

EDB Committee

From: Anthony Temple <anthony.c.temple@gmail.com>
Sent: Wednesday, May 08, 2019 10:00 AM
To: EDB Committee
Subject: Maui County Council Budget - Proposed 2020 Rates

We have been informed that there is a proposal to dramatically increase the Property Tax Rates for 2020, especially for the categories of Hotel Resort and Short-term Rental.

Such a rate increase would make our Property Tax bill our #1 expense - more costly than our Condominium Association fees!

Specifically, we would need an additional 30 guest days (at current rates) in order just to pay the increase in Property Taxes (assuming no increase in guest rates). We cannot envisage any means of substantially increasing guest days (our condo already has an 'A' rating and is supported by excellent marketing programs). Nor can we see any significant scope for increasing guest rates, which have been set against competition.

This proposal is a major concern. We already pay a very high level of Property Tax, and after all rental deductions, make very little return. If the proposed rates were introduced, then we would not experience any positive return (even in a good year). Accordingly, we would be forced to change our use of this property, which would not be of benefit, either to ourselves, or to Maui County.

Please take the above into consideration, for the Maui property market, property owners and of course our visitors.

Sincerely

Anthony C C Temple and Pauline A Temple

EDB Committee

From: Saiko Tamura-Soga <saiko.tamura.soga@gmail.com>
Sent: Wednesday, May 08, 2019 5:59 PM
To: Mayors.Office@co.maui.hi.us
Cc: EDB Committee; Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Paltin.Tamara.Paltin@mauicounty.us; Shane M. Sinenci; Yukilei Sugimura
Subject: RE: Maui County Budget Hearings - I support fair tax rates

Dear Mayor Michael Victorino,

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.

In the past several years tax valuations have greatly increased (add your yearly increase in the past 5 years) Adding another 28% increase for this segment is an unfair burden on us, and puts the entire short term rental industry in jeopardy. Such moves are very 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 go to Maui every year to spend at least a month and half (our plan is to stay much longer as we retire) on Maui, have created many new friendships, and participate in fundraising and 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. 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. The vendors who work for us or small business owners are not hotel hourly rate employees they are making good incomes ranging from handymen \$40/hour, cleaners \$50/hour to high tech repairmen at \$120+/hour.

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 the Legal Short Term Property Owners.

We had visited the island several times before purchasing our property as visitors. Through the experiences we have had on Maui as visitors, we came to a conclusion that we needed to

own a second home on Maui in order for us to be able to stay longer and eventually share with our friends abroad or guests while we are not occupying the property.

Thank you,

Atsushi and Saiko SOGA

EDB Committee

From: Barbara Rubin <mkvcondo@yahoo.com>
Sent: Wednesday, May 08, 2019 11:03 AM
To: EDB Committee; Keani N. Rawlins
Subject: 66% Proposed Hawaii Property Tax Increase 2019

Aloha,

It has come to my attention that legislators are proposing a 66% Property Tax increase for our Maui condo. Although we live off-Island, we do stay in our Maui home often for extended periods of time. We also rent our condo to independent guests. Our condo is NOT a Timeshare! The guests that we do rent to spend lots of dollars and boost the Maui economy. They rent cars, visit attractions, shop in local stores, see shows, and dine out frequently. They have this opportunity because we can keep our prices reasonable for them to come to Maui. With the competitive market in flights, it is a way to allow new guests to visit our beautiful Island.

No one wants taxes raised to this unbelievable amount. The Hawaii State government already sees their fair share of monies raised from existing Property Taxes and the GET/TAT Taxes imposed on travelers. This proposed amount is actually too hard to even believe. What are you thinking?

Mahalo,

Barbara Rubin
mkvcondo@yahoo.com
MKV A-317

EDB Committee

From: Duane Smith <drsmith181@gmail.com>
Sent: Wednesday, May 08, 2019 8:42 AM
To: EDB Committee
Cc: Keani N. Rawlins; Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura; Jeff Smith
Subject: Proposed tax rate increase for Short-Term Rental Tax Classifications

County of Maui
Economic Department and Budget Committee

RE: Proposed tax rate increase for Short-Term Rental Tax Classifications

Dear Committee Chair Keani N. W. Rawlins-Fernandez and Economic Development and Budget Committee Committee Members,

My brother and I are writing in testimony to support a fair tax rate for short-term vacation rentals. We own a condominium unit at Papakea Resort on Maui.

The proposed 66% increase in the tax rate for short-term rentals such as ours would be a significant burden for us. The increase, combined with the property assessment we received this year, would result in an actual increase in our annual property taxes of 125%.

Our parents originally purchased the property in the mid-1970's as a second home because of their love of everything that Maui had to offer. Since their passing, it remains a cherished second home for my brother and I and our families.

Like our parents, we rent the property to other folks who are on vacation in Maui. Our condominium is not a time-share unit and it certainly is not part of the hotel industry that dominates the islands. We make no appreciable income from renting our place. Doing so only helps us make our payments.

A dramatic increase in the tax rate, such as the one proposed, will serve to increase rental rates. A major incentive for tourists traveling to any destination is cost. With a fair tax rate, rents can continue to be charged at levels which attract tourists to Maui.

A fair tax will also benefit the multitude of businesses on Maui that depend on the vacation rental industry. A dramatic increase in the tax rate is a real threat to jobs and subsequently individual and family lifestyles.

Thank you for your consideration of our testimony and we hope that a fair and reasonable tax bill will result.

Duane R. Smith
Jeffrey M. Smith
Owners: Papakea Unit D-402

EDB Committee

From: Kelly King
Sent: Wednesday, May 08, 2019 4:30 PM
To: EDB Committee
Subject: Testimony

From: Michelle Del Rosario
Sent: Friday, May 03, 2019 1:41 PM
To: Margi Calder <margi@hawaii.edu>
Subject: RE: Road Maintenance and Repair

Rowena Dagdag-Andaya
Email: Rowena.Dagdag-Andaya@co.maui.hi.us

From: Margi Calder <margi@hawaii.edu>
Sent: Wednesday, May 01, 2019 5:44 PM
To: Michelle Del Rosario <Michelle.DelRosario@mauicounty.us>
Cc: Kelly King <Kelly.King@mauicounty.us>; Tasha A. Kama <Tasha.Kama@mauicounty.us>; Tamara A. Paltin <Tamara.Paltin@mauicounty.us>; Yukilei Sugimura <Yukilei.Sugimura@mauicounty.us>
Subject: Road Maintenance and Repair

Aloha Michelle

Thank you for taking my call at almost 5pm today.

As we discussed, I am requesting that money be allocated for road maintenance and repair. My top three road requests for roads that need fixing and paving are Mill Street in Wailuku between Imi Kala and Market Streets (closer to Imi Kala), East Kuiaha Road in Haiku between Haiku Road and Hana Hwy, and Hui F in Napili. These roads are horrible. Mill Street is on the schedule for 2021--- I do not think the road will be viable by next year. Hui F has bad potholes everywhere and residents are often filling them themselves. East Kuiaha is basically like a road from the third world---many roads are actually better in the third world.

Can we make an emergency fund for these roads whose maintenance has been deferred over and over again? Why have these roads not been maintained, along with the many other bad roads?

I only support the confirmation of Acting Director And ya if she promises to fix these three roads and the many others that have been neglected under her administration.

I am doubtful that she will get them fixed.

I am more than willing to do my part to get them repaired. Please let me know what kind of help you need. I am willing to fill the shoes of Deputy Director. I am confident that I can get the job done.

I do not believe that money is currently being allocated and applied correctly.

Please let me know how I can email director Andaya and Mayor Victorino.
I cannot find their email addresses.

Aloha,
Margi Calder

808-283-9835

EDB Committee

From: maya soderstrom <msoderstrom6@msn.com>
Sent: Wednesday, May 08, 2019 6:51 AM
To: EDB Committee; Keani.Rawlings@mauicounty.us; Mayors.Office@co.Maui.hi.us
Cc: Kelly King; Riki.Hokama@mauicountyus; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Tax Increase opposition testimony.

Honorable Michael Victorino and Maui County Council,

I am sending my concerns and opposition to your proposed property Tax increases to Maui property owners.

I believe your proposed tax increases are oppressive and will cause hardship for many property owners who have placed trust in electing you as their local representatives.

I would suggest you replace these proposed increases with thoughtful efforts on your part to look at ways to live within your existing budgets.

Maui is one of the most beautiful islands on earth. Many owners who live here find their peace and happiness here calling it home.

Its very existence and prosperity is reliant on tourism. If hotels and vacation properties are taxed severely they will pass these costs on to tourism and vacationers. As time passes tourism may find its way to Mexico and Europe.

If tourists determine Maui is too expensive we will lose those who now come to this beautiful island.

I have just returned last week from Tahiti. I traveled there over 40 years ago and found it expensive and never returned. I believe this island is a good example of what can happen when you become too expensive! Businesses and tourism is bleak at best! Residents and businesses are suffering! They all complain about decreased tourism.

The other Major issue I would like to address is what you are doing to our island of Maui! Please don't turn this place in to Oahu and Honolulu! We don't need the crime, drugs and traffic.

Live within the budget do not increase taxes!

Sincerely,

Maya Soderstrom

Maya Soderstrom

EDB Committee

From: Rey and Carla Munoz <rcmunoz4@sbcglobal.net>
Sent: Wednesday, May 08, 2019 6:46 PM
To: Mayors.Office@co.maui.hi.us
Cc: EDB Committee; Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Paltin.Tamara.Paltin@mauicounty.us; Shane M. Sinenci; Yukilei Sugimura
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My grandparents came to Hawaii in the early 1910's from Spain on a contract to cut sugar cane, so we have a longterm sentimental connection. It was always a dream to own a second home on Maui after vacationing on the islands for many years. We used retirement funds to help purchase our Maui condo while planning on taxes at a fair and reasonable rate. We are not a large corporation and the burden of additional taxes would cause

financial hardship. We want to pay our fair share, but a large increase would be detrimental.

We hope you will consider our plea to keep taxes fair and reasonable.

Sincerely,

Rey and Carla Munoz
Woodland, CA