



Kauai Board of REALTORS®

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August 4, 2020

Aloha REALTOR and Affiliate Members of the Kauai Board of REALTORS®:

Last month I engaged with KBR's Short Term Rental Committee offering you critical updates on the County's rules during this pandemic period related to vacation rentals. Being that each licensee has a duty to uphold the County's Covid-19 rules related to Transient Vacation Rentals and Homestays, my update this month remains focused here.

Last month Governor Ige notified all of us that the state would look to re-open to Pan-Pacific travel as of September 1, 2020. Starting September 1, 2020, out of state travelers seeking to enter Hawaii free of quarantine restrictions have options. Visitors and returning residents must first complete the state's pre-boarding form and obtain a negative Covid-19 test result via an FDA approved PCR test from a CLIA-certified laboratory. The quarantine will remain mandatory for those who do not have a pre-travel test. The full requirements are being refined this month; therefore, any friends, family and clients of yours who are traveling here are advised to stay close to the [State of Hawaii Department of Health](#) page.

Whether you manage vacation rentals or not, if you are a practicing REALTOR® you must be aware of the County's current positions related to vacation rentals. Accordingly, as per KBR's Short Term Rental Committee, please be advised of the following, particularly while quarantine requirements remain in effect:

- **LONG TERM RENTAL RULES:** The County of Kauai is aware that some property owners with vacation rental tax status are renting properties out as long term rentals and subsequently intentionally cancelling the lease to accommodate short term stays. Per the Planning Department, "We've actually come across some TVRs that have executed multiple 6 month leases for the same TVR, so measures are being put into place to restrict this type of abuse." Currently, for property owners who rent to tenants for 6 months or longer, if the property has a vacation rental tax status, the property will get red-flagged at the airport screening site. The tenant needs to show a copy of a signed 6 month (or longer) lease. Some are showing up without leases or unsigned leases and are expecting to get in. Those individuals are being turned away until they can provide proof of a signed 6 month or longer lease. If that vacation rental has had someone stay there previously, with a 6 month lease, and they left early, the owner will not be able to execute another 6 month rental during the same timeframe. Even if the previous tenant broke the lease. Per Mayor Kawakami's [Emergency Rule 14](#), "The property owner, property manager, landlord, tenant, and guest shall each be responsible for ensuring compliance with this rule. Any person violating any rule of the governor or mayor, if convicted, could face a fine of up to \$5,000 or a serve up to a year in jail."
- **REAL PROPERTY TAX:** For those owners who are converting their vacation rental(s) to long term rental use (rental of property for periods exceeding 6 months), these owners are reminded that the 2020 tax year billing will be in full force and effect and any change made

to the use of the property and the corresponding rate will take effect in the 2021 tax year. Owners who file to change their use should consider their commitment to remaining a long term rental into 2021 and beyond to avoid unforeseen complications.

- **TVNC PROPERTIES CONVERTING TO LONG TERM USE:** For those properties that are approved to vacation rent under TVNC renewable permits, owners who convert to long term use should consider speaking with their Hawaii real estate attorney regarding any compliance concerns in related to the renewal of the TVNC permit. Recall that currently TVNC properties renew pending proof that they have vacation rented for a minimum of 30 days within the year.
- **VACATION RENTAL RULES FOR AUGUST 2020:** All vacation rental managers and owners are reminded that it is appropriate to vacation rent a legal vacation rental to the following parties: 1) Anyone who has completed the quarantine requirement, keeping in mind that guests who choose to quarantine for 14 days on Kauai must do so in a hotel and not a vacation rental; 2) A Kauai resident who is not subject to quarantine; 3) A Hawaii resident who is not subject to quarantine.

Legal vacation rentals provide a welcome service and needed tax revenue to the state and county. KBR supports the operators, owners and managers of legal vacation rentals who follow the rules, and KBR does not recognize nor approve of aiding and abetting bad actors. Illegal vacation rentals hurt everyone.

Please feel free to call or email KBR if you have any questions with respect to vacation rentals.

Warmly,

Julian A. Coiner

*President
Kauai Board of REALTORS® Board of Directors*