

EDB Committee

From: gail richard <gailrichard2@gmail.com>
Sent: Saturday, April 27, 2019 4:40 PM
To: Keani N. Rawlins
Cc: EDB Committee
Subject: Tax increase

I am writing to ask that you please reconsider the proposed tax increase for short term rentals. I own one property which is in Maui and have been saving for this property during all my years of working. I spend much of the year in Maui and when I am not there rent it as a short term rental for a moderate sum. I do this to help offset my high HOA fees and taxes. I do not make a profit nor do I break even. If this increase is approved I will be forced to sell (at a loss as the market will not bear the tax increase). This will be a great hardship for me and maybe the multiple sales of such properties may be a hardship for the county. If there are fewer short term rentals tourism may decrease and so too the income tourism brings to Maui County.

I agree money is needed for education and low income housing. There are several national organizations which provide for low income housing such as Home Trust, Section 8, and sweat equity housing which could be good long term options.

I understand the argument that freeing up short term rentals could provide more long term rentals. However I question if those who are low income could afford the high HOA fees on top of mortgage payments. Programs such as Home Trust provide a long term affordable option which is not controlled by a home owners association. These HOAs frequently increases fees for services or improvements, specifically in West Maui where needed sea wells to stop erosion (which is an ongoing problem) continue to contribute to increased fees.

Short term owners cannot absorb increases to the degree large corporations can such as hotels and time shares. We ask for a fair moderate increase so we may continue to make the contributions we do to the economy and welfare of Maui, a place we live and love

Thank you
Gail Richard

Sent from my iPad

EDB Committee

From: Gary J. Rippel <grippel@charter.net>
Sent: Saturday, April 27, 2019 6:57 AM
To: EDB Committee
Subject: Proposed Tax Increase for Short Term Rentals
Attachments: Short Term Rental Tax Increase Proposal.pdf

Gary J. Rippel

Kaanapali Shores Unit 159 • Lahaina, HI 96761

April 25, 2019

Economic Development and Budget Committee

RE: Proposed Tax Increase for Short Term Rentals

Dear Madam Chair and Committee Members:

I am writing you today to reconsider the proposed increase in our property tax category to that of Hotels & Resorts and Timeshares.

Short Term Rentals are currently taxed at \$9.28/\$1,000, the third highest category exceeded only by Hotel & Resort and Timeshares which are taxed at \$15.41/\$1,000. This increase would result in a 66% increase and would place an unfair burden on the **four owners** of our unit and guests of us owners.

The four owners of our unit purchased it as a means to have an affordable family vacation yearly for ourselves and our families, dating back to the 1980's. As our families expand, the ability to have an affordable Hawaiian vacation becomes more and more important. Kaanapali Shores has truly become our "home away from home". **As owners, we no way resemble a Hotel or a Timeshare.** We are personally responsible for all repairs, updating and refurbishing of our unit. We not to long ago spent over \$60,000 to update and modernize our unit. This was in addition to our normal expenses, association fees and taxes. As owners, the proposed increase in the property tax rate will unfairly increase our tax liability as property owners.

When we owners and our families visit our "home away from home" in Maui, we add greatly to the local economy by going to local restaurants, shopping and booking many activities with local concessionaires. A massive tax increase could have a negative impact on our ability to have that affordable Hawaiian vacation.

I ask that you please reconsider this proposed tax increase and consider going back to the original proposal of a fair 3% increase.

Sincerely,

Gary J. Rippel
Owner, Kaanapali Shores Unit 159

EDB Committee

From: Gwen Young <gwendall@shaw.ca>
Sent: Saturday, April 27, 2019 1:11 PM
To: EDB Committee
Subject: Maui County Budget Hearings - I support FAIR tax rates.

April 27, 2019

Mahalo,

I have owned a condo on Maui for 10 years. It is my second home and I spend a lot of time there as I live in the cold Canadian climate! It is to be my retirement home.

We have raved about Maui to our many friends and business associates. While most find it more economical to vacation in Florida, or Arizona, we have convinced many to try Maui and once they have been there the first time they always want to go back.

This results in more visitors and consequently an economic advantage for Maui. When I do rent, it is to people I know and who have an appreciation and reverence for nature rather than revellers who negatively affect properties and neighbours.

My Maui home is **not a hotel or timeshare**. The proposed tax increase for short term rentals will create an unfair burden for me. It would be sad if those on fixed incomes were forced to sell due to an unfair tax burden.

I urge you to leave our already high taxes alone! Hotels are owned by large companies and can well afford the taxes. Many of us who have short term rentals are not wealthy and rent from time to time to allow us to reduce our costs and enable us to live on Maui full time, sooner rather than later.

Thank you so much for your attention to this matter. Please bring the Aloha spirit to this issue. We know we are guests on your beautiful Island. Hoping you will extend your always gracious kindness.

Mahalo,

Gwen Randall-Young

EDB Committee

From: Jerome Bosch <jerome.bosch@comcast.net>
Sent: Saturday, April 27, 2019 8:44 PM
To: EDB Committee; Keani N. Rawlins; Yukilei Sugimura; Shane M. Sinenci; Tamara A. Paltin; Mike J. Molina; Alice L. Lee; Tasha A. Kama; Riki Hokama; Kelly King
Cc: ICE - Yvonne P Bosch
Subject: Tax increase proposal

To the Members of the Maui County Economic and Budget Committee,

This email is to express our opinion regarding the possible major property tax increase for vacation rentals.

As residents, short term vacation rental owners and business owners here on Maui, we are deeply involved in the service industry catering to out-of-state visitors. Our livelihood is directly linked to people deciding to visit Hawaii/Maui during their vacation as opposed to many other similarly attractive exotic locations around the world.

While we do support tax increases to maintain and improve infrastructure and public services, we also want to caution any dramatic/sudden increase to any tax that would negatively affect both residents as well as visitors.

As we all know, the cost of living on Maui for residents is high, usually limiting disposable income. Vacation rental owners faced with a substantial tax increase would most likely need to pass the increase onto their guests in order to keep their revenue at about the same level as now. Increased cost of accommodations for visitors would most likely result in either a change of destination or a reduction in their spending while on vacation. Either way, this would result in less money for the state from visitors. In addition, should this tax proposal decrease the number of visitors, the vacation rental owners would still have to pay the higher tax bills while having a reduced income from their property, therefore significantly reducing their purchasing power. As residents can now also afford less, local businesses will also get affected.

As a summary, it just seems like any gain for the county in property tax payments will very quickly be negated by losses in many other departments.

Once again, we are in favor of any justified tax increases that are tied to inflation and increased budget requirements, but not in favor of dramatic tax increases, especially if it singles out just a few taxpayer categories.

Sincerely,

Jerome & Yvonne Bosch

140 Uwapo Rd, #51-104

Kihei, HI 96753

Tel: 808 339 6204

Email: Jerome.bosch@comcast.net

Vacation rental owners at Maui Vista (Kihei)

Business owners Maui Roadsters (Kihei) www.mauiroadsters.com

EDB Committee

From: Mike Scales <mike.scales@nyack.edu>
Sent: Saturday, April 27, 2019 10:14 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; Susan Scales; mikegscales@gmail.com
Subject: 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 high rates are exacerbated by escalating property values that are often in excess of the real market value. So, not only are the current tax rates very high, they are also applied on an unreasonable value. Tax valuations have greatly increased over the past several years. Adding another 66% increase for this segment is an unfair burden and puts the entire short-term rental industry in jeopardy. Such an increase is likely to reduce the value of the property and reduce tax revenues.

Please understand, this is not property used as a hotel or time-share, it is our second home. We live on Maui for a period each year, created many new friendships and participate in 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 that allows for varied accommodations and experiences to visitors, which increases return visits and benefits all 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 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.

Our ability to rent our condo brings tourists who generously spend money because visiting Maui is often a life-long dream. Even with the rental income, we are forced to subsidize our ownership. Raising taxes will drive the market value down, cause us to sell at a lower price and drive down property values and tax revenue.

Please don't raise taxes - creating the unintended consequence of harming the economy and destroying the Hawaii dream of so many.

Mahalo for your consideration,

Sincerely,

Michael & Susan Scales
Unit 409

73 North Kihei Road
Nani Kai Hale
Kihei, HI 96753

EDB Committee

From: Steve Lindner <stevellindner1@gmail.com>
Sent: Saturday, April 27, 2019 2:14 PM
To: EDB Committee
Subject: Proposed increased tax rate for 2nd home owners in Maui

To whom it may concern. I am very concerned with this proposal. My wife and I purchased a condo last year in Kihei for the express purpose of spending at least 6 months of the year living in it.

This type of increase would significantly impact our ability to live in Hawaii at all. Please reconsider deferring this type of increase to timeshare owners and not residents!

God bless,
Steve Lindner

Sent from my iPhone

EDB Committee

From: Thomas Loughran <tomloughran808@gmail.com>
Sent: Saturday, April 27, 2019 1:49 PM
To: EDB Committee
Cc: Tom Loughran
Subject: Drastic Rate increase!
Attachments: Maui County Council Budget Chair-Testimony against rate hike.pdf

Please do not raise Short Term Rental properties!

See attached testimony.



Tom Loughran
Realtor (S)

Better Homes and Gardens Real Estate
ADVANTAGE REALTY- VALLEY ISLE

Cell: 281-4389

mauitomproperties.com



Virus-free. www.avast.com

FOR HOTELS/BUSINESS THAT WORK DIRECTLY WITH HOTELS

April 24, 2019

Council Member Keani Rawlins-Fernandez
Chairman, Budget & Finance Committee
Maui County Council
200 South High Street, 8th Floor
Wailuku, Hawaii 96793

Dear Chair Rawlins-Fernandez and Members of the Committee:

My name is Thomas R Loughran and since 1994 my wife and I have owned a condo in South Kihei, first for an investment and now for income. I am semi-retired, and my wife is currently retired. We are both on Social Security and cannot afford this outrageous increase. 64.5%???? **We are NOT a commercial business, hotel or time share** and this will drastically affect our income to survive on Maui. My wife and I paid out almost \$4,000.00 in TAT and over \$1,600.00 in GE taxes last year.

We oppose the proposal to raise, by **64.5%**, the current hotel and resort real property tax rate from the current \$9.37 per \$1,000 of assessed value to \$15.41 per \$1,000. Additionally, we oppose the drastic short-term rental rate increase from the current \$9.28 per \$1,000 of assessed value to \$15.41 per \$1,000. The hotel/resort, short-term rental and timeshare classifications are the highest tax rates for Maui County. We respectfully request that we look at creating a more equitable share in tax rates.

The reasons for our opposition are as follows:

High Property Values: Maui County's economy is powered in large part by a strong visitor industry, and year after year we see double digit increases to our industry's real property values, resulting in more tax revenues being collected. Based on the increase in property assessed values alone an additional \$14 million will be generated at the current RPT rates for Hotel/Resort, Short Term rentals and Timeshare. The additional tax revenue already produced by higher property values should be enough.

Economic Slowdown: Many signs have pointed to an economic slowdown over the past year as concerns have been shared by state economists, government leaders, and visitor industry experts. This point was amplified by a recent report by the Hawai'i Tourism Authority that reflected our industry having the worst February performance over the last decade. (See attached report) This is of concern as the month of February is typically the strongest for hotels and sets a benchmark for the remainder of the year.

Industry Competitiveness: The hospitality industry, which competes nationally and internationally against lower-priced destinations, cannot continue to pass on tax increases to our visitors while concurrently dealing with the state's high cost of living. While national comparisons on taxes are numerous, there is no denying that Hawai'i consistently ranks among the jurisdictions with the highest tax rates for lodging accommodations. We are keenly aware of our position in the visitor market and the cost of a Hawai'i vacation. Any forces that adversely affect our ability to compete, such as having to pass along higher taxes, also impact our appeal as

a visitor destination, the availability of money to invest in new hotel properties or renovate existing ones, and employment within the hospitality industry and related travel businesses, all of which has a ripple effect across our entire economy. Small retail and restaurants attached to a hotel or resort will also be negatively impacted by this additional tax increase.

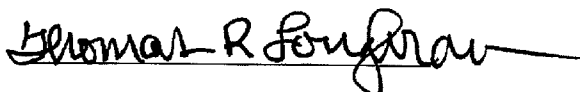
Impact on Hawai'i's Workforce: The cost of doing business in Hawai'i is already at a point where companies are having a difficult time turning equitable profits. The addition of increased taxes would produce an extra burden on our hotels and resorts forcing them to possibly look at cutting operational costs and ultimately workforce. We are aware that the hospitality industry is the number one private sector employer in Maui County as well as one of the highest taxed economic sectors, further levies could result in less jobs, employment cut backs, and curtailment of incentives.

Industry Support for the Community: There is the misconception that the visitor industry exists to benefit offshore investment companies. However, not only is the industry the number one private sector employer in Maui County but it is a generous supporter of local community charities. Individual businesses donate money, goods, and services to worthy causes. The Maui Hotel & Lodging Association's Charity Walk, raised over \$1.4 million last year exclusively for 100 Maui County non-profit organizations, granted over \$35,000 last year in scholarships to public school seniors and scholarships to UH Maui college students, and has worked tirelessly to secure matching funds from the State to support organizations that assist our homeless population. We believe in investing in our employees and our community.

Conclusion: The hospitality industry has enjoyed 7 consecutive years of record increases. We must be mindful, however, that the hotel sector has not benefitted entirely from this growth as more and more travelers are opting to stay at alternative accommodations. With what we have experienced last year in manmade and natural disasters, a hotel strike, and the government shutdown we must be cognizant of the fact that nothing can be taken for granted. In this regard, remaining cost-competitive and not viewing the visitor industry as a source of endless wealth for government must be foremost if we are to maintain our status as a prime destination for many years to come. Furthermore, there are thousands of individuals from every County District who are your constituents, who are employed by lodging and hospitality businesses that are very dependent on their living from the visitor industry to support their families. We ask that you oppose measures that could threaten their livelihoods and place the number one provider of jobs in the state in jeopardy.

Thank you for the opportunity to testify.

Sincerely,



Thomas R Loughran
270 Naniloa Dr.
Wailuku, Hi., 96793

EDB Committee

From: Julie Strain <tjstrain3@gmail.com>
Sent: Saturday, April 27, 2019 1:36 PM
To: EDB Committee
Subject: Property Tax increase
Attachments: Tom and Julie Strain Property Tax letter.pdf

Please see attached letter regarding the proposed Property Tax increase. Thank you for your consideration.

--

Tom and Julie Strain
206-915-7800

April 27, 2019

RE: Property Tax Increase

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.

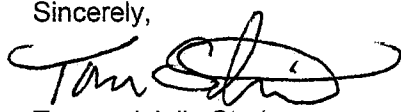
In the past several years tax valuations have greatly increased 26%, from \$1,918 in 2013 to \$2,570 in 2018. Adding another 66% increase for this segment is an unfair burden on us, and puts the entire short term rental industry in jeopardy. Such moves are very likely to reduce the value of these very 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. We live on Maui for 4-6 months each year, have created many new friendships, and participate in fundraising and other community benefit activities such as the Keolahou Church Food Pantry that feed 100-150 individuals every Friday morning. 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.

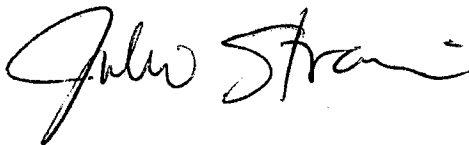
We have a healthy vacation rental industry on Maui which allows for varied accommodations and experiences to visitors, which in turn increases return visits and benefits all of the small businesses on Maui as well as supporting thousands of jobs.

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.

Sincerely,



Tom and Julie Strain
938 S Kihei Rd
Kihei, HI 96753



EDB Committee

From: Toni Marie Davis <toni@a3h.org>
Sent: Saturday, April 27, 2019 4:16 PM
To: EDB Committee
Cc: mayors.office@co.maui.hi.us
Subject: Mastering Communication - Apology

Aloha EDB Committee,

On Monday, I provided testimony, in support of level funding for MVB and against the hotel tax increase.

Some of my words have been interpreted to mean something other than what I intended. I apologize for not speaking clearer and expanding to ensure my intention was understood. If you knew me well, you would know that the thought process, which the FaceBook cartoonist published, is not present in my heart, my mind or my spirit. That being said, I take full responsibility for not being a better communicator. Please read the following to see my intention, incase you as well thought I meant something I didn't. The last thing I would want is to have what I said reflect badly on MVB. They are truly an amazing marketing engine.

Turning death into an event:

I referenced a visitor death which took place on a charter boat many years ago, and how this event was turned around and the family came back every year. The last thought in my mind was money – I was referring to the “bad advertisement” of “body bags” which was on the topic and aligned with the specific question. The question was not about ROI – it was about a tragedy affecting our marketing. Here is the whole:

~ December of 1992, elder parents with adult children and their children booked a snorkeling trip with us. A few of them decided to Scuba dive as well. The Father/Grandfather had a massive heart attack while scuba diving. He was not truthful on his waiver – he had no right diving. He'd undergone open heart surgery, which became very evident from the large scar down his chest as our crew began life-saving efforts and the boat raced back to shore. My husband was Captain on board. I met the boat and escorted the family members unable to go in the ambulance to the hospital; this event shook everyone on board. I stayed with the family into the evening. Over the next few days, I continued to be of service however possible while they made arrangements. They did come back for several years to celebrates their father and grandfathers life. It was a tragedy. I intended to communicate the importance of being human, showing kindness regardless of fault – it is the right thing to do. VASH – which works as part of MVB. Does this now.

Grand Canyon Comment:

I apologize if anyone thought my comment of about this happening in the Grand Canyon was sassy or disrespectful. I agreed that it is a tragedy; my comment was intended to share that it's not specific to Maui that cell phones and the taking pictures contribute to tragedies in other places too. It's sad, no doubt.

I apologize for not being clearer – communication is the key to success whether it's personal or business. Thank you for all you do!! Especially if you've read this far with all the work, you are doing at this time. I so appreciate it.

Sincerely, humbly and regretful if any of you were offended,

Toni

Toni Marie Davis/Executive Director
Activities & Attractions Association of Hawaii, Inc.

Office : 808-871-7947 Mobile: 808-264-0000 Fax: 808-877-3104
Want to schedule a meeting?: [Click Here to Open my Scheduling Calendar](#)



From: Toni Marie Davis <toni@a3h.org>
Sent: Monday, April 22, 2019 4:48 PM
To: 'edb.committee@mauicounty.us' <edb.committee@mauicounty.us>
Subject: Follow up on Questions Today

Aloha Madam Chair Rawlins-Fernandez, Vice Chair King and members of the EDB Committee,

Thank you for listening to my testimony & for serving our community. My testimony was in support of MVB's level funding and also spoke against increased hotel taxes.

There was a question regarding the existence of data on travel types (high spending vs. low spending) and the impact. I looked online and found the attached study from 2015, with over ten years of data regarding the specific idea of targeting the "ideal visitor." Here is an excerpt: Lundie et al. (2007, p. 503) writes that "different types of tourists generate different economic, social and environmental impacts on destinations." Moeller et al. (2011) found there were two segments representing 40 percent of the total market showing higher tourism expenditures along with lower environmental footprints. *The example of the \$1000 a day jerk on the beach smoking a cigarette, is an example that jerks come in all shapes and sizes.*

So much is being done to address accidental deaths while vacationing in this beautiful place, a new item is the attached DOH brochure I mentioned. Progressing toward perfection, but it will never be perfect, accidents happen, we can do more to ensure safety through education.

Working together – speaking impeccably, humbly and with Aloha, we will find solutions. Please know that I am here to be of service however possible. Thank you again for your service to our community.

Sincerest Aloha & Mahalo,
Toni

Toni Marie Davis/Executive Director
Activities & Attractions Association of Hawaii, Inc.
Office : 808-871-7947 Mobile: 808-264-0000 Fax: 808-877-3104
Want to schedule a meeting?: [Click Here to Open my Scheduling Calendar](#)

