

EDB Committee

From: Kelly King
Sent: Tuesday, April 30, 2019 11:54 AM
To: EDB Committee
Subject: Fw: TAXATION

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: Miles Barber <santaclaraweekly@gmail.com>
Sent: Tuesday, April 30, 2019 11:37 AM
To: Kelly King
Subject: TAXATION

Dear Kelly,

For more than thirty years my wife and I have been homeowners on Maui. We have cringed each year as we have watched our property taxes climb to an unbelievably level.

Our purchase was encouraged because property taxes were reasonable.

They were \$2000 per year when we purchased.

This year they are nearly \$40,000.

We hardly use any County services.

We live on a private street of ten homes.

We provide our own street lights. We pave our own street.

We pay for electricity. We pay for water. We pay for garbage.

I cannot remember the last time a County employee visited our street or home.

Now we have reached the ripe old age of 80. To supplement our retirement, we became a licensed Short-Term Vacation Rental.

Last year we paid \$29,000 in TOT tax, \$12,000 in excise tax in addition to \$36,000 in property tax. AND WE ARE JUST ONE HOME.

Please, reconsider any thought of raising our taxes again.

STVR rentals are a great asset to the County and the State. Any decision to discriminate against people like us is inconstant and discriminatory.

We are providing a service for families who wish to vacation together as a family. We contribute to the Maui economy. We should not be penalized unequally, taxed unfairly or discriminated against unjustly. The proposal to target STVR's at a HIGHER rate than hotels or time shares is predatory.

We recognize the importance of taxes, services and agencies. We do not recognize the unfairness to single out STVR homes in a discriminatory action to increase our taxes.

Your vote to equalize taxation confirms the motto of our Founders; "No taxation without representation."

Your vote to equalize taxes would indicate you are a true and thoughtful representative of the people you serve. Your vote is precious and powerful. Equality benefits your constituents which includes every STVR owner.

Miles & Linda Barber

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Miles H. Barber
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EDB Committee

From: Membership Admin <hanahighwayregulation@gmail.com>
Sent: Tuesday, April 30, 2019 9:42 AM
To: County Clerk; Kelly King; Keani N. Rawlins; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura; Kay Fukumoto; EDB Committee; EACP Committee; MT Committee; PSLU Committee; WAI Committee; Terry Venc; Mayors.Office@co.maui.hi.us; Tina.Silva@co.maui.hi.us
Subject: Hana Highway Visitor Education funds, MVB specific proviso

Aloha,

My name is Napua Huevo and I have lived in Keanae, the half way point to Hana, for my entire life. Aside from my residency, I've seen the hardship posed to legal commercial operators through the scope of my grandmother's long-standing banana bread fruit stand and the tour company I've managed over the last five years. The unlicensed commercial operators are part of a significant black market that thrives in the rural region with not enough oversight from pertaining regulatory agencies such as the Public Utilities Commission, Department of Transportation and Department of Health. I drive the road to Hana to get to work and the visitor industry makes it quite difficult for me to do so in a timely manner. I am often delayed in visitor traffic or late due to lack of visitor awareness to common laws and posted signage.

The other day, I endured a 40 minute hold up when a semi truck attempted to cross a bridge only to realize that at the other end was a visitor rental SUV parked under a NO PARKING sign, with a flat tire. The semi truck not being able to make it across the bridge had to reverse his truck and trailer back off the bridge to let some of the built up traffic behind him get through. He then had to proceed to the waterfall to locate the driver of that vehicle and get them to come out and attend their illegally parked vehicle on top of the flat tire they incurred a few turns before this waterfall. The truck driver then had to assist the visitor with changing their flat tire in order to get their SUV moved out of the way so he could make the turn and move along with his haul. This caused a build up and hold up of traffic in both directions. If there was a resident advisor positioned at this highlight site, no visitors would have been able to illegally park in the first place as the advisor would have referenced the No Parking sign and the visitors would have had to moved along to an alternate recommended State Park instead.

The pirates of the road to Hana that lead the unlicensed commercial operators pool are completely belligerent in their behaviors. They have been identified as lacking motor carrier for hire certificates from the PUC and yet continue to facilitate guided experiences on the Road to Hana with as many as 13 illegal operators on the Road to Hana everyday. Even after confrontation by residents who have become educated on the specific infractions, they continue to disregard resident preference and State laws, taking people into private properties for a fee such as the bamboo forest.

I have served on the committee of the Hana Highway Regulation since its inception in 2016. This group was initially formed by concerned legal commercial operators who collectively realized that the unlicensed commercial activity was out of hand along the rural activity route. We have made substantial progress thus far with educating the hospitality industry about the issues we face within the Road to Hana industry. We have made sincere awareness efforts by openly sharing our predicament which has garnered various means of support such as opportunities to share our platform.

We have facilitated road side observations since 2016, an attempt to understand the intricacies of the chaos we endure as residents and legal commercial operators of the Road to Hana. Our Summer 2018 report elaborates on the cause and effects of this situation. It has come to our attention that printed materials, media pieces and roadside signage are helpful yet ineffective to the amount of interest these visitors have cultivated in some of our sacred sites, so much so that they are more than willing to disregard these components of information, direction and signs that indicate prohibit of trespassing to fulfill their intentions of getting photos or takings selfies in places that Kama'aina with lineage to these places have never been to in their entire lives. Based on this, we have deemed a visitor safety system entailing a field-advisor providing on-location education to be the only effective means of deterring visitors from illegally parking, trespassing, conducting unlicensed commercial activity and commercial activity within sacred spaces.

As the organization who has conducted over 17,520 hours of community service and volunteerism since 2016 to understand the issue we face along the Road to Hana and make strides towards solutions, we humbly request you please make a specified proviso that the Maui Visitor's Bureau shall allocate the entire amount of Hana Highway Visitor Education to the Hana Community Association to fund their Visitor Safety System Study this Summer 2019. We are exhausted at the potential of MVB's misuse of these funds to create pamphlets or videos which although appreciated, have proven ineffective to date. We would like to implement core solutions based on our data to actually eliminate these chaotic issues our visitors and residents face everyday on the Road to Hana. Please equip us to do so by recommending that the MVB must collaborate with Hana Community Association to enact real solution. We are looking to your support of our community-curated Visitor Safety System which we are confident will end the impact we have endured for far too long.

I have provided a link here to our timeline as another reference of our work through the years.. <http://www.hanahighwayregulation.com/news>

Please reach out to me by phone or email and I would be happy to answer specific questions to ensure collaboration of MVB and Hana Community Association.

Mahalo,

Napua Hueu | 808-321-0425 direct

Committee Chair | Hana Highway Regulation

www.HanaHighwayRegulation.com

an initiative of the Hana Community Association, a 501(c)3 non-profit

EDB Committee

From: Aylin Meier-Geissinger <aylin@tongbag.de>
Sent: Tuesday, April 30, 2019 12:33 AM
To: EDB Committee
Cc: Keani N. Rawlins
Subject: Proposed Property Tax Rate Increase by 66%

Dear Sir and Madam

We are a third generation owner on the island of Maui. We have enjoyed coming here since 1968. Recently we have started to rent out our unit however we occupy it about five months out of the year. The proposed 66% increase in tax rate for short term rentals would present an undue hardship on our family.

While on island ourselves much of the year we support local fundraising events, and work with charitable organizations. Our monies are also spent at farmers markets, roadside stands, and local shops, not to mention the many restaurants.

It is grossly unfair to overtax the individual who needs the extra income from rental nights to support their property.

With my best regards

Peter Meier

EDB Committee

From: Rajam <rajamradha@gmail.com>
Sent: Tuesday, April 30, 2019 3:33 PM
To: EDB Committee
Subject: Testimony

I am the owner of Hololani A701 unit My name is Rajam Radhakrishnan

Committee Chair Keani N. W. Rawlins-Fernandez and the Economic Development and Budget Committee Members:

I just bought a second home to spend significant time in Maui with family. This new tax proposal will cause undue financial hardship on me and is not fair since I just purchased the property. I am on a fixed income and used hard earned savings to buy a property n Maui which I consider paradise. If I would have known this I would have never bought the property. I saved money for years in anticipation for this and worked out the finances based on expected taxes over the past several years. If this proposal is implemented it will cause myself and my family significant sadness and hardship. We will likely have to sell our property at a loss.

As you are aware, current Short Term Rental Tax Rates are \$9.28/\$1000, the third highest rate only exceeded by Hotel and Time Share rates. These already high rates are exacerbated by escalating property values that are in many cases in excess of what the property can bring on the open market. So, not only are the current tax rates very high, but they are being applied on an unreasonable value. I am not a hotel or large company but an individual who can't afford to pay even more additional taxes.

In the past several years tax valuations have greatly increased. Adding another 66% increase for this segment is an unfair burden on us, and puts the entire short term rental industry in jeopardy. I was hoping on using that income just to break even on my expenses. It's been a lifelong dream to live partly in Maui, and if the proposed tax is implemented it will likely to reduce the value of these very properties which then reduces the tax revenues received.

Please understand, this is not property used as a hotel or time share, it is our second home. We plan to live in Maui more each year. We have created many new friendships and are involved in other community benefit activities. We love Maui and wish it to prosper for everyone, but this is placing an excessive burden on a select group of people just isn't fair for the small guys like us. Short Term Rental property already comprises 25% of real property tax revenue.

We have a healthy vacation rental industry on Maui which allows for varied accommodations and experiences to visitors, which in turn increases return visits and benefits all of the small businesses on Maui as well as supporting thousands of jobs.

Please choose not to further burden the short term rental industry with such an aggressive and unfair tax increase. We already pay more than our fair share of property taxes simply because we choose to share our home when we are not on island. Home sharing such as this only makes sense and maximizes both the usefulness of the space and the positive economic impact on Maui. Please do not further discourage short term vacation rentals.

Thank you for your attention to this – taxes are inevitable, however, this Council proposal is excessive and punitive in our opinion.

Thanks again for your time and consideration,

Rajam Radhakrishnan

EDB Committee

From: Robert Shaw <rfsinak@gmail.com>
Sent: Tuesday, April 30, 2019 11:05 AM
To: Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura; EDB Committee; Keani N. Rawlins
Cc: Riley Beckett (A301); Riley Beckett (A301)
Subject: Testimony Regarding Proposed Tax Increases

Maui County,
Economic and Budget Committee,
Council Members,

RE: Tax Increase on Short Term Rentals

Dear Council and Committee Members –

I am writing today to provide my testimony regarding proposed increases to tax rates for short term rental properties on Maui. When I recently read about pending changes to my tax rate for my home on Maui I was shocked. I read that the budget committee proposed to increase the tax rate on my second home from \$9.28 per \$1,000 to \$15.41 per \$1,000 – the same as Timeshares? This is unfair and unreasonable increase of over 60% in the tax rate !

I am retired, and last year I lived in my condominium near Kahana for about 4 months of the year. I have limited income, and I rely on short term rental incomes in the months in which I do not live on the property to help me cover taxes condo fees, and general upkeep. As an owner but not a full time resident, and living on a property with substantial upkeep and expense, I can tell you that a 66% increase in tax may well be catastrophic for me, and may force me to sell my second home, which I love. I have already seen my tax bill go up over 20% in the last few years, a further 66% is just not workable.

Condominiums in short term rentals are NOT TIMESHARES and NOT HOTELS and should not be taxed at the same or similar rates. The council should consider well the impacts to those of us for whom Maui is our second home, and reject any further increase to short term condominium rental property tax rates.

I am certain it is not your desire to force retired part time residents to leave the island, but making tax changes of this magnitude may well have that effect. I urge you to consider those of us who are retired, on fixed and limited income, and for whom a massive tax increase will be impossible.

When I purchased on Maui years ago, the tax rate history was fairly stable, and I had hoped to rely on that stability in my retired years. Please bear in mind that many buyers will look at tax rates and taxation's schemes and their continuity and stability in choosing retirement living locations. Substantial increases may lead to unintended consequences

such as making maui less attractive to buyers, and this eventually stagnation or lower valuations leading to lower tax revenues.

This is not a good idea for the county and I urge you to reject this tax increase proposal and maintain or lower the current rate.

Thank you for your consideration,

Rob

Robert Shaw
4401 Lower Honoapiilani Road,
Lahaina, HI

and

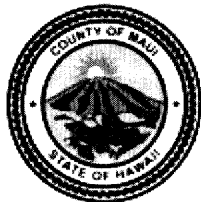
9838 Poseidon Drive
Anchorage, AK 99515

Sent from my mobile device. Please excuse typographic errors and shorthand notation.

EDB Committee

From: Kelly King
Sent: Tuesday, April 30, 2019 7:41 AM
To: EDB Committee
Subject: Fw: NO! ON INCREASE IN PROPERTY TAX FOR VACATION RENTAL CONDOMINIUMS

With Aloha,



Office of Council Chair Kelly T. King

South Maui Residency
Office: 808.270.7108
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Wailuku HI 96793
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From: Rosemary Michaels <remich4206@aol.com>
Sent: Tuesday, April 30, 2019 7:38 AM
To: Yukilei Sugimura; Kelly King; Keani N. Rawlins; Tasha A. Kama; Riki Hokama; Alice L. Lee; mike.molina@maui.county.us; Tamara A. Paltin; shane@aol.com; sineci@mauicounty.us
Subject: NO! ON INCREASE IN PROPERTY TAX FOR VACATION RENTAL CONDOMINIUMS

Dear Maui County Council Member:

As an owner of a Vacation Rental Condominium on Maui, I urge you to vote NO to an increase in property tax for Vacation rental Condos. I regularly pay TAT and GET for my rental and feel that this property tax increase is unfair to private owners. This would be a 67% increase over what hotels pay at the current rate of 9.28/1000.

It would be better to go after the people who rent and do not pay TAT or GET. Also hotels do not pay increased taxes.

Regards,

Rosemary Michaels, owner
Kihei Surfside Resort #607
2936 S. Kihei Rd.
Kihei, Hi. 96753