, multiple-family.
- (10) Dwellings, single-family.

- (11) Family child care homes.
- (12) Group living facilities.
- (13) Home occupations, as permitted under section 25-4-13.
- (14) Household henneries, as permitted under section 25-4-18.
- (15) Meeting facilities, as permitted under section 25-4-17.
- (16) Model homes, as permitted under section 25-4-8.
- (17) Neighborhood parks, playgrounds, tennis courts, swimming pools, and similar neighborhood recreational areas and uses.
- (18) Public uses and structures, as permitted under section 25-4-11.
- (19) Short-term vacation rentals ~~[situated in any of the following:~~
 - ~~(A) General plan resort and resort node areas.~~
 - ~~(B) Outside the general plan resort and resort node areas, in multiple family dwellings within a condominium property regime as defined and governed by chapters 514A or 514B, Hawai'i Revised Statutes].~~
- (20) Telecommunication antenna and towers, as permitted under section 25-4-12.
- (21) Temporary real estate offices, as permitted under section 25-4-8.
- (22) Time share units situated in any of the following:
 - (A) Areas designated as resort under the general plan land use pattern allocation guide (LUPAG) map.
 - (B) Areas determined by the director to be within resort areas identified by the general plan land use element, except for retreat resort areas.
 - (C) Areas determined for such use by the council, by resolution.
- (23) Utility substations, as permitted under section 25-4-11."

SECTION 20. Chapter 25, article 5, division 10, section 25-5-102, of the Hawai'i County Code 1983 (2016 Edition, as amended) is amended by striking from subsection (a) "Short-term vacation rentals situated in the general plan resort and resort node areas." and inserting "Short-term vacation rentals." in lieu thereof.

SECTION 21. Chapter 25, article 7, division 2, section 25-7-22, of the Hawai'i County Code 1983 (2016 Edition, as amended) is amended by adding a paragraph to be appropriately inserted in subsection (a) and to read as follows:

"() Short-term vacation rentals."

SECTION 22. Material to be repealed is bracketed and stricken. New material is underscored. In printing this ordinance, the brackets, bracketed and stricken material, and underscoring need not be included.

SECTION 23. Severability. If any provision of this ordinance, or the application thereof to any taxpayer or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable.

SECTION 24. This ordinance shall take effect upon its approval.

INTRODUCED BY:

San for Heather J. Kimball
COUNCIL MEMBER, COUNTY OF HAWAI'I

_____, Hawai'i
Date of Introduction:
Date of 1st Reading:
Date of 2nd Reading:
Effective Date:

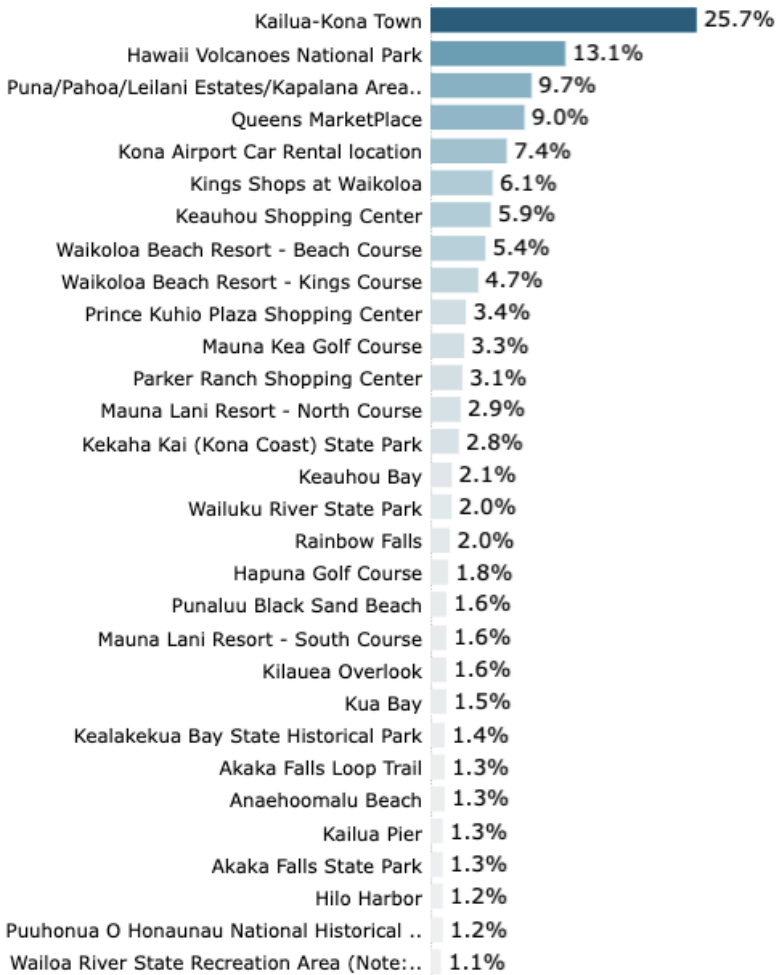
REFERENCE Comm. 806

Visitation Trends (Con't.)

Hunden used Azira data from 2024 to identify visitor trends to various points of interest on the Island of Hawai'i.

- Of the top 30 points of interest on Hawai'i Island, more than half of all visits occurred at the top four locations, with Kailua-Kona Town receiving the largest share at 25.7 percent.
- The top locations include local neighborhoods, national parks, and retail districts, indicating that visitors prioritize cultural experiences, outdoor recreation, and retail spending during their vacations.
- Of all non-resident visits to points of interest on Hawai'i Island, 97 percent originated domestically from other parts of the United States, while only 3 percent were international visitors.
- The average number of visits to all points of interest, across both domestic and international visitors, was 5.9 times.
- The top origin state for domestic visits was California (28.9 percent), while the leading origin countries for international visits were Canada and Japan, at 27.9 percent and 25.5 percent, respectively

Top 30 Points of Interest on Hawai'i Island
Percent Share of Visits by Visitors to Hawai'i Island



Source: Azira (formerly Near)

Chapter 25 Purposes of RM and CN Districts

Division 3. RM, Multiple-Family Residential Districts.

Section 25-5-30. Purpose and applicability.

The RM (multiple-family residential) district provides for medium and high density residential use. It covers areas with full community facilities and services. It may occupy transition areas between commercial or industrial areas and other districts of less intense land use.

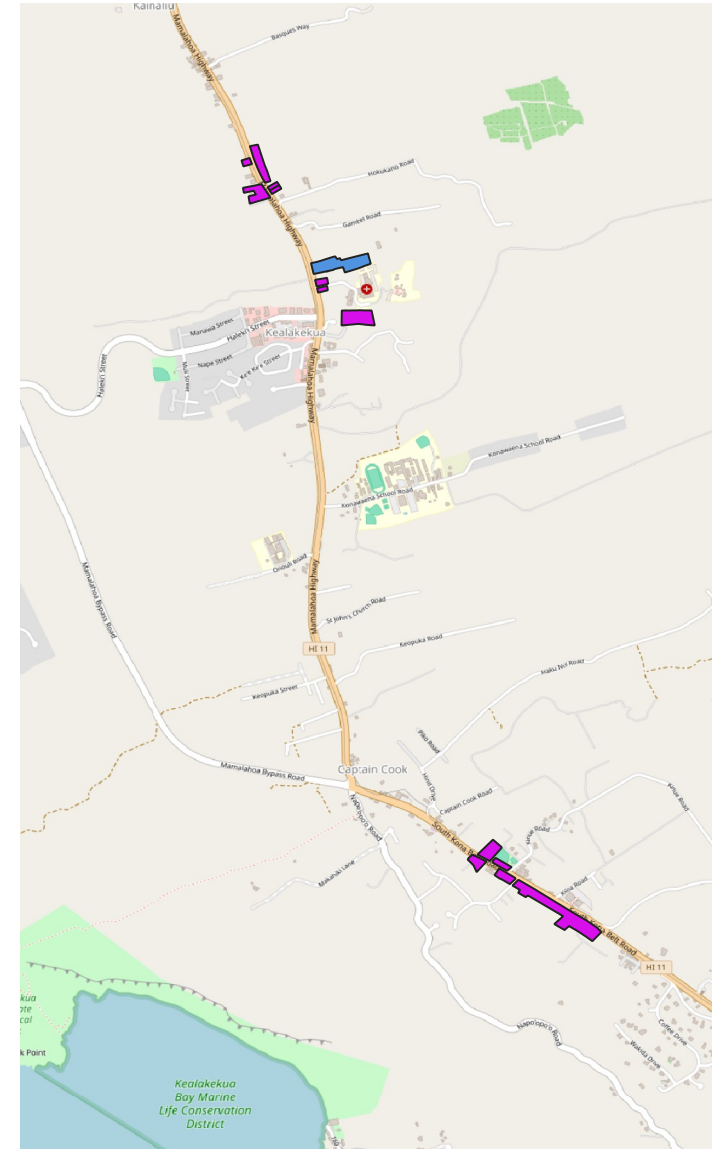
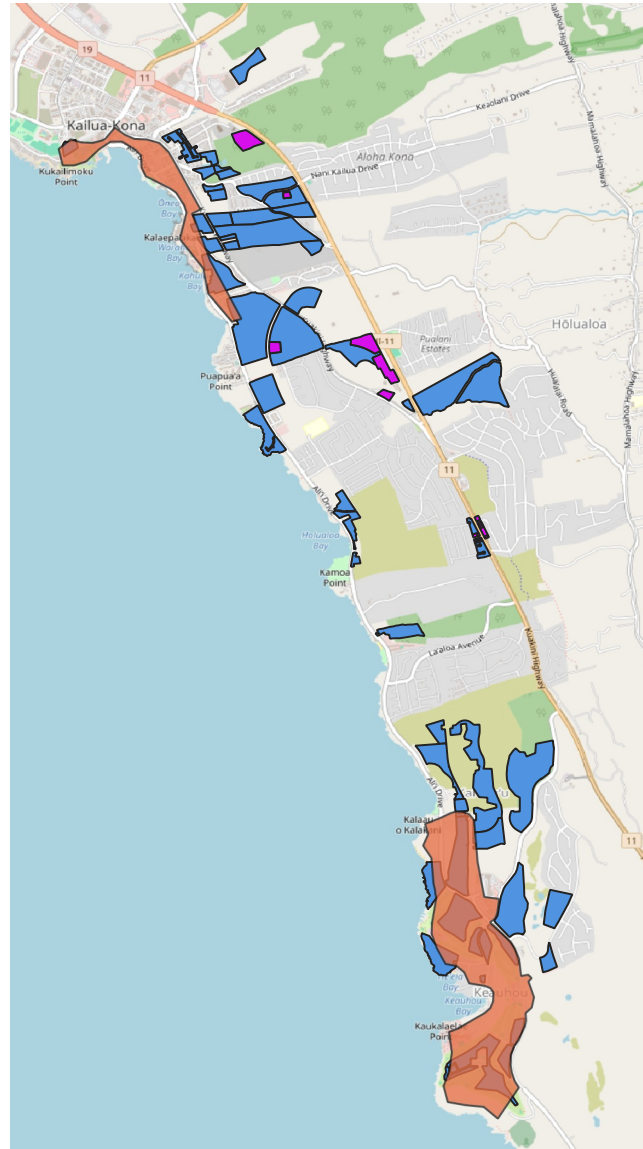
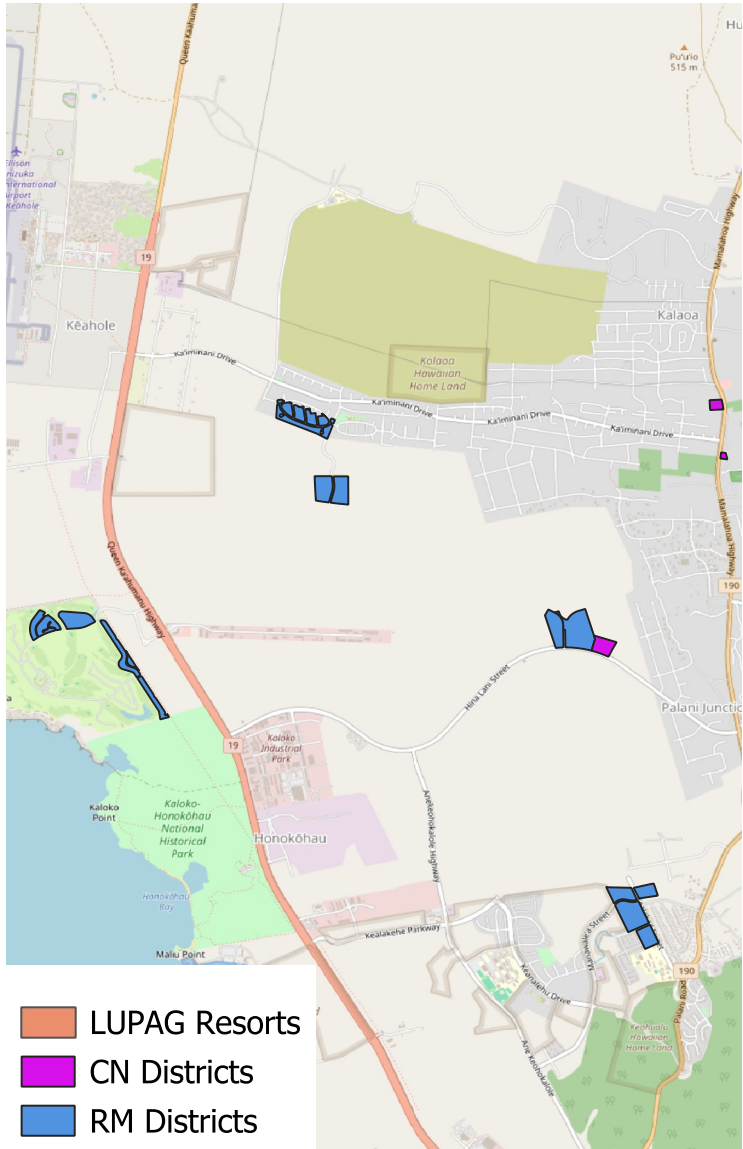
(1996, ord 96-160, sec 2; ratified April 6, 1999.)

Division 10. CN, Neighborhood Commercial Districts.

Section 25-5-100. Purpose and applicability.

The CN (neighborhood commercial) district applies to strategically located centers suitable for commercial activities which shall be of such size and shape as will accommodate a compact shopping center which supplies goods and services to a residential or working population on a frequent need or convenience basis. This district is distinguished from a central commercial district which provides general business and broad services to a city or region.

(1996, ord 96-160, sec 2; ratified April 6, 1999.)



RM and CN Districts in Kona

Prepared by John Pelletier
 Basemap from Open Street Maps
 Zoning and Land Use Data from Hawaii Statewide GIS Program

Kona CDP Housing and Transportation Goals

Housing

4.5.2 Overall Strategy

The market forces and cost of infrastructure in Kona has driven the price of homes skyward. Without intervention, the market will deliver affordably priced homes further and further away from employment job centers, resulting in long commutes for the workforce. Affordable housing within the urban core is essential to maintain and enhance an economical and viably diverse community. The market also does not adequately meet special housing needs. Intervention strategies are long overdue and need to be coordinated with existing island-wide initiatives.

Transportation Strategies

Current budget limitations will hinder rapid major investment in public road improvements. But, even if immediate financing and approvals were available to improve roadways, other solutions to Kona's long term traffic woes are necessary. There are several other major strategies that embody the Guiding Principles expressed in Sections 4.3 Land Use, 4.5 Housing, and 4.6 Public Facilities, Infrastructure and Services. They relate to transportation, housing, land use, and infrastructure that needs to be integrated and incorporated into Kona's long-term transportation policies as Kona's population continues to grow in the years ahead. These strategies include the following:

1. **Mass Transit.** A major expansion of the County's public mass transit service in Kona would provide significant alternatives to individual automobile use.
2. **Multi-Modal Transportation.** Taking advantage of Kona's consistently mild climate, a network of interconnected bike lanes, trails, and sidewalks within and outside road right-of-ways would provide a healthy and green alternative to automobile use.
3. **Transit-Oriented Development (TOD).** The development of compact, mixed-use villages which would integrate housing, employment, shopping, and recreation opportunities. Villages would be designed around transit stations/stops which would reduce the need for daily trips and financially support the expanded transit system.
4. **Multi-Purpose Design.** Beyond getting us from one place to another, our transportation corridors are major public spaces that must safely accommodate uses other than vehicular travel.
5. **Safety and Aesthetic Qualities.** Safety and aesthetic qualities need to play a larger role in improving existing and designing future roadways, in order to contribute to Kona's quality of life and tourism appeal.
6. **Affordable Housing.** Affordable housing located near major employment centers would serve to decrease the number of people who fill the roadways commuting long distances to work every day. These housing policies, which recognize their relationship to transportation, are addressed in the Section 4.5: Housing.

KCDP AC Bill 147 draft testimony

The Kona Community Development Plan Action Committee offers the following comments on Bill 147. Introduced at the April 7, 2026 meeting of the Hawaii County Council Policy Committee on Planning, Land Use, and Economic Development, Bill 147 continues to allow unhosted vacation rentals (referred to in the bill as short-term vacation rentals, or STVRs) in all currently permitted districts and proposes expanding their use into Neighborhood Commercial (CN) districts.

The Kona Community Development Plan Action Committee recommends that Bill 147 be amended to remove STVRs as an allowable use in Multiple-Family Residential (RM) and Neighborhood Commercial (CN) districts.

The County's 2025 economic impact study on vacation rentals found that Kona is the largest short-term rental market on Hawai'i Island, accounting for more than half of the island's total supply. This concentration means the impacts of STVR proliferation are disproportionately borne by the Kona community.

Section 4.5.2 of the Kona Community Development Plan emphasizes that "affordable housing within the urban core is essential to maintain and enhance an economical and viably diverse community," and warns that "without intervention, the market will deliver affordably priced homes further and further away from employment job centers, resulting in long commutes for the workforce." RM and CN districts, designed to serve resident populations and located largely within the Kona Urban Area, are the areas where housing should be preserved to meet these goals, not converted to transient visitor use.

Permitting STVRs in RM and CN districts is also inconsistent with Transportation Strategy 6 of the Kona Community Development Plan, which states "Affordable housing located near major employment centers would serve to decrease the number of people who fill the roadways commuting long distances to work every day." As resident-serving districts situated within the Kona Urban Area, RM and CN zones are positioned to provide housing in close proximity to jobs, and diverting them to short-term rental use undermines this objective.

For those reasons, the Kona Community Development Plan Action Committee recommends changes to draft Bill 147 to remove STVRs as a permitted use within the RM and CN Districts. We believe that these changes would better align the Zoning Code with the adopted goals of the Kona Community Development Plan, including increasing the availability of workforce housing, reducing transportation impacts, and supporting a sustainable, resident-serving urban core.