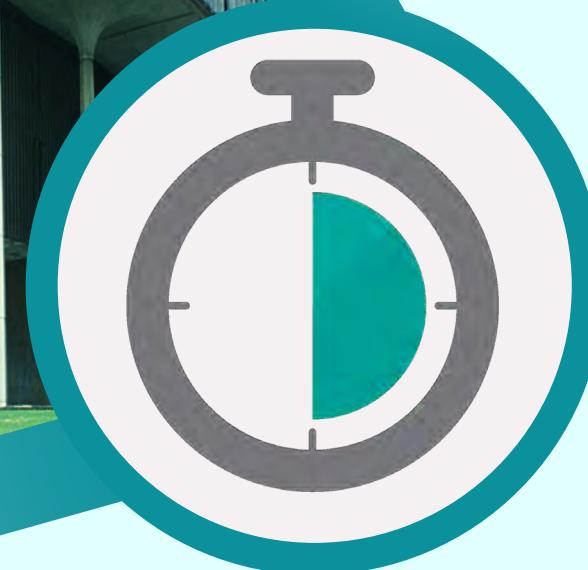




**HAWAI'I
REALTORS®**



LEGISLATIVE HALFTIME REPORT

The legislative session is half way over. How is real estate doing so far? Session ends on May 3rd. Stay tuned for the post-session report to see which bill made it to the end.

WHAT'S INSIDE?



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BY THE NUMBERS

HOUSE

1,153

BILLS INTRODUCED

186

BILLS TRACKING

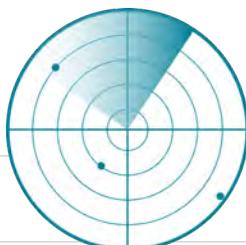
SENATE

1,790

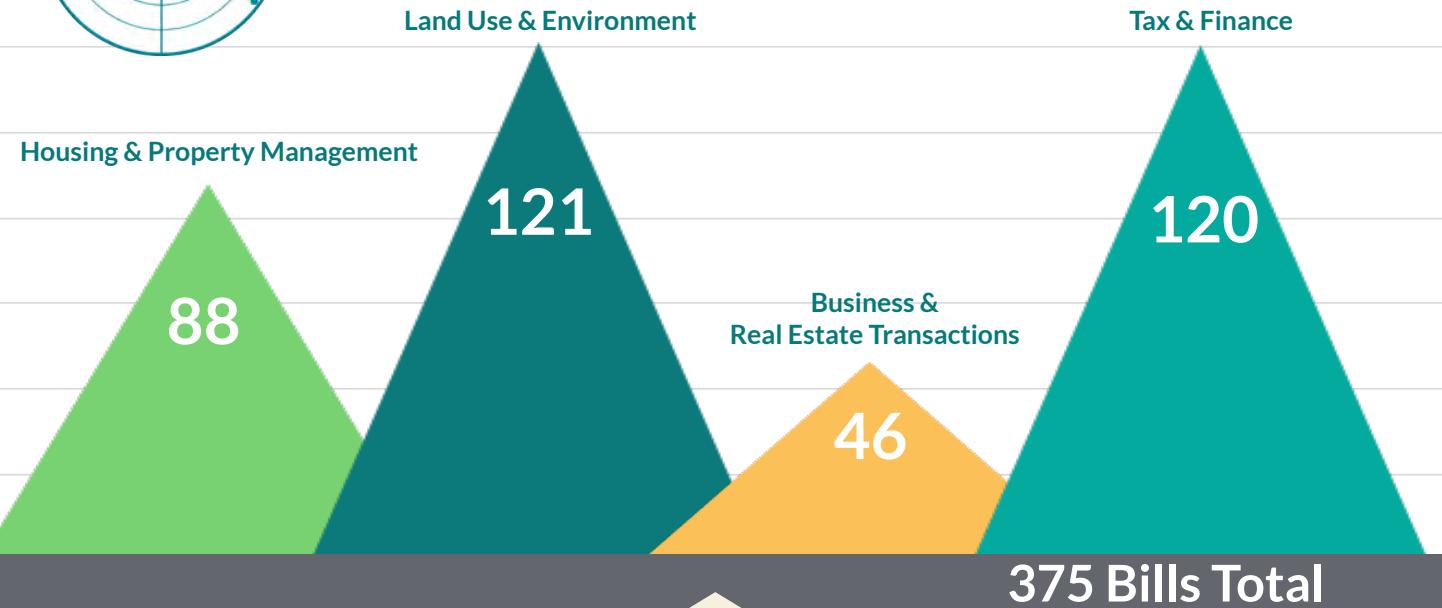
SENATE BILLS INTRODUCED

189

SENATE BILLS TRACKING



Bill on Our Radar



Bill Count by Position



40
Support



35
Oppose



4
Comment



296
Monitor



66
of times testified so far

Visit capitol.hawaii.gov for more information on these bills

Top Priorities IN-DEPTH

Late Occupancy Exemption



1

House Bill 1869, HD1

ALIVE

There is currently an exemption under the Landlord-Tenant Code for the Buyer to take early occupancy of the property prior to closing. The Early Occupancy Contract spells out the terms. This will mirror that same exemption for a Seller who need to stay longer in the property after the transfer of ownership, such as the Seller needing more time to move.

[Strong Support](#)

[View Testimony](#)

Rental Application Screening Fee



2

House Bill 1879, HD1

ALIVE

1. Caps the Rental Application Screening Fee (Fee) at \$25 per applicant.
2. Prohibits a landlord or landlord's agent from collecting a Fee if they knew or should have known no property was available as advertised or noticed to the applicant.
3. Upon request by the applicant, the landlord or landlord's agent shall allow an applicant who is subject to the credit report to inspect a copy of the credit report in person during normal business hours.
4. Once the original Fee is collected, the Fee will be waived for a period of up to 3 months for other available residential properties that the landlord or landlord's agent owns or manages.

Handyman Exemption



3

House Bill 1877 or Senate Bill 2376

Raises the threshold under the contractor licensing law's handyman exemption from \$1,000 to \$5,000.

DEAD

[Strong Support](#)

[View Testimony](#)

Short-Term Vacation Rentals UPDATE

There is a difference between the House and Senate positions. The Senate is looking at a comprehensive bill on tax collection and compliance with state and county land use laws. The House position focuses on enforcement.

Senate Bill 2963, SD1

ALIVE

[Comment](#)

[View Testimony](#)

Taxes

Establishes a 1-time amnesty program for certain delinquent Transient Accommodations Tax (TAT) and general excise tax obligations.

Allows transient accommodations brokers, such as AirBnB, to register as a tax collection agent for its operators and plan managers.

Compliance with Law

Requires the tax collection agents to inquire with their operators and plan managers whether the transient accommodation is in compliance with all state and county land use and tax laws. The operator or plan manager must provide verification of compliance with state and county land use laws.

Requires an operator or plan manager to remove a transient accommodation advertisement upon notice that the property is not in compliance with state law or county ordinance.

Makes it unlawful for transient accommodations brokers to engage in business with operators or plan managers that are not in compliance with all state laws and county ordinances.

Penalties & County Authority

Allocates up to \$1,000,000 of TAT tax revenues to each county, contingent upon the county establishing a process to provide verification of compliance by an operator or plan manager with county land use laws.

Authorizes counties to impose fines, criminal penalties or remedies from profits obtained through unfair or unlawful business practices after reasonable notice or request to correct has been given.

Makes it unlawful for a hosting platform to collect a fee for booking services regarding transient vacation rentals that are not lawfully certified, registered, or permitted under applicable county ordinance.

Authorizes counties to adopt ordinances to amortize or phase out transient vacation rental units.

House Bill 2011, HD1

ALIVE

Increase the annual cap on the Tax Administration Special Fund for the Department of Taxation's Special Enforcement Section from \$700,000 to \$1,000,000, and require that the first \$300,000 collected be deposited into a special account exclusively for the operations of the Special Enforcement Section in enforcing the TAT law.

[Monitor](#)



Conveyance Tax UPDATE



Strongly Opposed

9 Conveyance Tax increase bills



23

of times testified so far

4 Conveyance Tax increase bills have died thus far

[House Bill 2441, HD1](#)

ALIVE

Strongly Oppose

[View Testimony](#)

Increases the Conveyance Tax for the sale of a condominium or single-family residence for which the purchaser is ineligible for a county homeowner's exemption from a tiered rate to 3% of the value.

[House Bill 2750, HD2](#)

ALIVE

Strongly Oppose

[View Testimony](#)

Amends the rates for the Conveyance Taxes. However, the amounts of any increase are left blank. The Conveyance tax will increase the allocation to the Land Conservation Fund and Rental Housing Revolving Fund.

[Senate Bill 2188, SD3](#)

ALIVE

Strongly Oppose

[View Testimony](#)

Increases the Conveyance Tax for the sale of a condominium or single-family residence for which the purchaser is ineligible for a county homeowner's exemption by adding \$1 per \$100 across the board for properties over \$2 million.

[Senate Bill 2415, SD1](#)

ALIVE

Strongly Oppose

[View Testimony](#)

Increases the Conveyance Tax for the sale of a condominium or single-family residence for which the purchaser is ineligible for a county homeowner's exemption for properties over \$2 million.

[Senate Bill 2416, SD2](#)

ALIVE

Strongly Oppose

[View Testimony](#)

Increases the Conveyance Tax for the sale of a condominium or single-family residence for which the purchaser is ineligible for a county homeowner's exemption for properties over \$2 million.

[House Bill 2703, HD1](#)

ALIVE

Oppose

[View Testimony](#)

Allocates a portion of the conveyance tax revenues to the Rental Assistance Revolving Fund to be used to subsidize rents.

[Senate Bill 2756, SD1](#)

ALIVE

Support

[View Testimony](#)

Repeals the statutory cap on the disposition of conveyance taxes to the Rental Housing Revolving Fund for the financing of affordable housing. This bill does not increase the conveyance tax.

Real Estate Taxes UPDATE

[Senate Bill 2922, SD1](#)

ALIVE

Strongly Oppose

[View Testimony](#)

Proposes amendments to the Hawai'i Constitution to allow the Legislature to establish a tax surcharge on visitor accommodations and residential investment property valued at over \$1 million. Funds collected from the surcharge would be used to fund public education.

While Hawai'i REALTORS® support education, we are deeply concerned that an additional surcharge on property tax for residential investment property will add to the cost of housing and rentals.

If this passes, it will be placed on the ballot during the election and to read as follows:

"Shall the Legislature be authorized to establish a surcharge on visitor accommodations and on residential investment property, excluding a home that qualifies for a homeowner exemption, valued at one million dollars or more to fund public education for Hawaii's children, as provided by law?"

[Senate Bill 2968, SD1](#)

ALIVE

[Comment](#)

[View Testimony](#)

Requires a person authorized to collect rent on behalf of the nonresident owner of real property located in the State to withhold the General Excise Tax due on rents collected. Requires nonresident owners who receive rents attributable to real property located in the State to enter into a rent collection agreement.

Highlights of Bills that Died

[Senate Bill 2137](#)

DEAD

Strongly Oppose

[View Testimony](#)

Allow the counties to impose and collect a tax surcharge on every State tax, such as the income tax, General Excise Tax, or Conveyance Tax.

[House Bill 2554 HD1](#)

DEAD

[Comment](#)

[View Testimony](#)

Creates goals for each county to produce a specified number of housing units. Reduces the amount of Transient Accommodations Tax (TAT) revenue to the counties for failure to meet those goals. The county could recoup a portion of the TAT if it meets or exceeds the goals the following year.



Business HIGHLIGHTS



[Senate Bill 2567, SD2](#)

ALIVE

Oppose

[View Testimony](#)

Requires cesspools located in priority upgrade areas and identified as priority level 1, 2, or 3 to be upgraded within an unspecified number of days after the sale of the property on which the cesspool is located. Allows the Director of Health to issue exemptions. Allows cesspools located in additional priority upgrade areas and identified as priority level 4 to be required to be upgraded within an unspecified number of days after the sale of the property on which the cesspool is located, upon determination of the Director of Health. Designates the presence of a cesspool as a material fact for the purposes of a residential real property seller's mandatory disclosure. Requires REALTORS® to advise their clients with respect to the requirements of this measure.

[Senate Bill 3089, SD2](#)

ALIVE

Oppose

[View Testimony](#)

Allows counties to enact ordinances that require the grantor of real property to include in the certificates of conveyance a statement regarding whether the property may be used for short-term vacation rentals under the county's zoning or land use ordinances.

[Senate Concurrent Resolution 27, SD1](#)

ALIVE

Support

[View Testimony](#)

Requesting the Auditor to conduct a sunrise review of the licensure and regulation of home inspectors. A sunrise review is required before an industry can be regulated.

Highlights of Bills that Died

[House Bill 2573, HD2](#)

DEAD

Comment

[View Testimony](#)

Requires that the existence of any cesspool on real property be considered a material fact and be included in a seller's disclosure statement if disclosure of the existence of a cesspool on real property is determined to be mandatory.

[Senate Bill 694, SD1](#)

DEAD

Oppose

[View Testimony](#)

Requires a purchaser or transferee to execute a sea level rise hazard exposure statement with every sale or transfer of real estate that acknowledges that the purchaser or transferee has looked at the appropriate sea level rise hazard exposure map and accepts risks of purchasing or accepting a transfer of property that is at risk of climate-related exposure.

[Senate Bill 815, SD2](#)

DEAD

Oppose

[View Testimony](#)

Requires disclosure of albizia trees and associated risks in a disclosure statement as part of the sale or transfer of residential real property.

Housing & Property Management HIGHLIGHTS

[House Bill 2747, HD2](#)

ALIVE

Support

[View Testimony](#)

Currently, an individual can deduct from gross income up to \$5,000, by placing it in an individual housing account to use towards ones first principal residence. This measure increases the \$5,000 to an unspecified amount for individual housing accounts established after December 31, 2018. Also, requires homebuyer education for those participating in an individual housing account.

Also, allows Community Development Financial Institutions to administer individual housing accounts.

[Senate Bill 2461, SD1](#)

ALIVE

Monitor

Establishes civil penalties for misrepresentation of a service animal.

Highlights of Bills that Died

[House Bill 1529, HD2](#)

DEAD

Oppose

[View Testimony](#)

Prohibits discrimination in the rental of real property based on a veteran's use of HUD-VASH vouchers.

[House Bill 2575, HD1](#)

DEAD

Strongly Oppose

[View Testimony](#)

Create a Rent Stabilization Office to set the amount of rent that can be charged annually. It would apply to every residential property that is over 10 years old and not a single-family residence.

[House Bill 2731, HD1](#)

DEAD

Oppose

[View Testimony](#)

Requires landlords, who rent more than five dwelling units in a multi-family residential structure to unrelated families, to rent a minimum of 25% of the dwelling units to extremely low-income families.

[Senate Bill 2884](#)

DEAD

Oppose

[View Testimony](#)

Allows the State to construct temporary emergency transitional housing for homeless persons without going through permitting process. In 2017, we faced a similar scenario when the Federal Emergency Management Agency (FEMA) warned Hawai'i that it would suspend its national flood insurance eligibility unless an existing law was fixed that exempted agriculture structures from the permitting process.



Land Use HIGHLIGHTS



[Senate Bill 2524, SD1](#)

ALIVE

Changed to Oppose

[View Testimony](#)

Requires agricultural lands that are subdivided and leased for agricultural uses or activities to comply with county subdivision standards. Requires condominium property regimes to comply with county subdivision or equivalent requirements. Requires that an application for registration of a project in a county agricultural zoning district or preservation zoning district include a verified statement, signed by an appropriate county official, that the project is in compliance with any supplemental county ordinances, county subdivision standards, and other rules.

[Senate Bill 2758 SD2](#)

ALIVE

Support

[View Testimony](#)

Establishes expedited approvals for affordable housing projects seeking district boundary amendments for land areas of 15 acres or less under the jurisdiction of the counties.

Waiakea Peninsula / Banyan Drive (Hawai'i Island)



[House Bill 2641 HD2 or Senate Bill 3058 SD2](#)

Establishes a ten-year redevelopment district pilot project within the Kanoelehua Industrial Area and Banyan Drive region until 6/30/2028. Modifies public land lease restrictions.

Support

[View Testimony](#)

[Senate Bill 2972, SD2](#)

ALIVE

Requires the Department of Land and Natural Resources to allocate 10% of revenues collected from commercial properties within the Banyan Drive redevelopment area to the Banyan Drive Hawai'i Redevelopment Agency. Appropriates funds from the Special Land and Development Fund to assist the county of Hawai'i in conducting the necessary environmental impact studies necessary to complete its redevelopment plan for the Banyan Drive redevelopment area. Requires matching funds from the county of Hawai'i.

Support

[View Testimony](#)

Highlights of Bills that Died

[Senate Bill 2417](#)

DEAD

Support

[View Testimony](#)

Waives exaction requirements and zoning requirements for housing projects where all units are affordable to persons and families with household income at or below 80% of the area median income.

Special Mahalo!

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Amanda Frazier, GAC Vice-Chair
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Jack Legal, GAC Vice-Chair
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FAQ

1. Where can I find more information on a specific bill?

Each bill number is linked to the status page on the capitol.hawaii.gov website. To find a bill not contained within the report, visit the website. Under "Bill Status/Measure Status" type in the bill number, i.e. HB25 or SB100 (no space.)

2. What does HD1, SD1, or CD1 mean after a bill number?

It means House Draft 1, Senate Draft 1, or Conference Draft 1. Every time a bill passes with amendments, the changes are made and the bill becomes a new draft. Based on the number of Committees that hear a bill, it can be amended multiple times, i.e. HD2, CD1. Conference Draft happens in Conference Committee; House and Senate members meet to work out any differences it has in the bills language.