

## BF Committee

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**From:** Haiku Cottage <haikumaucottage@gmail.com>  
**Sent:** Monday, October 30, 2017 7:17 PM  
**To:** BF Committee  
**Subject:** TESTIMONY: STRH PROPERTY TAX - SUPPORT FOR LEAVING STRH IN COMMERCIAL TAX CATEGORY

Aloha and thank you for your time in considering my testimony today.

I want to submit testimony to support leaving the STRH rental homes in the Commercial tax category.

I am a small business owner on Maui with one STRH permit (Maui Permit #STPH2015/000) in Haiku and after going through much effort and expense to acquire the STRH permit, I feel that this increase will make my business potentially unviable. The margin is very low in this market and rates are low on average, any potential increase would be really tough for my family.

I have testified in front of your council in the past about this issue and have not supported a shift in tax category to bring us up to HOTEL or CONDO levels.

Our permits are very restricted as to the use, no additional services are allowed (like hotels/condos) and I feel that we are paying a fair amount at the COMMERCIAL tax rate.

Our STRH permits also require \$1,000,000 liability policy with County of Maui named as additional insured (I do not believe that Condos have this expense).

Condos have concierge services and pool vendor services which typically pay high rents to the condo associations which can help offset these taxes with other income streams that STRH cannot.

I also am still witnessing many illegal STRH operators who are renting to visitors and not only taking the home owner exemption but they are sabotaging that market with lower rates on Air BNB, etc because they have NOT gone to the effort to get the permit and do not pay taxes at the appropriate rates.

This is still a big problem and I want to share how tough it is to compete with all of my business expenses incurred for being honest and abiding by the proper permits and paying my proper property taxes and GET/TAT each month.

Mahalo for your help in trying to solve this problem, I hope that you will consider my testimony in your decision.

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