

From: [Roy Takemoto](#)
To: [Planning WPC Testimony](#)
Subject: Submitting Testimony— Windward Planning Commission, July 2, 2026
Date: Saturday, June 27, 2026 11:24:02 AM
Attachments: [Vacation Rental Testimony.pdf](#)

Submitting on behalf of Harry Kim

Testimony Supporting Bill 147 Relating to Transient Vacation Rentals

(Agenda Item #6)

Windward Planning Commission, July 2, 2026

Harry Kim

Types of TVR's

There are two types of TVR's, as clarified by definition in Bill 147: hosted (also known as "bed and breakfasts or B&B") and unhosted (also known as "short-term vacation rentals or STVR"). They are currently both regulated disjunctly in the zoning ordinance. Bill 147 attempts to regulate them more consistently under the common rubric as transient vacation rentals by amending the zoning ordinance. Farmstays are a special type of hosted TVR located in the agricultural district that provide an immersive experience with the host farmer or rancher on a working farm or ranch. It is meant to supplement the income of a working farmer or rancher. It would not make sense to allow an unhosted farmstay that lacks the relationship nor the income supplementation with a working farmer or rancher.

The hosted TVR (B&B) requires less restrictions, and I support the proposed regulatory improvements in Bill 147. My testimony focuses on the unhosted TVR (or STVR).

Purposes to Regulate Vacation Rentals

The public welfare purposes underlying the regulation of short-term vacation rentals include:

1. Affordable Housing. Because of the stark difference in income generation potential between long-term and short-term rentals, short-term vacation rentals would displace the supply of long-term rentals if permitted in residential areas.
2. Neighborhood Character. The general neighborhood character changes as short-term vacation rentals invade the neighborhood, and conflicts with local residents start to emerge relating to noise, parking, and traffic.
3. Agricultural Lands Protection. The price of agricultural lands would soar with the unrestricted permission of short-term vacation rentals within the agricultural district.

4. **Accountable & Equitable Taxation.** Just as hotels that accommodate “transients” are subject to transient accommodation taxes (TAT) and general excise taxes (GET), short-term vacation rentals also accommodate “transients” and should be registered to ensure accountability. Bill 147’s proposed redefinition of vacation rentals as a unit rented for less than 180 days tracks with the definition of “transient accommodations” in the TAT statute (HRS section 237D-1).

Effective Regulation

Effective regulation of the STVR reasonably channels the location and behavior of the STVR industry without squelching it by restricting the industry as follows:

- **Appropriate Location.** Currently, STVRs are permitted in the Resort district (V), selected commercial districts (CG, CV), and condominiums within the multi-family residential district (RM). Where the General Plan designation is Resort or Resort Node, then all commercial and residential zoning districts are permitted districts. To the benefit of the STVR industry, Bill 147 expands STVR to all commercial districts without restricting to the General Plan Resort or Resort Node designations. *Bill 147 also adds the Project District, which is acceptable but should be amended to be consistent with the Project District’s master plan rather than the underlying zoning (the Project District is not an overlay and therefore does not have any underlying zoning).* Bill 147 permits B&B’s in the agricultural district with a Special Permit (no change from the current zoning ordinance), but does not permit STVRs. The two zoning districts that should be protected from STVRs are residential and agricultural districts. Bill 147 does this. *The only question is the impact of STVRs on the RM district, which should be researched based on past experience under the current ordinance (i.e., whether STVR’s are displacing long-term rentals and/or increasing the long-term rents in the RM district).*
- **Controlled Behavior.** Should the unruly behavior of the transient tenant be the responsibility of the absentee owner, or should the burden be placed on the police? Bill 147 carries forward and improves upon the original ordinance’s policy determination to place the primary responsibility on the owner by requiring the owner to designate a “reachable” person to respond to the complaint within a reasonable time, and to comply with reasonable operational standards.
- **Grandfathered (Nonconforming) Permission.** Nonconforming STVRs are in the wrong location (i.e., residential or agricultural district), but were legitimate and paid taxes prior to the adoption of the original STVR ordinance. They are allowed to continue upon registering and complying with the operational standards.

- **Registration Requirement.** The registration requirement identifies a STVR for taxation and enforcement purposes. The registration process should not be onerous; if it is, the Planning Department should be directed to administratively streamline the process.

Effective Enforcement

Effective regulation relies upon effective enforcement, which entails:

- **Deterrent Fines.** If fines are set too low, it may be worth a business decision to ignore the law. Bill 147 proposes fines that demand attention. No one in the industry should be concerned about the level of fines if they intend to abide by the rules.
- **Burden of Proof.** The prima facie evidence listed in Bill 147 enhance the ability to enforce. The STVR owner always has the opportunity to present overriding evidence.
- **Adequate Resources.** Bill 147 establishes a special fund for STVR enforcement to retain sufficient personnel and other capabilities. However, the language of Bill 147 is confusing in that the heading seems limited to STVR enforcement yet one section authorizes the funds for all TVRs. *All references in this section to “STVR” should be replaced to “TVR” to authorize the funds for enforcement of all TVRs, whether hosted or unhosted.*

Summary

Bill 147 strengthens the regulation of transient vacation rentals with a few minor suggested amendments (italicized above). Without proper regulation, unhosted TVRs (STVRs) pose a threat to affordable housing, particularly the supply of affordable rentals, and affordable agricultural lands. While Bill 147 stems this threat, the ultimate goal is affordable housing so we should continue to also persistently explore other innovative ideas to incentivize affordable rentals (e.g. improving tax incentives for affordable rentals), and affordable access to farmlands (e.g., community land trust).