



# Senator Gil Riviere

Proudly Serving Ka'ena to Kāne'ohe

## 2018 Legislative Report



The 2018 Legislative Session ended on May 3rd with passage of some big initiatives and new policy statements. Homelessness and affordable housing projects received large infusions of money, \$125 million was allocated for flooding disaster relief on Kauai and East Honolulu, a new state property tax is up for a public vote in November, and Physician Assisted Suicide passed earlier in the session.

In a major move to support affordable housing, the Rental Housing Trust Fund is allotted an additional \$200 million. This cash infusion is expected to result in the creation of as many as 1,600 affordable rental housing units for families at or below 80 percent AMI. The same measure, HB2748, appropriates \$10 million for interim financing of affordable housing, and grants substantial tax exemptions for creation of new affordable housing for households up to 140 percent AMI.

A big push was made to address the homeless crisis through two measures that provide \$34.7 million for safe zone projects and wrap around services. The state budget includes \$15 million to fund homeless programs and services such as Housing First, Rapid Re-Housing, and Family Assessment Centers. Other measures allot various sums for related projects.

If you have not yet heard of Oxybenzone and Octinoxate, you should know these sunscreen chemicals have been shown to damage coral. Vibrant coral reefs are essential to the health of our coastal waters and protection of our shorelines. I am pleased to have participated in the legislative process to ban the sale in Hawaii of sunscreen containing these harmful chemicals, beginning in 2021. In the meantime, please read labels and avoid these chemicals.



Aloha!

It was only a couple years ago that my colleagues looked at vacation rentals as a problem only for the North Shore and Kailua. They have since learned that every community is being impacted by the explosion in tourism and alternative accommodations.

In addition to the legislative wrap-up, I share how the vacation rental taxes debate has changed, how we are changing the balance of funding between tourism and natural resources, and my thoughts on the proposed constitutional amendment that voters will decide in November.

It is my greatest pleasure to serve this district and to stand up for our resident interests. Mahalo.



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## District Issues

### Laniakea Traffic

After years of delay, DOT is showing signs of progress on the alternatives study. They may finally complete the study this year.

### Roadway Resurfacing

Our website lists the latest updates from DOT on resurfacing plans. See [SenatorRiviere.com](http://SenatorRiviere.com)

### Beach Access

We intervene in agency decisions to restore beach right of ways such as the illegally blocked beach access on Hoomana Pl.

### Planning, Health Enforcement

We have diligently called on the City Planning Dept. and Dept. of Health to enforce planning and environmental compliance around the district, including the Haleiwa Beach House, Shark's Cove lunch wagons, agricultural lands, and wetlands in Haleiwa and Waihee.

### Utility Poles

We introduced legislation to ban new "double" utility poles. HECO is now seeking PUC approval to take control of all poles and begin a long range plan to remove the old poles.

### Heeia National Estuarine Research Reserve

Rep. Keohokalole and I introduced companion legislation to support the Heeia NERR program. HB2613 passed this year.

### School Buses and Environmental Courts

Rep. Quinlan and I introduced companion legislation this year to increase penalties for driving past stopped school buses and to remove parking ticket cases from the environmental courts. HB1938 and HB1936 both passed this year.

## Why voters should reject the proposed education tax



Please consider the repercussions of a new state property tax before voting on the constitutional amendment in November. It would increase state tax revenues, but does not mandate any additional funds for schools.

Let me be clear: I am 100% in favor of increasing funding for education, I graduated from public school, my kids are products of Waialua High School, my wife is a teacher, and so is my sister. I support better pay for teachers and improved facilities, but this additional property tax is not the solution.

- Nothing will prevent the state from taxing all investment property, including affordable rental housing, small business and commercial properties. Taxes always expand and never go away.
- Renters will pay the tax, not the owners. Forty-two percent of households rent their home. Most cannot afford to pay any more.
- Counties rely on property taxes to fund emergency services, parks, roads, sewers, etc. A new state property tax would hinder the counties' ability to set tax policy for essential services.
- The combined tax burden and cost of living on residents in Hawaii is already very high. The new property tax would make it worse.
- The state budget grew 25% in recent years, yet school funding remained flat. **The problem is lack of priority, not lack of funds.**

Advocates insist they only want to tax multimillion dollar investment homes and they would never support taxing working families in rental property. Unfortunately, this constitutional amendment provides no such assurance and future legislatures will be able to expand the tax as they see fit.

One has only to look at the conveyance tax and the transient accommodation tax to see how well intentioned, targeted taxes expanded and morphed into cash cows for the state general fund. Special funds are diverted all the time and there is no end to creative justifications for moving funds around to meet ever changing priorities.

I am in favor of mandating a minimum 25 percent of the state budget to fund education and I will submit legislation to place this mandate into law. In this way, we will guarantee funding for education and elevate it to the priority it deserves.

The proposed constitutional amendment does not guarantee any increase to education funding; it is just a new tax. I will be voting No.

## We held back Airbnb

Over the two previous sessions, I fought against the “Airbnb Bill” because it would have provided a huge shield for illegal vacation rental operators. Airbnb wants to collect and pass taxes through to the state, but refuses to share tax payer information with the tax office or verify the legality of the operations.

While most House and Senate legislators fixated on additional tax revenue, whether or not the business activity is legal, I banded together with a handful of Senators to oppose any bill that would reward Airbnb and complicate county enforcement efforts against illegal vacation rental operators.

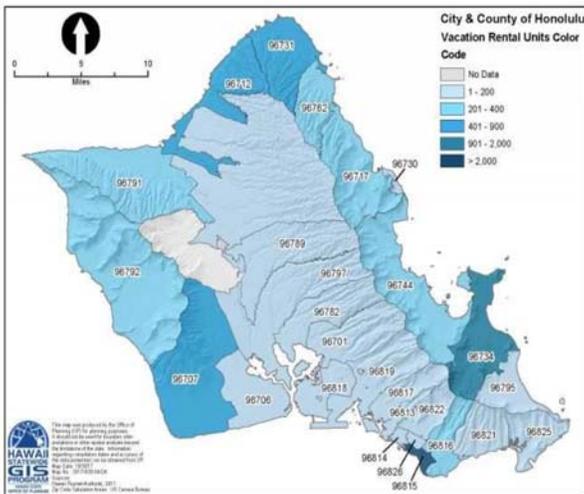
Through determined and effective communication with the other members, we changed the dynamics of the debate. Instead of pushing tax collections, no matter the consequences, the Senate now supports tax collection by hosting platform for legal operations only, with relevant data provided to the Department of Taxation and the county planning agencies.

This position would allow companies like Airbnb another revenue stream by collecting and managing millions of dollars in taxes, while enhancing tax and land use compliance.

The House continues to support Airbnb’s position, so the matter is not yet resolved and the debate will resume next session. It is paramount that the Airbnb position be defeated.

The Senate position we helped craft balances the competing interests of tax collection and enforcement.

Meanwhile, the counties need to step up their enforcement efforts and update their laws governing B&Bs and transient vacation units. It is time to solve this problem!



### Legislative Report, Continued from Page 1

Another hot topic for many people in our district has been concern over potential health risks of the pesticide chlorpyrifos, a restricted use pesticide (RUP) that the EPA considered banning nationally. While chlorpyrifos use has been in decline, some agricultural operations will need time to transition, so exemptions from the Dept. of Agriculture may be granted for a few years. RUP use above certain levels will be publicly reported and a 100-foot buffer zone around schools if pesticides are applied during school hours is mandated.

More votes were cast before election day than at the polling places in 2016. In light of this, a pilot project for all-mail voting on Kauai will begin in 2020. In-person voting will still be allowed at limited polling places, but the widespread, local voting places will be phased out. Depending on how it goes on Kauai, this voting system could be expanded throughout the state.

## Tourism Impacts

Tourism is a tremendously important industry for Hawaii, but our communities are clearly being strained by 10 million visitors.

For years, I have asked Hawaii Tourism Authority (HTA) to identify the optimal number of visitors for Hawaii. They never answer this question, so I introduced legislation that would transfer funds from their budget to State Parks when the visitor count exceeds a target.

HTA has an annual budget of \$141 million. The Parks Dept. survives on just a few million dollars per year.

Three Senate committees met to consider my bill, SB2446, to transfer funds from HTA to DLNR, and unanimously voted to identify 9 million visitors as the target. The full Senate later cut HTA funding substantially, but it was restored in the final budget negotiations with the House.

DLNR funding was dramatically cut during the recession and has still not recovered. Increasing funds to protect and enhance our natural resources, watersheds, conservation lands, forests, near shore waters, and state parks has been one of my top priorities.

In 2015, DLNR’s budget was \$124 million, \$17 million less than HTA’s budget. This year, DLNR’s budget is \$164 million.

Visitors come to Hawaii to enjoy our natural resources, scenic beauty and friendly people. HTA must refocus its mission to take a greater role in managing visitor impacts.

I will continue to push for this rebalance of priorities in 2019.



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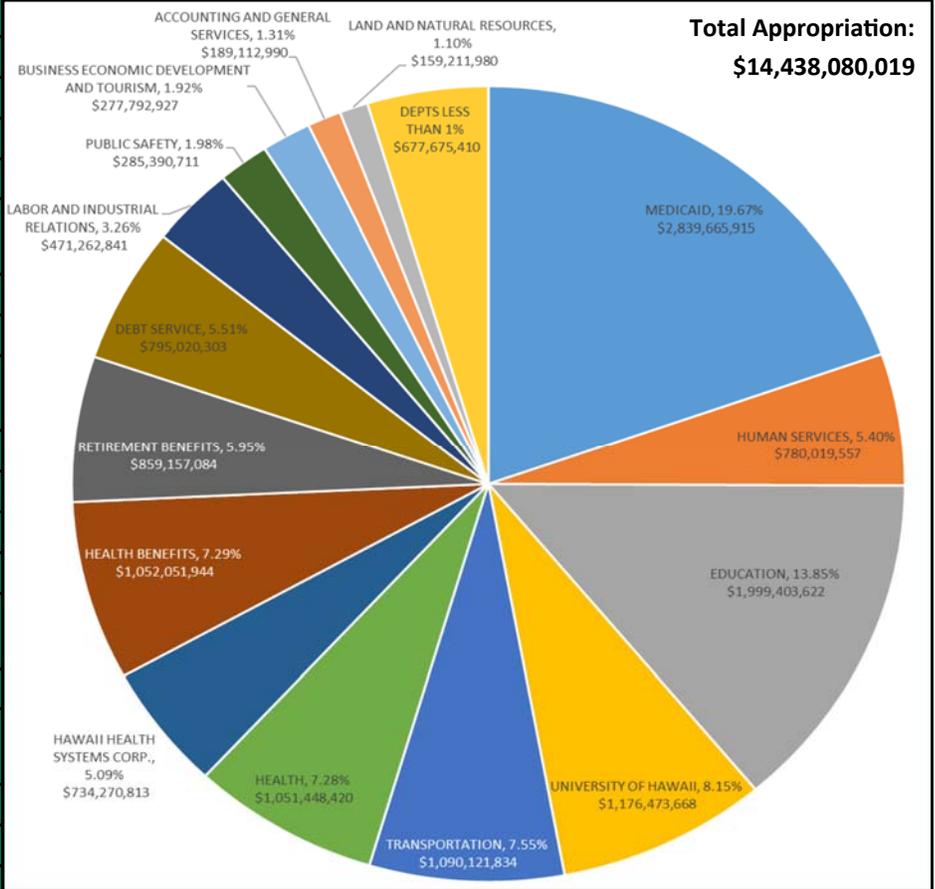
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Community Investments	
Kako'o 'Oiwi for Ko'olau Foundation	\$54
Waialua Community Assoc.	\$76
Ka'ala Forest Fencing	\$83
Hauula Elementary School	\$150
Alea Bridge	\$200
Ko'olauloa Health & Wellness Center	\$200
Bobby Benson	\$250
Sunset Beach Elementary	\$300
Ahupua'a 'O Kahana State Park	\$300
Malaekahana State Park	\$300
Kahuku Agricultural Park	\$350
Girl Scouts of Hawaii	\$450
Ho'ola Na Pua	\$500
Kunia Village Development Corp	\$665
Kahalu'u Elementary School	\$900
Kahuku High & Intermediate School	\$1500
Kahuku Medical Center	\$1650
Dillingham Airfield	\$2000

\*Appropriations in 000's of dollars

## Hawaii State Budget 2018-2019



*Comment / Response Form — We would love to hear from you!*

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Please share your thoughts, suggestions, or concerns:

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