

EDB Committee

From: Cathy Rosczewski <cathyr1107@yahoo.com>
Sent: Thursday, May 16, 2019 6:00 AM
To: EDB Committee; Keani N. Rawlins; Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Testimony regarding Short Term Rental Tax Rates
Attachments: Maui short term tax memo.pdf

Dear Committee Chair and Committee Members

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 purchased my second home in Maui a little over a year ago and I understand that the past several years tax valuations have greatly increased. I have already received one. Adding another 66% 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. I purchased it a little over a year ago as we are looking forward to living there at least half the year when I retire at end of this year, we 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.

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 is 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.

We fell in love with Maui by visiting often using short term rentals, so much in fact, that we already felt part of the community when we decided to purchase our second home so we could be there more often. Since I am retiring with a fixed income we worked out the finances to buy our Maui home based on what has been a stable property tax index never anticipating such a dramatic increase; that increase will greatly hurt the rental income we rely on to pay the bills. I used my retirement pension to purchase our condo but need the rental income to keep it. Our children and grandchildren come and spend time and money in the local community. Being able to use it for short term rentals when we are not able to be there really helps us financially but it also introduces the wonderful things Maui has to offer to our guests who spend a lot of money in the community which helps Maui's economy.

Thank you for your time and consideration in this matter.

Sincerely,

Catherine Rosczewski
Lahaina, HI

RE: Maui County Budget Hearings - I support fair tax rates

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

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 purchased my second home in Maui a little over a year ago and I understand that the past several years tax valuations have greatly increased. I have already received one. Adding another 66% 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. I purchased it a little over a year ago as we are looking forward to living there at least half the year when I retire at end of this year, we 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.

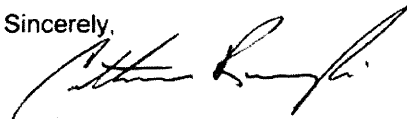
We have a healthy vacation rental industry on Maui which allows for varied accommodations and experiences to visitors, which in turn increases return visits and benefits all of the small businesses on Maui as well as supporting thousands of jobs.

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 is 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.

We fell in love with Maui by visiting often using short term rentals, so much in fact, that we already felt part of the community when we decided to purchase our second home so we could be there more often. Since I am retiring with a fixed income we worked out the finances to buy our Maui home based on what has been a stable property tax index never anticipating such a dramatic increase; that increase will greatly hurt the rental income we rely on to pay the bills. I used my retirement pension to purchase our condo but need the rental income to keep it. Our children and grandchildren come and spend time and money in the local community. Being able to use it for short term rentals when we are not able to be there really helps us financially but it also introduces the wonderful things Maui has to offer to our guests who spend a lot of money in the community which helps Maui's economy.

Thank you for your time and consideration in this matter.

Sincerely,



Catherine Rosczewski

EDB Committee

From: Troy & Susan Bunch <tsbunch2@gmail.com>
Sent: Thursday, May 16, 2019 2:14 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: 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 live on Maui 2-3 months each year, 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 have been visiting Maui since 1990 and have felt it is a very special place and have shared this beautiful island with many of our family and friends as well as those who want to visit.

We spend several months a year living on Maui and plan to increase the time over the years thus our property is a home several months a year. Is there an allowance to reduce our property tax based on actual time used as a vacation rental?

Thank you,

Troy & Susan Bunch