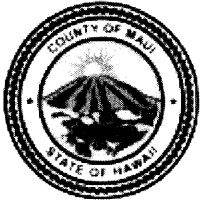


EDB Committee

From: Kelly King
Sent: Friday, May 03, 2019 12:56 PM
To: EDB Committee
Subject: Fw: Taxes

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Delbert Smart <delsmart@sbcglobal.net>
Sent: Friday, May 3, 2019 12:51 PM
To: Riki Hokama
Cc: Tasha A. Kama
Subject: Taxes

In 2018 I collected over \$19,000.00 in Get and Tat taxes for the County at no profit to me. Our unit was rented for over 200 nights based on the county appraisal of the property the return on investment was 1.68%. I can get a one year CD at 2.4%. Using the same 2018 numbers but using the proposed increase it brings my return on investment down to 1.09%. That would leave me with two choices. I could sell the property and reinvest in something to get a decent return or buy CD's. Next Choice rent or lease it for 6 or more months and no 10.25% TAT tax to file.

>>>
>
>
>>> Del Smart
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>
>>>

EDB Committee

From: Sonoma County Tree Experts, Inc. <769tree@gmail.com>
Sent: Friday, May 03, 2019 6:14 AM
To: EDB Committee
Subject: Opposed to punitive Maui Short Term Rental Tax Rate Hikes

To: Economic Development and Budget Committee and Council Members,

Subject: Punitive Tax Rates

This proposed short term rental rate hike of 66% of my short term rental will force us to stop renting short term and take money out of the hands of local workers. You are pricing out the honest short term rental owners. Go after the owners that don't pay or only pay part of the TA and GET taxes. Everyone should pay their share equally. Short term rentals do not have the ability to generate the same kind of income as hotels or time shares.

I agree with the following statements:

“The measures you’re recommending . . . they’re punitive in nature. Granted, I understand the county’s need for revenue. However, you can’t say that these tax rates are purely designed to generate revenue when there are proposed decreases to already absurdly low property tax rates in other classifications.”

“I believe residential short-term rental owners, like myself, our property tax should never be the same as a hotel. . . . We should always be less, because we do not have the ability to generate the same kind of income, it’s that simple,” said Maui resident Colleen Medeiros, who owns a short-term rental. *“The illegal rentals really ought to be handled first before tax increases come along because that is really skewing things. . . . Who knows what taxes they’re paying or not paying. It’s probably millions of dollars in tax revenue being lost by not enforcing the illegal rentals.”*

Thanks,

Dennis Stansfield Jr.
Lahaina Shores Beach Resort
475 Front Street, HI 96761 #534

EDB Committee

From: Trip Millikin <tripmillikin@gmail.com>
Sent: Friday, May 03, 2019 8:20 AM
To: EDB Committee; Keani N. Rawlins
Cc: Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei.Sugimora@mauicounty.us; Trip Millikin; Dora Millikin
Subject: Proposed property rate increases for short term rental properties

Dear Committee Chair Keani N. W. Rawlins-Fernandez and Members of the Economic Development and Budget Committee for Maui County,

We have recently become aware of a proposal before your committee to increase the tax rate for the property class Short Term Rentals from its current \$9.28/\$1000 to the current Time Share rate of \$15.41/\$1000; a 66% increase. For those of us who own properties of this type on Maui, such a profound increase seems unfair and unwarranted, and would add a significant financial burden to us when we, as a class, already provide approximately 25% of the county's property tax base. Unlike hotels/resorts or time share owners, many of us who own houses or condominiums on Maui use them as our second homes, living on-island for significant portions of the year, and renting our homes during other periods as a way to help defray the expenses of second-home ownership.

Even those owners who are not part-year residents would be best considered to be small business owners, an economic class that is generally encouraged and supported in most communities with preferential tax rates. While hotels/resorts and time shares are very important elements of our economy, they represent a completely different category of ownership, nearly always corporate, and their incentive for ownership is profit-driven, with added costs dispersed over a large group of corporate share holders.

Short term rental owners, like us are individuals who have already made a major personal financial investment in Maui, have done so primarily for our love of the island, our families here and the Hawaiian people, and would bear the full weight of additional taxes on an individual basis. As property owners on Maui we are fully supportive of your efforts to establish a budget that allows you to serve the needs of all of Maui's residents, but we encourage you to consider a more balanced approach to raising revenue as opposed to one that targets a class of property owners who are already heavily invested in our beloved island.

Thank you for your consideration

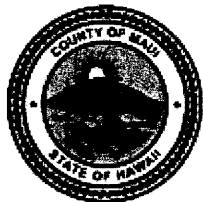
Sincerely,

Dudley & Dora Millikin
475 Front Street, #337
Lahaina, HI 96761

EDB Committee

From: Kelly King
Sent: Friday, May 03, 2019 11:45 AM
To: EDB Committee
Subject: Fw: biodiesel tax

With Aloha,



Office of Council Chair Kelly T. King

South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: evan ryan <evnryan@hotmail.com> on behalf of evan ryan <evan@ponogrown.org>
Sent: Wednesday, May 1, 2019 9:30 PM
To: Kelly King; Keani N. Rawlins; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Cc: Maui_County_Council_mailbox
Subject: biodiesel tax

Aloha Council members-

I am writing regarding the consideration of a tax on locally produced biodiesel. I am confused as to how it is even a consideration to tax a locally produced product that reduces waste, supports agriculture and minimizes air pollutants by a company that employs a large number of workers statewide, especially when the other fuels used are highly polluting, produced by large multi-national corporations and have been a cause of international warfare. Maui County and the State of Hawaii both have out of reach sustainability goals and companies like Pacific Biodiesel need to be supported with measures that increase their success. The Institute for Local Self- Reliance did a study in 2003 that demonstrated that for every dollar spent on a local business results in 45% secondary spending that supports another local business. For every dollar spent on a corporate business, only 14% results in secondary spending. This means that by encouraging local businesses we exponentially support other locally owned businesses instead of exporting our financial resources off the islands. Local businesses need to be supported, especially ones that produce local energy in ultra sustainable ways that utilize a waste product and make our environment cleaner. As a local farmer, I rely upon people willing to prioritize their dollars to a locally owned business. I also align my values by supporting other local businesses with the multiplier effect in mind. Measures like a tax on biodiesel raise my costs as we rely on the biodiesel for our truck

and tractor. Please recognize that the concept of taxing local biodiesel even further makes no sense as it makes it more unaffordable and has the risk of ending a local business that many people rely upon.

Mahalo-

Evan Ryan

Pono Grown Farm Center

808-269-9356

www.ponogrown.org

www.hawaiihomegardens.com

EDB Committee

From: JOHN G WOODHEAD <jgwoodhead@msn.com>
Sent: Friday, May 03, 2019 11:42 AM
To: EDB Committee
Subject: Maui short term rental increase of property taxes

Dear Maui County,

I am asking for you to consider how devastating this increase will be on the owners of short term rentals of condos. We don't get the traffic and revenues of hotels, and currently I am just barely making it as an Ekahi owner. I understand how important it is to get support and revenues from taxes, but can you consider a compromise of some sort??

Many people will lose their properties due touch an increase.

Please keep that in mind, it would be sad to see the hospitality industry get affected by such an increase, especially when Maui depends on it for jobs.

Thank you,
Gloria Woodhead
509-251-9697

EDB Committee

From: ji@jenniferireland.ca
Sent: Friday, May 03, 2019 8:23 PM
To: EDB Committee
Subject: Maui County Property Tax Increase

To Whom It May Concern:

Please accept this written testimony in response to the Maui County Council Budget Chair which has proposed a drastic increase in real property tax rates for Hotel/Resort and Short-term rental properties.

As a condo owner who rents our property as a short term vacation rental, the proposed increase will result in a tremendous negative impact for small business owners. This, in addition to the recent TAT taxes and declining tourism, will force us to further increase our nightly rate which in turn will decrease our chances of renting our unit and covering the basic costs of operating the vacation rental.

We strongly oppose the proposed increase and should it go through we will be put in a situation where we will have to decide whether or not to rent out our property due to not being able to sustain covering our operating expenses.

Sincerely,

Jennifer Ireland
Owner, Grand Champion Villas

EDB Committee

From: Kathleen Lewis <kjolewis2155@gmail.com>
Sent: Friday, May 03, 2019 5:12 PM
To: EDB Committee
Subject: Proposed Property Tax Increase

Council Member Keani Rawlins-Fernandez, Chair, Budget & Finance Committee Maui
County Council
200 S. High Street, 8th Floor
Wailuku, HI 96793

Dear Chair Rawlins-Fernandez & Members of the Committee,

My name is Kathleen Lewis and I with my husband am a short term landlord of one condo unit in Kihei, HI.

I writing to request that the Committee reconsider their proposal to raise my property tax by 16% which will be on top of the 5% increase in the tax assessment that is also scheduled for this next tax year. We already, for the past 4.5 years have paid the highest property tax rate that Maui has to offer. If this unusually high tax rate goes forward we really do not know how it will be covered. Occupancy fees cannot be arbitrarily raised on guests. Guests will find other more reasonable places to spend their vacations. The other alternative is that we do not pass this increase to our guests and we cover it ourselves and repeatedly go into the red financially just to keep up Maui's tourist industry. That will not happen. Currently we do well to just break even financially in good occupancy years. Tourist trade is Maui's chief industry and we, although small in a large industry, do a lot for the businesses and job market to support Maui's economy. There are much more fair ways Maui can bring in adequate tax support other than "milking" the hotel and short term rental markets every time more tax revenue is needed.

We were on Maui in the last couple of weeks and attended one of the hearings and openly expressed our concerns at that hearing. You made a move in the right direction, but a larger downward move is needed. Plan ahead for a stronger tourist economy rather delivering a fatal blow.

Thank you for reconsidering once again.

EDB Committee

From: Lisa Stansfield <lisastansfield@sbcglobal.net>
Sent: Friday, May 03, 2019 6:14 AM
To: EDB Committee
Subject: Opposed to punitive Maui Short Term Rental Tax Rate Hikes

To: Economic Development and Budget Committee and Council Members,

Subject: Punitive Tax Rates

This proposed short term rental rate hike of 66% combined with the over value tax assessed value of my short term rental \$447,900.00 will force us to stop renting short term and take money out of the hands of local workers. Per my conversation with the tax assessor your office did not use comps to assess the value of property at Lahaina Shores Beach Resort. The studio next to me sold for \$300,000.00 and some as low as 160,000.00 for a Mountain View studio. You are pricing out the honest short term rental owners. Go after the owners that don't pay or only pay part of the TA and GET taxes. Everyone should pay their share equally. Short term rentals do not have the ability to generate the same kind of income as hotels or time shares.

I agree with the following statements:

“The measures you’re recommending . . . they’re punitive in nature. Granted, I understand the county’s need for revenue. However, you can’t say that these tax rates are purely designed to generate revenue when there are proposed decreases to already absurdly low property tax rates in other classifications.”

“I believe residential short-term rental owners, like myself, our property tax should never be the same as a hotel. . . . We should always be less, because we do not have the ability to generate the same kind of income, it’s that simple,” said Maui resident Colleen Medeiros, who owns a short-term rental. *“The illegal rentals really ought to be handled first before tax increases come along because that is really skewing things. . . . Who knows what taxes they’re paying or not paying. It’s probably millions of dollars in tax revenue being lost by not enforcing the illegal rentals.”*

Thanks,

Lisa Stansfield

Lahaina Shores Beach Resort

475 Front Street, HI 96761 #332

EDB Committee

From: Lorraine De Blanche <ledblnc@aol.com>
Sent: Friday, May 03, 2019 10:46 PM
To: EDB Committee
Subject: Proposed increase in property tax for short term rental properties

Dear Committee

I have received notification regarding this proposed increase from the HOA and the management company taking care of my Condo in Maui.

To say I was astounded, is an understatement!

This percentage increase is preposterous!

I suggest that the increase be based on the inflation rate and be gradually phased in every year - if the inflation rate has increased.

I certainly hope you are open to alternative suggestions as our properties are responsible for Maui county receiving significant income through tourism.

Sincerely

Lorraine De Blanche

Owner: Grand Champions Villas, # 178, Wailea, Maui

Sent from my iPad

EDB Committee

From: Nicholas Gretener <ngretener@shaw.ca>
Sent: Friday, May 03, 2019 8:06 AM
To: EDB Committee; Keani N. Rawlins
Cc: Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Property Tax Hike on Short-Term Rentals

Aloha,

I am writing to request Maui County Council not consider a proposed hike in the short-term rental property tax of over 50%.

Such a dramatic/draconian increase in taxes is unconscionable. Short-term rentals represent a market segment markedly different from the time share market. The time share market involves much greater turnover. Short-term rentals on Maui are predominately associated with owner units that are rented out part-time when owners are not on island. In my case, that amounts to rentals for about 50% of the year (180 days). Owner occupancy is much higher for the short-term rental market than for time shares (typically measured in months for owners of short-term rentals versus weeks for time shares).

The short-term rental market already contributes substantially to the Maui County coffers and any proposed increase of over 50% constitutes rate shock, is fundamentally unfair and will send a poor signal to the investment community.

Best,
Nick Gretener

EDB Committee

From: Lewis, Roger <roger@cabnr.unr.edu>
Sent: Friday, May 03, 2019 6:30 PM
To: EDB Committee

Committee members,

My name is Roger Lewis and I am the owner of a short term rental on Maui County. I am writing in opposition to the proposed increase in property taxes for short term rentals. An increase of 66% in the tax rate is unreasonably high, particularly when compared to that of all others in the county being taxed. This proposed increase significantly and unfairly disadvantages a subset of the tax paying community. This community is the life blood of Maui. Just compare the standard of living and the added amenities of the citizens of the county before and after the growth of the tourism industry.

The continued rate increases, as evidenced in the past and now proposed for the future will certainly negatively impact the visitor industry. As a result, the industry will seek ways to compensate for the dollar losses. Those measures will spill over to include reduced wages, fewer working hours and/or reductions of personnel. Hence, it should concern the decision makers, as to what are the unintended negative consequences of the tax increases. As a cautionary note: Don't bite the hand that feeds you.