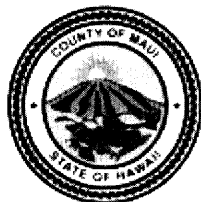


EDB Committee

From: Kelly King
Sent: Tuesday, April 23, 2019 1:18 PM
To: EDB Committee
Subject: Fw: Property tax rate increase

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

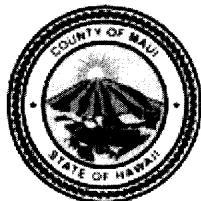
From: Andrea Reynolds <threedogsmommie@aol.com>
Sent: Tuesday, April 23, 2019 12:34 PM
To: Kelly King
Subject: Property tax rate increase

We are Andrea Reynolds and Donald Atkinson and we own a condominium at the Milowai in Maui. We are writing to express our strong objection to the proposed 60% increase in the property tax rate for vacation rental properties since this will greatly harm tourism and real estate on Maui. Many will be forced to sell our second homes on Maui because of the burden of paying this increase in our property taxes and many tourists will no longer be able to afford to vacation on Maui if we are forced to raise our rental rates. If owners have to sell, this flooding of the market will lower all property values. Please support the Mayors proposal to keep property tax rate increases reasonable. Mahalo

EDB Committee

From: Kelly King
Sent: Tuesday, April 23, 2019 3:18 PM
To: EDB Committee
Subject: Fw: PLEASE do not RAISE our PROPERTY TAXES TOMORROW, APRIL 24

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: Caroline Friesen <cfriesen@roadrunner.com>
Sent: Tuesday, April 23, 2019 2:06 PM
To: Kelly King; Keani N. Rawlins; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: PLEASE do not RAISE our PROPERTY TAXES TOMORROW, APRIL 24

We are Allan and Caroline Friesen and we own a condominium at the Maalaea Yacht Marina in Maalaea. We are writing to express our strong objection to the proposed 60% increase in the property tax rate for Vacation Rental properties since this will greatly harm tourism and real estate on Maui. Many of us will be forced to sell our second homes on Maui because of the burden of paying this increase in our property taxes and many tourists will no longer be able to afford to vacation on Maui if we are forced to raise our rental rates. If owners are forced to sell, this flooding of the market will lower **all** property values. We urge you to support the Mayor's proposal to keep property tax rate increases reasonable. Mahalo.

Allan & Caroline Friesen
6318 West Big Sky Drive
Post Falls, Idaho 83854

EDB Committee

From: Christen Walsh <chriswalshrhs@gmail.com>
Sent: Tuesday, April 23, 2019 2:24 PM
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
Cc: Bill
Subject: County of Maui - Proposed 60% Increase in Property Tax
Importance: High

Dear City Councilors,

We received a notification from our Board at Wailea Ekahi outlining your proposal to increase the tax rate for Short Term Rental properties to an amount greater than Hotels.

We strongly object to any increase as the impact is significant and will affect more than just the owners of such properties. We would be forced to pass along any increase to our guests which in turn will have a negative impact on the many visitors who would otherwise stay in short term rentals ... they will be priced out of the market. They will, inevitably, choose to stay on other islands or avoid Hawaii all together. Ultimately, the impact to the visitor revenue that contributes to the thriving Maui economy will be substantial.

Rationalizing the increase by stating that Short Term Rentals don't create jobs is, simply put, preposterous.

Short Term rental properties create work and jobs for many local residents in the following areas:

- Reservations staff
- Housekeepers and Housemen
- Property managers
- Concierge and Activity Salespersons
- Accountants
- Online Marketers
- Offline Marketers
- Plumbers
- Carpet Cleaning Workers
- Flood Control Workers
- Glass Repair and Installation Companies Professionals
- Blind Repair and Installation Companies
- Data and Technology Workers
- Painters
- Home Entertainment Professionals
- Dry Cleaning and Professional Washing Workers
- General Handymen
- General Contractors
- Tile Installers
- Woodworkers
- Security Professional Workers
- Landscapers
- Pool Care Workers
- Electricians
- Remediation Pros

Please abandon this proposal as it is bound to have a decidedly negative effect on everyone who enjoys Maui.

Respectfully,

Christen & William Walsh/Owners at Wailea Ekahi - Unit 37C

EDB Committee

From: Damian Antioco <doomasphotos@me.com>
Sent: Tuesday, April 23, 2019 1:18 PM
To: EDB Committee
Subject: Regarding Lahaina 3rd Saturday Recycling Day

Aloha hope your having greta day. Saw this letter in the Maui News today and it made me sad. This program is a huge success that keeps a lot of appliances,metals,tires etc off the being littered on the sides of the roads. Its prove in the statistic numbers in article that the program works so why would the county cut the funding to it makes zero sense. Please continue to fully fund this program so it continues to be every month its really does work and helps keep beautiful Maui clean. Mahalo

EDB Committee

From: . <drmodell@verizon.net>
Sent: Tuesday, April 23, 2019 7:23 PM
To: EDB Committee; Keani N. Rawlins; Kelly King; Riki Hokama;
Tasha.Kama@mauicouonty.us; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M.
Sinenci; Yukilei Sugimura
Subject: Property Tax--Proposed 66% Increase--Maui County

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

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

I am writing in favor of fair and reasonable tax rates for the vacation rental industry.

Short term rentals are currently taxed at \$9.28/\$1000, the third highest only exceeded by Hotel and Resort and Time Share rates. Increasing the short term rental rate too extremely puts an unfair burden on the individual owners of these properties, and the guests to these properties, and can only move to harm the small businesses that depend on the vacation rental industry.

We have a blossoming vacation rental industry on Maui, subject to appropriate restrictions and standards, and a fair existing permitting and taxing process. Short term rentals already comprise 25% of the \$319,516.547 of real property tax revenue compared to 11% for time share, and 7% for hotel and resort. The purpose of the industry is to allow for varied accommodations and experiences for visitors, and to allow small businesses to benefit from tourism.

I am supportive of the Economic Development and Budget Committee Committee's efforts to find a fair and equitable solution for taxing the vacation rental industry that limits any negative implications for the community. Right now short term rentals brings in \$79,500,000 in direct taxable revenue, and has created thousands of jobs for our island as well.

Thank you for considering my testimony and I hope you will think about it as you continue to craft this bill.

My wife and I come to Maui at least three times a year. We spend holidays, birthdays, shop for Christmas, frequently shop at Home Depot, Lowes, Ace Hardware, and many restaurants and local food establishments. We are involved at our local church on island. We have extended family who also come and stay for several weeks at a time. All are contributing to the Maui economy. Our children grew up coming to Maui during breaks from school. Now as adults they continue the tradition by coming with their own families and friends. Our condo has been our second home for over 30 years. We use it for a portion of every year. It is not a time share, and it is not a hotel.

Please reconsider making our home on Maui an unfair financial burden.

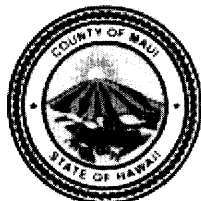
Mahalo,

Eugene Modell
Arlene Modell

EDB Committee

From: Kelly King
Sent: Tuesday, April 23, 2019 4:37 PM
To: EDB Committee
Subject: Fw: property tax increase

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: jimgotz <jimgotz@sbcglobal.net>
Sent: Tuesday, April 23, 2019 3:48 PM
To: Kelly King
Subject: property tax increase

Aloha Kelly

Please do not raise the property tax on my Condo.
It is a Condo I rent and follow all the rules and pay all taxes.
I live in Kihei full time and use my Condo when my family visits.
I rent it out to supplement my retirement.
It is in the Sugar Beach Resort 118.
Sugar beach resort has 200 units employs over a dozen employees full time
and owners hire maids to clean rooms.
We offer just as much employment as any hotel the same size.
We use a local rental agent with 22% of our rental fee going to this local company.
Hotel profits go off island to the mainland.
Why would you charge me more in a Property tax than a hotel owned by people who live on the mainlands?
My full time home is 361 Hihimanu in Kihei.
My phone number is 808-868-4019
Please let me know if you decide to charge me more than The Grand Wailea for property tax.
Mahalo
James Goldenetz

EDB Committee

From: Janet Patzer <janetpatzer@cox.net>
Sent: Tuesday, April 23, 2019 1:53 PM
To: EDB Committee
Cc: Keani N. Rawlins
Subject: Proposed property tax rate for Short Term Rentals

Dear Council Members -

We are writing to express our concern regarding the increase in property tax rates that is being considered for homes designated as Short Term Rentals.

We have owned our vacation home in Maui County for 5 years and reside in it approximately the same amount of time that we have guests rent it. We are nearing retirement age and plan to increase the amount of time we live here and the significant increase in property taxes would seriously affect us. While we are staying in our island home, we are shopping at the local businesses and our sales tax helps support the local economy. However, when we rent our home, the guests spend even more money locally as they spend much more on restaurants, tours, and recreational activities than we do as residents. We believe the current difference in property tax rates between permanent residents and STRs is fair and appropriate but ask that you reconsider the classification of our property as a Time Share equivalent.

Mahalo for your time.

Steve Hubbard and Janet Patzer
35-1 Pualoke Place
Lahaina, CA 96761
808-868-4074

EDB Committee

From: Jayne Ruttan <jayne.ruttan@shaw.ca>
Sent: Tuesday, April 23, 2019 12:44 PM
To: EDB Committee
Cc: Jayne Ruttan
Subject: Proposed tax increase on short term rentals

Dear Council Members,

I was recently made aware of the various proposals under consideration to raise property tax rates for short-term rentals in the coming year. As a property owner who rents out our property to help with the expenses, my comments, for your consideration, are as follows:

Firstly, I paid local Hawaiians over \$40,000 last year in the maintenance and care of our condo and assistance in the rental business. In addition, I spent over \$5,000 in the purchase of furniture from a local business in Kahului. In 2015, when we renovated our condo, I spent in excess of \$300,000, all local. I am pleased that the dollars I spend are going back into the local community.

Second, I am in support of Councilwomen Tasha Kama's point of view about considering gradual increases. For myself and many others, the proposed increases would have a real impact on the dollars I would have available to pay the type of expenses noted above. The assessment of my property is increasing by 16% over the prior assessment year. Additionally, an increase in the short-term rate from \$9.28 to \$15.41 would be a rate increase of 66%. In total a 93% increase in my property tax bill. I'm sure when those numbers are presented, one can understand the concern of property owners and those who earn an income from the rental business in Maui.

I urge you to consider a moderated increase in rates and fees.
Thank you for your consideration.

Sincerely,

Jayne Ruttan

EDB Committee

From: John Cosier <johnandsherry@gmail.com>
Sent: Tuesday, April 23, 2019 7:19 PM
To: EDB Committee; Keani N. Rawlins
Subject: Fair and reasonable tax rates for vacation rental industry

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

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

We are writing in favor of fair and reasonable tax rates for the vacation rental industry.

Short Term Rentals are currently taxed at \$9.28/\$1000, the third highest only exceeded by Hotel and Resort and Time Share rates. Increasing the Short term rental rate too extreme puts an unfair burden on the individual owners of these properties, and the guests to these properties, and can only move to harm the small businesses that depend on the vacation rental industry.

We have a blossoming vacation rental industry on Maui, subject to appropriate restrictions and standards, and a fair existing permitting and taxing process. Short term rentals already comprise 25% of the \$319,516,547 of real property tax revenue compared to 11% for time share, and 7% for hotel and resort. The purpose of the industry is to allow for varied accommodations and experiences for visitors, and to allow small businesses to benefit from tourism.

We are supportive of the Economic Development and Budget Committee Committees efforts to find a fair and equitable solution for taxing the vacation rental industry that limits any negative implications for the community. Right now short term rentals brings in \$79,500,00 in direct taxable revenue, and has created thousands of jobs for our island as well.

We have benefited immensely from owning a second home on Maui. Indeed, we have chosen to move to Maui for a couple of years in order to enjoy the experience first hand. We rented our home before we moved and, once we move back to the mainland we intend to rent it out again so that others can discover what Maui has to offer and, we might add, contribute to the local Maui economy. We will then be able to come to Maui and stay in our own home whenever we choose. That is great benefit to those in retirement, which describes our situation exactly.

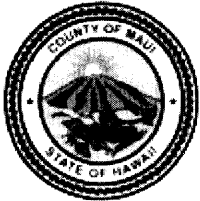
Thank you for considering our testimony and we hope you will think about it as you continue to craft this bill.

John & Sherry Cosier, Lahaina

EDB Committee

From: Kelly King
Sent: Tuesday, April 23, 2019 1:18 PM
To: EDB Committee
Subject: Fw: Maui County Budget Hearings

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: Joy Nelson <joy7maui@gmail.com>
Sent: Tuesday, April 23, 2019 12:32 PM
To: Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura; Keani N. Rawlins
Subject: Maui County Budget Hearings

I support fair tax rates for the short term rental industry (STRs).

Current taxes for STRs are \$9.28/\$1000. The Budget Committee Chair made a proposal to raise this rate to \$15.41/\$1000, the same as the Time Share classification. This is an increase of 66%! It would place an unfair burden on the owners and the renters of these properties. The legally permitted STR owners should not be punished with higher tax rates. Some visitors prefer to choose the variety and privacy of a home or cottage, instead of a hotel.

Also many small business rely on the vacation rental industry. Some of them would be put into financial difficulty without the business generated by the vacation rental guests.

Short term rentals bring in millions of dollars for our island and keep thousands of people employed.

Mahalo for considering these points and please support fair and reasonable tax rates for vacation rentals.

Aloha, Joy & Don Nelson

EDB Committee

From: Ernie & Judy Givens <Tobe4everyoung@msn.com>
Sent: Tuesday, April 23, 2019 2:13 PM
To: EDB Committee
Subject: Short Term Rental Properties

Dear City Counselors,

I strongly reject the proposal of the City Council Chair to increase the tax rate for Short Term Rental properties to more than the amount that Hotels are paying. To rationalize the increase by stating that Short Term Rentals don't create jobs is completely false and visitors will most likely seek less expensive vacation areas due to increased rates.

Short Term rental properties create work and jobs for many local residents in the following categories:

- *Reservations staff*
- *Housekeepers and Housemen*
- *Property managers*
- *Concierge and Activity Salespersons*
- *Accountants*
- *Online Marketers*
- *Offline Marketers*
- *Plumbers*
- *Carpet Cleaning Workers*
- *Carpet Installers*
- *Flood Control Workers*
- *Glass Repair and Installation Companies Professionals*
- *Blind/Shutter Repair and Installation Companies*
- *Data and Technology Workers*
- *Painters*
- *Home Entertainment Professionals*
- *Dry Cleaning and Professional Washing Workers*
- *General Handymen*
- *General Contractors*
- *Tile Installers*
- *Woodworkers*
- *Security Professional Workers*
- *Landscapers*
- *Pool Care Workers*
- *Electricians*
- *Remediation Pros*

A property tax increase of approximately 60% would have an extremely significant impact to an owner. As an owner of a Short-Term Rental, I would have pass along this significant increase to my guests which in turn will have a negative impact on the many visitors that we have during the year. Many renters would most likely seek out less expensive rentals. They may also choose to stay on another island and/or visit other

places than Maui. Therefore, having a significantly negative impact to the visitor revenue that contributes to the thriving Maui economy.

Please give your Short-Term Rental Properties Proposal very careful consideration and hopefully abandon this proposal that will ultimately have a very negative affect on everyone that enjoys Maui.

Sincerely,

Judy Givens,

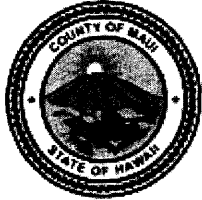
Concerned Short Term Rental Owner

Wailea Ekahi Village, #21D

EDB Committee

From: Kelly King
Sent: Tuesday, April 23, 2019 3:18 PM
To: EDB Committee
Subject: Fw: Proposed Short Term Rental Tax

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: Ernie & Judy Givens <Tobe4everyoung@msn.com>
Sent: Tuesday, April 23, 2019 2:24 PM
To: Keani N. Rawlins; Kelly King
Subject: Proposed Short Term Rental Tax

Dear City Counselors,

I strongly reject the proposal of the City Council Chair to increase the tax rate for Short Term Rental properties to more than the amount that Hotels are paying. To rationalize the increase by stating that Short Term Rentals don't create jobs is completely false and visitors will most likely seek less expensive vacation areas due to increased rates.

Short Term rental properties create work and jobs for many local residents in the following categories:

- *Reservations staff*
- *Housekeepers and Housemen*
- *Property managers*
- *Concierge and Activity Salespersons*
- *Accountants*
- *Online Marketers*
- *Offline Marketers*
- *Plumbers*
- *Carpet Cleaning Workers*
- *Carpet Installers*
- *Flood Control Workers*

- *Glass Repair and Installation Companies Professionals*
- *Blind/Shutter Repair and Installation Companies*
- *Data and Technology Workers*
- *Painters*
- *Home Entertainment Professionals*
- *Dry Cleaning and Professional Washing Workers*
- *General Handymen*
- *General Contractors*
- *Tile Installers*
- *Woodworkers*
- *Security Professional Workers*
- *Landscapers*
- *Pool Care Workers*
- *Electricians*
- *Remediation Pros*

A property tax increase of approximately 60% would have an extremely significant impact to an owner. As an owner of a Short-Term Rental, I would have pass along this significant increase to my guests which in turn will have a negative impact on the many visitors that we have during the year. Many renters would most likely seek out less expensive rentals. They may also choose to stay on another island and/or visit other places than Maui. Therefore, having a significantly negative impact to the visitor revenue that contributes to the thriving Maui economy.

Please give your Short-Term Rental Properties Proposal very careful consideration and hopefully abandon this proposal that will ultimately have a very negative affect on everyone that enjoys Maui and beautiful Wailea Ekahi Village.

*Sincerely,
Judy Givens,
Concerned Short Term Rental Owner
Wailea Ekahi Village, #21D*

EDB Committee

From: Karla <kquintana@msn.com>
Sent: Tuesday, April 23, 2019 2:30 PM
To: EDB Committee
Subject: Recycling - Lahaina Cannery Mall

County Council Economic Development Budget Development and Budget Committee –

This letter is to state the high needs for full funding for the continuing of the 3rd Saturday Recycling at the Lahaina Cannery Mall. This need is so important and necessary for the west side of Maui. Please make every effort to continue this service for our citizens. Mahalo for your time and attention.

Karla Quintana

EDB Committee

From: Macleod, Keith1 <Keith1.MacLeod@bmo.com>
Sent: Tuesday, April 23, 2019 1:05 PM
To: EDB Committee
Subject: Drastic RPT Rate Increases Proposed by Council in Maui
Attachments: Scan-to-Self2019-04-23-160204-1.pdf

We oppose the tax increase. Letter attached.

Sincerely,

Keith MacLeod

April 23, 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:

Re: Unit D110 - Kihei Akahi, Kihei, HI

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.

In 2018, we paid over \$6,000 in GET & TAT and \$2,991 in RPT

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. 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.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith MacLeod" and "Audrey Schoth" joined together.

Keith MacLeod and Audrey Schoth
Owners Unit D110 - Kihei Akahi, Kihei, HI

EDB Committee

From: Lawrence Daluz <daluznyc@gmail.com>
Sent: Tuesday, April 23, 2019 6:58 AM
To: EDB Committee
Subject: please don't raise our Property tax

I am the owner of a condo in Maui and to be honest with you I can barely afford the property taxes now on my income. I am a 57 year old man making less and less money every year and plan on retiring here in Maui in the condo that I rent out short term. It's definitely unfair that you would raise my property taxes higher than the hotels if I'm understanding correctly and I protest this from happening. Please please don't raise my taxes
Sincerely lawrencedaluz

Lawrence Daluz Hairstylist



LAWRENCE DA LUZ

TOMOKO SHIMA HAIR SALON
[235 W. 14th St. New York, NY, 10011](#)
[917-553-3489](#)

www.daluznyc.com

MAUI CONDO RENTAL
www.vrbo.com/424748

BEAUTYCOUNTER
www.beautycounter.com/lawrencedaluz

HAIRSTORY
<http://daluznyc.com/daluznyc.com/products>

TRAVEL DATES

APRIL 5-24, MAY 8-18, JULY 8-21, OCTOBER 3-20, NOVEMBER 23-DECEMBER 2, DECEMBER 30-JANUARY 23,2020

EDB Committee

From: Linda McNally <riofrio@xplornet.ca>
Sent: Tuesday, April 23, 2019 2:14 PM
To: EDB Committee
Subject: Wailea Ekahi

Dear City Councillors

My family and I do NOT rent our property out and it would become prohibitive if we had an increase in our taxes.

Yours truly

Linda McNally

EDB Committee

From: Mark Simpson <simpson-mark@sbcglobal.net>
Sent: Tuesday, April 23, 2019 4:15 PM
To: EDB Committee
Subject: Drastic RPT Rate Increases Proposed by Council will harm tourism/private owners

Aloha,

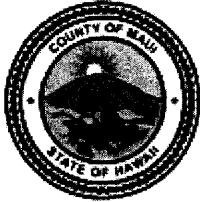
We are owners of two condos in the Maui Kamaole. We have owned for nearly 15 years and most of that time we experienced negative cash flow. The proposed tax increase will add an additional \$5900 to our tax bill which we will be forced to pass on to guests. We already pay a total \$21,300 in taxes per year (GET/TAT/property) which is already excessive. Please reconsider this punitive visitor tax increase as it will affect tourism the net GET/TAT revenue will be lower due to fewer bookings. Our guests tell us they are already unhappy with the GET/TAT increased of 3% over the past few years. Adding this to their expense to visit the island will surely affect their decision to come.

Mark Simpson
Maui Kamaole K103/K109
2777 S. Kihei Rd.
Kihei Maui HI 96752

EDB Committee

From: Kelly King
Sent: Tuesday, April 23, 2019 2:21 PM
To: EDB Committee
Subject: Fw: Illegal (and legal) Fireworks on Maui

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: Michael Blaz <Michael@mauira.com>
Sent: Tuesday, April 23, 2019 1:44 PM
To: Kelly King; Keani N. Rawlins; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; yulilei.sugimura@mauicounty.us
Subject: Illegal (and legal) Fireworks on Maui

Aloha, County Council Members,

I'm writing to you as a group today with the hope that the matter of illegal, and legal, fireworks on Maui is something you are as concerned about as I am.

You see, I nearly lost my home to errant fireworks that started a fire in my Piilani Village II subdivision last 4th of July. My two neighbors adjacent to me were less fortunate; their homes were totally destroyed and two families displaced as a result.

Rather than go into a lot of detail here and belabor the point, I have copied a Letter to the Editor that I wrote and was published in the Maui News this past February. If you will be so kind as to take a moment to read the letter, you will get a sense of my concerns, as well as solutions to a problem that gets worse with every passing Independence Day and New Year's Eve.

A recent post got it right when it described Maui's illegal fireworks displays on July 4th and New Year's Eve, as nothing less than bombs. I nearly lost my home to errant fireworks last 4th of July. Two bare concrete slabs adjacent to me used to be family homes that were totally destroyed in that fire. This past New Year's Eve at midnight I witnessed a solid wall of 100 ft. high explosives as far as the eye could see in both

directions that lasted nearly 10 minutes in the neighborhood directly behind me. These bombs were exploding amongst homes, trees, fences, backyards, pets, children, etc.

This cannot continue. The supposed "12' rule" (no fireworks higher than 12') is useless and unenforceable. Ask any policeman and he will confirm that. There is only one way to control this senseless obsession some have with standing around for hours watching things sizzle and explode. Ban all fireworks in residential neighborhoods, period! That would make the law easily enforceable and spare our homes. Designate controlled, safe areas only for fireworks—away from people, homes, pets.

I intend to pursue every option to get legislation passed to make this happen. My first effort will be a meeting with our new Mayor to enlist his support, hopefully, and then take it from there. If you would like to join this effort, please contact me at Michael@mauira.com. A community effort can get this done. Remember when they use to burn cane on Maui?

And, yes, I did meet with Mayor Victorino. What I am looking for here is who amongst you are concerned, or curious, enough to hear what I have to say. I have thoroughly researched the laws and regulations currently on the books in Maui County that are at once inadequate and largely ignored when it comes to enforcement.

I strongly feel that the community-at-large, though they may not vocalize it, is aware of this growing menace to our personal safety. I have letters to back that up.

Would one--or all of you--afford me a few minutes of your time in a person-to-person meeting to discuss the problem and possible solutions?

Regards,

Michael Blaz



Michael Blaz

Broker/Owner

Maui Realty Associates

(808) 283-9093 direct

(808) 879-5510 fax

Michael@mauirealtyassociates.com

www.MauiRealtyAssociates.com

EDB Committee

From: Michael Wilson <michaelwilson565@gmail.com>
Sent: Tuesday, April 23, 2019 5:51 PM
To: EDB Committee
Subject: Property Tax

The proposed increase in property tax for short term rental properties is unacceptable.

Only 2 years ago the increase in our property was large at over 18 %. All around me, other condo expenses are escalating absurdly, such that it is becoming no longer viable owning. Raising the property taxes by 60 % will put us in the exodus category.

Although not nearly as beautiful back home, our property tax on our lovely new city condo there (that is 3 times the size of our Maui condo) is 65% less.

Family owner in Maui since 1977,

Michael S. Wilson, M.D.

EDB Committee

From: Tamara A. Paltin
Sent: Tuesday, April 23, 2019 5:37 PM
To: EDB Committee
Subject: Fwd: Canoe Beach

Sent from my iPad

Begin forwarded message:

From: Michelle Link <michellelink@aol.com>
Date: April 23, 2019 at 4:30:43 PM HST
To: tamara.paltin@mauicounty.us
Subject: Canoe Beach

Dear Tamara,

I grew up in Kaanapali from 1972 till 1983 when I graduated from Lahainaluna, then again lived back home 1996 to 2004 while a teacher at Lahainaluna. During those years our entire Lahaina community spent family time, off-work, pau hana time at Canoe beach with family and friends for birthday parties, picnics and body surfing. It was a personal place.

As long as the commercial use of the Hyatt beach next door was active, Canoe Beach soon became overcrowded with sail boats and rentals of all kinds and suffered from lack of parking. The Hawaiians were turned away by the corporate greed of tourism. Again.

Canoe Beach has traditionally been the community gathering place of the Canoe races and locals practicing and training for Canoe paddling which has always been a huge part of Lahaina community life. Every restaurant had a Canoe team in those days and young people shared their Polynesian culture ,love of the ocean with new comers and keiki alike.

The Hyatt Regency, on the other hand just pushed the locals off their side of the beach. The Hyatt next door ALWAYS blocked our use of the beach and refused parking to locals.

This was the beginning of the end of fun times at Canoe Beach.

When you invite guests to your house, you dont expect them to take over and kick you out!

The commercial encroachment of Canoe Beach by rental companies from jet skis, snorkeling and diving tours to beach chair rentals has mushroomed into overcrowding at the beach. It has become another Waikiki.

Its time to preserve at least one space for local community members and for the Hawaiians to enjoy their own Hawaii.

Thank you for your time and efforts to preserve the culture of Hawaii.

Sincerely,
Michelle M. Link

EDB Committee

From: Michelle Salawich <michelle.salawich@gmail.com>
Sent: Tuesday, April 23, 2019 7:54 PM
To: EDB Committee
Subject: Third Saturday Recycling

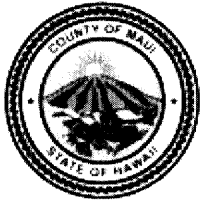
My husband and I are asking you to reconsider funding the Third Saturday Recycling program on West Maui. Before this program, there were appliances dumped on the side of the road and sitting out in front of people's houses. It made our beautiful island look so trashy, not only to us locals but to our visitors as well. This program fills up every month showing that there is a huge need for it. Without it a lot of those unsightly items would end up on our roadways or on the side of the road. This program is a no brainer and beneficial to the whole island. Please keep this program funded. Mahalo

Sent from my iPhone

EDB Committee

From: Kelly King
Sent: Tuesday, April 23, 2019 3:16 PM
To: EDB Committee
Subject: Fw: Proposed Tax Increase

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: Mike Kealey <mikekealey@shaw.ca>
Sent: Tuesday, April 23, 2019 1:22 PM
To: Kelly King
Subject: Proposed Tax Increase

I am writing to urge you to object to the proposed property tax rate increase on transient vacation rentals.

At the current tax rate, properties falling under the Short Term Rental Property tax classification collectively pay \$80 million in property tax per annum - more than all the residents of Maui collectively, and more than all commercial properties and hotels combined.

Such a dramatic tax increase will not only discourage future investment in legal vacation rental properties (which has proven to be profitable for the County), but it could also negate any of the forward momentum the County has had in cracking down on illegal vacation rental properties. The significant tax increase could:

- motivate some legal owners to reclassify their properties and rent 'off the books';
- deter illegal rental owners from moving toward legalization;
- cause some renters who rent infrequently just to cover basic costs, to remove their listings to save money, thus causing the County to lose out on both the transient accommodations taxes and the higher vacation rental property classification tax dollars paid by those owners;
- lead to an overall nightly rate increase on transient rental accommodations, reducing the affordability of vacationing in Maui and leaving fewer tourist dollars to be spent elsewhere, and therefore harming the local economy and local businesses;

-Cause some owners to sell their transient rental properties because they are no longer affordable, properties which may end up in the hands of those maintaining them as second homes under the residential designation. Again, this would cause the County to lose out on both transient accommodations taxes and higher vacation rental property classification tax dollars; and

-push some financially precarious property owners into a position of default, thereby requiring additional policing for the recovery of non-payment of taxes.

I understand that there are sound justifications for small, incremental and reasonable increases to various tax rates, the 1% increase to the Transient Accommodations Tax being the most recent example. However, implementing a nearly 70% tax increase for a specific group can only be viewed as punitive, disproportionate, discriminatory and unfair.

The Maui County Comprehensive Annual Financial Report (2018 FY CAFR)

noted that:

- visitor arrivals are increasing (up 4.1% since 2016)
- visitor dollars spent per day have risen (up 3.4%, to \$212 per visitor per day in 2017)
- hotel occupancy and room rates increased and remained the highest in the state (\$353/night and 77.1%, respectively)
- commercial building authorizations are up \$92.8 million or 24.1 percent
- for 2018, 4,272 additional new construction units are planned for all categories (778 Timeshare, 217 Condo, 150 Hotel/Condo, 626 Hotel, 125 Bed and Breakfast, 207 Short-term Rental, 12 Transient Vacation Rental, 699 Mixed Use, and 308 Mixed Use/Hotel)
- preliminary figures show that in 2018, residential construction authorizations grew in the first two quarters by more than \$48 million or 17.8% over the same period in 2017.

The conclusion of the report addressed real property taxes, stating the following:

"The real property tax base for fiscal year 2019 of \$48.8 billion is an increase of \$2.9 billion or 6.3% from the fiscal year 2018. The real property tax rates (per \$1,000 assessed valuation) for fiscal year 2019 slightly decreased for all classifications except for Hotel & Resort, and the addition of a Short-Term Rental classification. The following were the decreases in each category:

- Residential from \$5.54 to \$5.52,
- Apartment from \$6.32 to \$6.31,
- Commercial from \$7.28 to \$7.25,
- Industrial from \$7.49 to \$7.45,
- Agricultural from \$6.01 to \$6.00,
- Conservation from \$6.37 to \$6.35,
- Homeowner from \$2.86 to \$2.85,
- Time share from \$15.43 to \$15.41,

-Commercial Residential from \$4.56 to \$4.55,

Hotel and Resort remain the same rate at \$9.37 and the addition of a Short-Term Rental set for \$9.28. The budgeted real property tax levy of \$321.5 million for fiscal year 2019 is an increase of \$18.3 million or 6.0% from fiscal year 2018, largely as a result of the higher tax rates".

This demonstrates that, even in spite of rate decreases being provided to residential, apartment, commercial, industrial, agricultural, conservation, homeowner timeshare, commercial residential designations, Maui County will still realize a 6% / \$18.3M increase in 2019 over fiscal year 2018. Again this can only suggest that the proposed property tax rate increase on transient vacation rentals is punitive and discriminatory as it singles out one of the classification groups that is already the most highly taxed, and taxes that single group even more.

I trust that you will recognize the inherent inequity as well as the potential negative consequences that would be caused by this proposed tax increase, and will object to its implementation.

Michael Kealey

Patricia Clare

Owners in Grand Champions Villas

EDB Committee

From: Pat Hillman <hillmandw@aol.com>
Sent: Tuesday, April 23, 2019 5:05 PM
To: Keani N. Rawlins
Cc: EDB Committee; Yukilei Sugimura; Tasha A. Kama; Tamara A. Paltin; Riki.Homaka@mauicounty.us; Mike J. Molina; Kelly King; Keani N. Rawlins; Alice L. Lee
Subject: Maui Property Taxes

Dear Maui Friends,

I am 91 years old and my late husband and I have been visiting Maui since the early 1970s. In the 1990s we were finally able to purchase a second home in the Puamana Condominium Association which as you may know is a gated community south of Lahaina. Over the 20 years plus of our ownership we and our extended family have taken an active part in financially supporting Maui in many ways. We have been and still are paying members of the West Maui Taxpayer's Association, The Bailey House Museum, The Maui Arts and Cultural Center, The Maui Memorial Hospital, and the Maui Nui Botanical Gardens, to name a few of our ongoing philanthropies. In addition, we and our guests have heavily supported many island food and entertainment venues. When we and our family members are not on island we rent our condominium to friends and guests who contribute in a like manner to heavily support the Maui economy.

As you know, recently the Mayor proposed a budget with tax rates similar to those of last year, with the exception of Hotel Resort and short term rental. However, I now understand the Budget Committee has recently proposed increasing these taxes to an unprecedented amount matching the taxes of a Time Share. The Puamana Condominiums are NOT a time share nor are they a hotel. Our Puamana home is just that ... a second home which we use for a portion of every year and rent to friends and guests to allow us to financially maintain this residence.

Please consider this a respectful appeal to reconsider what would amount to an impossible burden. Please ensure a fair tax rate for condominium owners as we are.

Thank you,
Pat Hillman
31-4 Puamelia St.
Lahaina, HI. 96761

Pat Hillman
1957 Hillman St.
Tulare, CA 93274

Sent from Pat's iPad
Sent from Pat's iPhone

EDB Committee

From: PAT HILLMAN <hillmandw@aol.com>
Sent: Tuesday, April 23, 2019 5:56 PM
To: EDB Committee; Keani N. Rawlins; Kelly King; Riki.Homaka@mauicounty.us; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Yukilei Sugimura; Tasha A. Kama
Subject: Proposed tax rate increases

Dear Maui Friends ,

Our family has a second home in the Puamana condominium association which as you may know is a gated community south of Lahaina. Over the 20 plus years of our ownership we and our extended family have taken an active part in financially supporting Maui in many ways. We have been and are now paying members of the West Maui Association, the Bailey House Museum, the Maui Arts and Cultural Center, the Maui Hospital and the Maui Nui Botanical Gardens, to name a few philanthropies. In addition we and our guests have heavily supported many island food and entertainment venues. When we are not on island we rent our condominium to guests who contribute in a like manner to to heavily support the Maui economy.

As you know, recently the Mayor proposed a budget with tax rates similar to those of last year with the exception of Hotel-Resort and Short Term Rental. However now I understand the Budget Committee recently proposed increasing these taxes to an unprecedented amount matching the taxes of a Time Share. The Puamana Condominiums are NOT a time share nor are they a hotel. Our Puamana home is just that... a second home which we use for a portion of every year and rent to guests to allow us to financially maintain this residence.

Please consider this a respectful appeal to reconsider what would amount to an impossible tax burden and ensure a fair tax rate for condominium home owners as we are.

Respectfully yours,
Pat Hillman
31-4 Puamelia Sr.
Lahaina, HI 967617

Sent from Pat's iPad

EDB Committee

From: Bob Wakefield <rwakefieldpaints@shaw.ca>
Sent: Tuesday, April 23, 2019 3:09 PM
To: EDB Committee
Subject: Property Tax - Proposed 66% increase - Maui County

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

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

I am writing in favor of fair and reasonable tax rates for the vacation rental industry.

Short Term Rentals are currently taxed at \$9.28/\$1000, the third highest only exceeded by Hotel and Resort and Time Share rates. Increasing the Short term rental rate too extreme puts an unfair burden on the individual owners of these properties, and the guests to these properties, and can only move to harm the small businesses that depend on the vacation rental industry.

We have a blossoming vacation rental industry on Maui, subject to appropriate restrictions and standards, and a fair existing permitting and taxing process. Short term rentals already comprise 25% of the \$319,516,547 of real property tax revenue compared to 11% for time share, and 7% for hotel and resort. The purpose of the industry is to allow for varied accommodations and experiences for visitors, and to allow small businesses to benefit from tourism.

I am supportive of the Economic Development and Budget Committee Committees efforts to find a fair and equitable solution for taxing the vacation rental industry that limits any negative implications for the community. Right now short term rentals brings in \$79,500,000 in direct taxable revenue, and has created thousands of jobs for our island as well.

We have been visiting Maui for over 30 years and have owned our condominium at Papakea since 2011. We visit Maui twice a year and during our stays we support many businesses including car rentals, many local restaurants, grocery stores, hardware stores, fashion retailers and tour companies. We also used local contractors when updating our condo including general contractors, appliance retailers, air conditioning contractors, electricians, plumbers, tilers, glass contractors, furniture retailers, and many more. While we are not using our condo we rent it out to many other guests who also spend their money on local retailers while visiting Maui. Adding this excessive additional tax burden on top of an already high property tax we feel is unjustified and an unreasonable cash grab from a group of people who already pay our fair share.

Thank you for considering my testimony and I hope you will think about it as you continue to craft this bill.

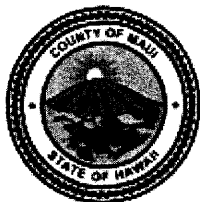
Sincerely,

Robert & Ramona Wakefield
Owners Papakea Resort

EDB Committee

From: Kelly King
Sent: Tuesday, April 23, 2019 3:21 PM
To: EDB Committee
Subject: Fw: Property Tax - Proposed 66% increase - Maui County

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: Bob Wakefield <rwakefieldpaints@shaw.ca>
Sent: Tuesday, April 23, 2019 3:14 PM
To: Kelly King
Subject: Property Tax - Proposed 66% increase - Maui County

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

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

I am writing in favor of fair and reasonable tax rates for the vacation rental industry.

Short Term Rentals are currently taxed at \$9.28/\$1000, the third highest only exceeded by Hotel and Resort and Time Share rates. Increasing the Short term rental rate too extreme puts an unfair burden on the individual owners of these properties, and the guests to these properties, and can only move to harm the small businesses that depend on the vacation rental industry.

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We have been visiting Maui for over 30 years and have owned our condominium at Papakea since 2011. We visit Maui twice a year and during our stays we support many businesses including car rentals, many local restaurants, grocery stores, hardware stores, fashion retailers and tour companies. We also used local contractors when updating our condo including general contractors, appliance retailers, air conditioning contractors, electricians, plumbers, tilers, glass contractors, furniture retailers, and many more. While we are not using our condo we rent it out to many other guests who also spend their money on local retailers while visiting Maui. Adding this excessive additional tax burden on top of an already high property tax we feel is unjustified and an unreasonable cash grab from a group of people who already pay our fair share.

Thank you for considering my testimony and I hope you will think about it as you continue to craft this bill.

Sincerely,

Robert & Ramona Wakefield
Owners Papakea Resort

EDB Committee

From: Hibbard Family <hibbard99@gmail.com>
Sent: Tuesday, April 23, 2019 7:20 PM
To: Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; keani.rawlins@mauicounty.uc; Kelly King; Yukilei Sugimura; EDB Committee
Subject: Proposed tax on short term rentals

April, 23rd.

Dear Maui City Council Members,

My wife and I own a short term rental unit in Ekahi Village in Wailea. We currently are paying our TA (\$8454) and GA (\$3300) and we pay property taxes of \$10,200, which is significant. In addition to these taxes the property has an HOA of 1207\$/mo, a significant portion of which is going directly to employee salaries from the property managers, landscapers, maintenance workers, clerical staff and the pool maintenance. In addition the property itself hirers out maintenance services on a daily basis. If you include all of Ekahi Village, most of which is short term rentals, the HOA dues are over \$300,000 a month driving the Maui economy.

We as a short term rental unit owner are also as individuals hiring and supporting the economy. Our housekeeper is a single mother with three kids and we paid her over \$7,000 dollars last year to maintain our condo. She also employs other helpers. We also hire and employ on a routine basis window cleaners, handymen, plumbers, and electrician, and air-conditioning companies. We also utilize interior decorators, upholstery shops, furniture stores and blinds/shades companies to furnish our condo.

There are also many people who are attracted to the Short term rental market and prefer this type of accommodations. It is not a hotel or resort where a "home" environment is not available. These type of rentals also hit a price point that many find attractive and if you drive that price point up people will leave the market and go elsewhere, which includes other islands and vacation spots. We already feel we are at the high end of what we can charge for our unit and feel an increase in the taxes will significantly hurt us.

We strongly reject the proposal of the City Council Chair to increase the tax rate for Short Term Rental properties to more than Hotels. To infer that short term rentals don't create jobs is false. Short term rentals drive a significant portion of the tourism market in Maui, just look at VRBO, Airbnb, bookings.com and many other rental sites. Do you not think as these people all come to Maui they are not spending money all over the island on entertainment, food, souvenirs, and restaurants, and that is providing the jobs that drive the economy?

Please abandon this proposal that will ultimately have a very negative effect on everyone that enjoys Maui.

Sincerely,

Robin and Wilthea Hibbard

3300 Wailea Alanui Dr. Unit 20i

Wailea, Maui, 96753

EDB Committee

From: Rosemary Robinson <roseroo14@gmail.com>
Sent: Tuesday, April 23, 2019 9:52 PM
To: EDB Committee
Subject: Budget/Hotel and short term rental tax rate increases

Aloha County Council Members,

Thank you for your service 🌸

It seems important for us to establish a fund specifically for climate change issues. Perhaps we could use a hike in hotel tax to fund this.

We are entering emergency mode, where we are likely to be spending so much money reacting to climate change that we'll have little left for other crucial services. Although it's late in the game, we can still be proactive and focus our attention on creative solutions and take action NOW!

Mahalo,

Rosemary Robinson
Haiku

EDB Committee

From: serge kouzmin <serge.kouzmin@gmail.com>
Sent: Tuesday, April 23, 2019 2:10 PM
To: EDB Committee
Cc: Wendy Mooney
Subject: budget proposal to raise property taxes (short term and hotel resort) - global good regulatory practices and experiences – testimony from a former UN civil servant

Madam, Sir,

I am writing to the County Council regarding the recent (?) budget proposal to raise significantly property tax rates for “short term and hotel resort” rent.

I am Canadian who owns a condo at Maui which I rent for few months a year to cover strata fees and property taxes and such decision will affect me directly. Hence, I will be grateful to the County Council to consider my concerns and relevant experiences of other countries (relating to similar tax changes).

The Council has the right to fix any taxes and at any level and nobody disputes it. My concern is that this proposal might have various unforeseen negative implications and instead of additional tax earnings it might bring serious economic problems to the Maui ' economy.

In my professional life I've been working for almost 30 years at United Nations and many of my projects were dealing with issues similar to those considered now by your Council.

Hence, I took the liberty to bring to your attention some of the “tip of the iceberg” issues which you might wish to consider when preparing your final decision:

1. One of my UN projects was on foreign investments promotion. The experience of many countries confirms that the major factor for investors is a stability of the business and investment climate. If conditions change substantially, suddenly and without justification, investors leave the market and do not return to it. And it will take dozens of years to repair the damage done and to lure (no guarantee) them back. It will also have a negative impact of Maui as an affordable tourist destination as it will become non affordable due to higher accommodation prices. For example, Hawaii is already expensive for Canadians due to a high USD exchange rate; with new measures only few will be able to come to Maui. I wonder if this concern has been addressed by the Maui Council.
2. Another project in which I participated at UN was on “good regulatory practices”. Hence, my second issue is that in order to have a confidence of business/stakeholders, they must be sure that all important (for business) changes will be made at least after consultations with business operators. Informing does not mean consulting. And what we see now at Maui is informing stakeholders at a short notice about a forthcoming decision and giving a very short period to respond which prevents a serious dialogue. I will be pleased (in case of your interest) to provide the Council with a copy of the UN recommendation on organization of public consultations.
3. The third issue is the arbitrary deciding on the level of taxes. It is the sovereign right of the Council to fix taxes at any level and taxes could be increased even more (3 times, 4 times) and it will (in theory) bring more arrears to the Maui administration. The danger is that nobody has a crystal ball to foresee with a guarantee all future consequences.

I wonder if the authors of the suggested reform calculated various scenarios on how things can develop ? What will happen, for example, if a significant number of owners stop renting their condos ? The prices will rise, the number of tourists will drop and so the overall tourism earnings; is it what Maui planners want to achieve?

Another scenario: owners accept the rise and also rise their prices to compensate taxes. Result – more expensive condos and less tourists who can afford it. Overall result: more expensive stay at Maui; so tourists will choose more affordable islands (or other destinations).

Example of a similar “greediness”. Two years ago in France, taxes for the richest were significantly increased; it was considered socially correct and this measure was supposed to bring additional tax receipts. A large number of rich people moved from France for countries with better tax climate and as the result last year less taxes from individual fortunes were collected in France.

4. Last but not the least. Possible negative impact of the suggested tax reform on a number of sectors at Maui: real property, tourism industry, management companies. Drop in demand, loss of jobs, etc.

If it happens at Maui, it will have long term negative consequences for the island' economy.

I am pleading the Maui Council to seriously consider the above multifaceted matter and not to gamble with Maui' future.

thanking you in advance for your kind attention

yours sincerely,

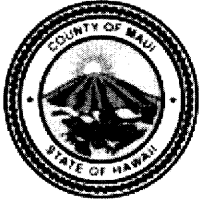
Serge Kouzmin

PhD (economy), ex UN civil servant

EDB Committee

From: Kelly King
Sent: Tuesday, April 23, 2019 4:34 PM
To: EDB Committee
Subject: Fw: PROPOSED PROPERTY TAX INCREASE

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: Steven L Fuller <stevefuller@hawaiiilife.com>
Sent: Tuesday, April 23, 2019 4:09 PM
To: Riki Hokama; Kelly King; Keani N. Rawlins
Subject: PROPOSED PROPERTY TAX INCREASE

Hi, Kelly, Keani and Riki,

My family and I have lived on Maui since 2002, I have been a full time Realtor in the greater Lahaina area since 2003 and have been an owner of a vacation rental unit and a primary residence since 2004 in the greater Lahaina area.

I am **VERY OPPOSED** to an increase in the property tax rate for vacation rentable properties for several (but not all inclusive) reasons:

- the current tax rate is already almost four times the residential property rate and is almost at the tax rate for California residential properties. To even suggest, much less enact, a rate that would be 50% higher than the current rate and pushing six times the residential rate is, in my opinion, at best greedy and ill conceived and at worst an atrocity for Maui and other owners. You have a budget... live within the budget!
- one of the very important selling points to potential buyers of vacation rentable properties is the current tax rate. To a number, those potential buyers feel that the current rate is fair and reasonable. Those same buyers are aghast at the time share rate and believe that such a rate is indicative of the opinions expressed in my first bullet point. While I cannot speak for those potential buyers, I would suspect that they would view this type of tax rate to be a negative, rather than positive, factor in their decision making process
- our island is a price sensitive market to visitors and property owners. The higher the rates and taxes, the less interest there is in visiting/buying. Increases in property taxes typically will be reflected in the nightly rate that is being charged, which may impact a visitors decision to enjoy Maui. I would ask that you not provide another negative factor to that decision making process for our visitor community.

There are probable a number of other thoughts that I could offer, but the simple point of the matter is that **I cannot support any type of increase in vacation rentable property tax rates, much less this potential increase.** Please table this type of thinking FOREVER. As you would probably anticipate this next wording, I vote for leaders of this County

that are fiscally responsible and that act in the best interests of the constituents. I voted for you for these reasons. Please do not disappoint me or my family!

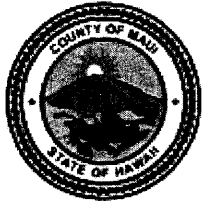
My system is not copying the other members... could you please forward my message to them?

Best regards and aloha,
Steve Fuller
(808) 283-2420

EDB Committee

From: Kelly King
Sent: Tuesday, April 23, 2019 3:18 PM
To: EDB Committee
Subject: Fw: available grant funding for fiscal 2019

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: Susie Thieman <Susie@lokahipacific.org>
Sent: Tuesday, April 23, 2019 2:20 PM
To: Kelly King
Subject: available grant funding for fiscal 2019

Good afternoon Kelly, I just read the press release regarding the funding which you have left for South Maui for fiscal year 2019. Any chance you'd like for us to do a Small Business Revitalization grant for Upcountry? Are you familiar with the grants we have done over the past 7 years for Hana, Lanai and Molokai? These were selected because of the lack of funding from banks for businesses in these areas. I believe that businesses in other areas have some of the same trouble getting funding from their bankers for their small businesses and that a grant for \$5,000 with a 60/40% matching component could be valuable to others as well. I see there is \$7,400 available for South Maui and that could help a couple of businesses with grants ranging in amounts from \$1,500 to \$5,000 per business. Want to talk more about the possibilities? We would love to help as many businesses as possible, and you can decide how much you want to go to this project in your area.

mahalo,

Susie

Susie Thieman,
Executive Director
Lokahi Pacific
1935 Main Street, Suite 204
Wailuku, HI 96793
Phone: (808) 242-5761, ext 23

Fax: (808) 244-2057
email: susie@lokahipacific.org
www.lokahipacific.org

***Lokahi Pacific's Mission is to improve the quality of life, both economically and socially, for residents of the
County of Maui and other rural Hawaii communities.***

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EDB Committee

From: Todd Byigton <mauihairbytodd@gmail.com>
Sent: Tuesday, April 23, 2019 3:49 PM
To: EDB Committee
Subject: SHORT TERM RENTAL INCREASES!!!

April 23, 2019,

To: Maui County Committee Members
From: Todd Byington
3432 Keha Drive, kihei 96753
Re: Proposed tax increase on short term rental properties

Aloha,

I am writing in regards to the proposed 60% property tax increase on short-term vacation rentals that I oppose.

ALL OF US CONDO OWNERS HERE ON MAUI CONTRIBUTE HUGELY TO THE LOCAL ECONOMY AND SHOULD NOT BE PUNISHED! RUDE

As a long-term owner of a legal vacation rental (IslandSurf and MauiHill, Kihei) I am dismayed to hear of this large increase. The tax is unfair and favors the wealthy hotels with large profits, their CEOs and shareholders. By the way, I live here. I pay housekeepers, contractors and Costco tons of money each year.

Maui hotels have the highest occupancy rate in the State at nearly 80%. They pay GET and TAT (as we do) but why is their real property tax not being increased 60%? They can surely afford an increase over middle-income households like ours.

I will retire to the MauiHill apartment someday when can afford to stop working and hopefully live of my IslandSurf condo.

All of the major hotels nightly rates are between \$350 and \$1200 per night. Being a local here on Maui I have seen tourism increase expediently over the past decade. The recent increase in tourism is a lot due to more flights and Airbnb's affordability. Most of my guests are young millennials that could never afford a hotel here on Maui. My point is that us condo owners here on Maui contribute hugely to the here. I pay all of my Ge/Ta taxes monthly and so many don't. Why don't you raise revenue from the people that don't pay. Or how about all of the tour buses that drive to Hana daily that don't pay road tax yet beat up our road yet reap the benefits from for hefty profits? Why not raise money from all of the cars with taillights out, headlights, speeding(mostly tourists) or the extra large tires without mud flaps(illegal)? This tax hike is absolutely absurd. This local government cannot come up with ways to generate revenue for the county. Put the police to actual work and give tickets and fines like every other state does to raise money. Parking tickets and speeding are huge. Don't forget all of the illegal Airbnb's and people that don't pay their Get or Ta tax? At some point you will have to get that out of control so why wait? This is a crying shame that it has come to something as pathetic as a 60% increase. Wow, what a solution while the hotels get away scathing.

The tax is also unfair, as it is not based on daily use such as the TAT or GET. Many days our apartment is not rented. Why should we be taxed on days not rented?

This is a burden to all of us us. Please remember you are thinking about the present, but what happens when the economy tanks again in the future (we all know it will eventually) and we get fewer tourists renting and we will have the same high tax?

Please stop this unfair tax to middle-income Maui residents.

Mahalo,

Todd Byington.

EDB Committee

From: Tom Croly <TCroly@maui.net>
Sent: Tuesday, April 23, 2019 4:45 PM
To: EDB Committee; County Clerk
Cc: Kelly King; Keani N. Rawlins; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Real Property tax rate testimony
Attachments: Maui Real Property Tax Classifications testimony.pdf

Aloha Council members,

Mahalo for your questions today concerning my testimony about Maui County Resident and average daily visitor populations. I also referenced testimony that I sent last week, but I was told by some council member's offices that this testimony was not received. So I have again attached this testimony about Maui County's different tax classifications and the tax contributions from each. I plan to attend the real property tax hearing on Wednesday evening and will be happy to answer any questions about this information..

Tom Croly

Testimony from Thomas Croly
Real Property tax Classifications

TIMESHARE

The timeshare tax classification includes 2479 properties that have been registered with the State as Time Share. Each individual timeshare unit is sold to multiple owners who hold title to the same unit for specific time periods such as a specific week per year or even a specific week every other year.

Timeshares are only permitted to be established in Maui's Hotel zoning district, except that timeshares established prior to 1989 may have been established in the Apartment zoning district.

The average assessed value of properties in the timeshare tax classification is \$1,020,000 and each property would pay an average of \$13,653 in property tax at the Mayor's proposed tax rate of \$13.93/\$1000. The assessed values of the 2479 timeshare units increased by approximately 9% from 2018 to 2019. This is likely the reason the Mayor chose to propose lower tax rate for this classification that will result in nearly the same total amount of tax revenue as last year's higher rate.

Timeshare is a tax classification unique to Maui County. The other Hawaii Counties classify timeshare properties in the same classification as hotels.

The total tax paid by the Timeshare classification (\$15.41/\$1000) in 2018 was \$34.5 million and the average tax bill per unit was \$13,916.

RESIDENTIAL

The residential tax classification includes 10,845 properties that are located in the Residential zoning districts. The use of these properties are mostly as second homes where the property owner does not reside on a full time basis. Their owners rent some of the properties in this classification out long term to Maui residents, but more commonly these properties are in use part time by their owners, or by friends of the owners, and left vacant most of the year.

Up until 2011, Maui county had a tax classification called improved residential and one called un-improved residential. Both were for properties in the residential zoning districts, but the properties in unimproved residential include land that was entitled for residential use but had not yet been "improved" with infrastructure to actually allow houses to be built. The other Hawaii Counties had gotten rid of the unimproved residential classification and there were few parcels in the unimproved district, so in 2010, the Maui County council merged the Improved and unimproved Residential tax classifications into the Residential class through ordinance 3766.

The total tax paid by the Residential classification (\$5.52/\$1000) in 2018 was \$42.6 million and the average tax bill was \$3961 per property.

APARTMENT

The Apartment classification is perhaps the most confusing of all the Maui tax classification to define. There are 9039 properties in the Apartment classification. Some, but not all of these properties are located in the Apartment zoning districts. Some, but not many, are true apartment buildings where the building owner rents out each apartment unit to residents.

The majority of properties in the Apartment classification are condominium units, because any property that is condominiumized can be classified as Apartment no matter what zoning district it is located in. For example many properties located in the Agricultural district have been condominiumized to allow one owner to own the first farm dwelling and a different owner own the second farm dwelling. If these condominiumized units are not used as the owner's full time home and are not legally used for short term rental, then the units are classified as Apartment. The Apartment classified units could be single-family homes, they could be condominium units in an apartment style building or they could be attached townhouse units located in almost any zoning district.

The uses of properties classified as Apartment are quite varied. Most are part time second homes for their owners in condominium buildings where the owner has declared that he is not making short term rental uses. Some are rented as long term rentals to Maui residents. Others are single-family homes or apartment buildings build before 1989 that are legally used as short term rentals without any permit.

The total tax paid by the Apartment classification (\$6.31/\$1000) in 2018 was \$41.3 million and the average tax bill was \$4,410 per unit.

AGRICULTURAL

The Agriculture tax classification includes 9031 properties that are located in the Agriculture or Rural zoning districts. These properties do not include any owner occupied properties or any agricultural or rural zoned property granted a Bed and Breakfast or Short term rental home permit. An Agricultural property may be vacant land or may have single-family farm dwellings built on them. They may be rented long term or be part time second homes.

Agricultural classified properties may have actual agricultural uses or not. If they are used for legitimate Agricultural uses and the owners have filed an agricultural use designation with the Real property tax department, they will have an agricultural land value applied to the land assessment value. This agricultural land assessment value is much much lower than the land's market value. For example 2 acres of land in the agricultural district might have an assessed market value of \$500,000, but if these 2 acres are used for true agriculture, it could have an agricultural land value assessed to it as low as \$1,000. As a result any real commercial farming is not assessed and taxed at market value. The real property tax department estimates that these agricultural value assessments reduce the taxes paid by 4,448 property owners in the agricultural district by \$21,706,700. And that

31% of the properties in the Agricultural classification pay the minimum tax of \$400.

The total tax paid by the Agricultural classification (\$6.00/\$1000) in 2018 was \$26 million and the average tax bill was \$2881.

COMMERCIAL and INDUSTRIAL

The Commercial and Industrial tax classifications each correspond to the respective Commercial and Industrial zoning districts. The only difference between these districts is that the industrial district allows for heavy industrial uses, but otherwise all uses that are allowed in the Commercial district are also allowed in the Industrial district. And in reality many of Maui's commercial uses such as retail are currently taking place in the industrial district. The commercial tax classification also includes condominiumized properties making commercial, (non-residential) uses in condominium units.

The reason that there are different tax rates in the Commercial and Industrial tax classifications is that some years, the assessed values in one classification or the other have increased or decreased more or less than the other. In an effort to keep the relative tax bills constant, the rates were adjusted in each category to offset the increase or decrease in assessed values.

The total tax paid by the Commercial (\$7.25/\$1000) and Industrial (\$7.45/\$1000) classifications in 2018 was a combined \$37 million and the average tax bill per property was \$11,968 per property.

CONSERVATION

The Conservation classification has 1155 properties. These include most of Maui's golf courses, some portions of hotel properties and huge areas of State owned conservation land that is not taxed.

HOTEL-RESORT

In 2018, the Hotel-Resort classification was changed such that it now only includes actual hotels and excludes individually owned condo units used for short term rental. There are 32 actual hotels such as the Grand Wailea Resort, Kaanapali Beach Hotel and the Maui Beach Hotel in this classification. These hotels have approximately 8000 hotel rooms that house approximately half of Maui's visitors. This classification also includes undeveloped land in the hotel zoning district. There are 906 properties in this classification.

The total tax paid by the Hotel-Resort (\$9.37/\$1000) classification in 2018 was \$21.6 million and this works out to approximately \$2,704/hotel room. But this approximation per room includes the values assessed to the restaurants, retail stores and meeting spaces that are also part of the hotels.

SHORT TERM RENTAL

The Short Term Rental tax classification was established in 2018 and includes 11,679 properties. Most are condominium units whose owners have declared that the use of their condo units in one of short term rental. 230 of properties in this classification are owners of single-family homes that have been issued a short term rental home permit to allow them to rent a dwelling for periods of less than 180 days at a time. The remainder are units in hotel zoning that have not been condominiumized and are legally allowed to make short term rental uses, but are not defined as hotels.

The properties in the Short Term Rental classification legally accommodate approximately 40% of Maui's visitors. The total tax paid by the Short Term Rental (\$9.28/\$1000) classification in 2018 was \$79.5 million and the average tax bill was \$7,027 per unit.

HOMEOWNER

The homeowner classification is Maui's largest tax classification both in terms of number of properties, 26,109 and assessed valuation approximately \$11.8 Billion. Properties in this Classification may be located any of the zoning districts of the County. The primary requirement for inclusion in this real property tax classification is that the owner of the property (or any partial owner) resides on the property full time (more than 270 days a year) and files Hawaii State income tax return as a resident.

The majority of Maui's residents reside in properties classified as homeowner, either as the owner of the property or as a tenant, renting a home or an ohana from the owner of the property. Property owners in this classification are provided a market value exemption of \$200,000 for each owner living in a different dwelling. The only Maui homeowners excluded from any exemption are those who have been granted a Bed and Breakfast permit to allow them to rent out a portion of the homes that they live in for bed and breakfast use, and those are taxed at the commercialized residential rate.

The total tax paid by the Homeowner (\$2.85/\$1000) classification in 2018 was \$32.6 million and the average tax bill was \$1267 per property.

COMMERCIALIZED RESIDENTIAL

The Commercialized Residential tax classification has 142 properties that are the homes of Maui residents who have been granted a Bed and Breakfast permit or Conditional permit to allow for the bed and breakfast use of 1 to 6 bedrooms in their homes. These homeowners must reside fulltime on the property with these homes.

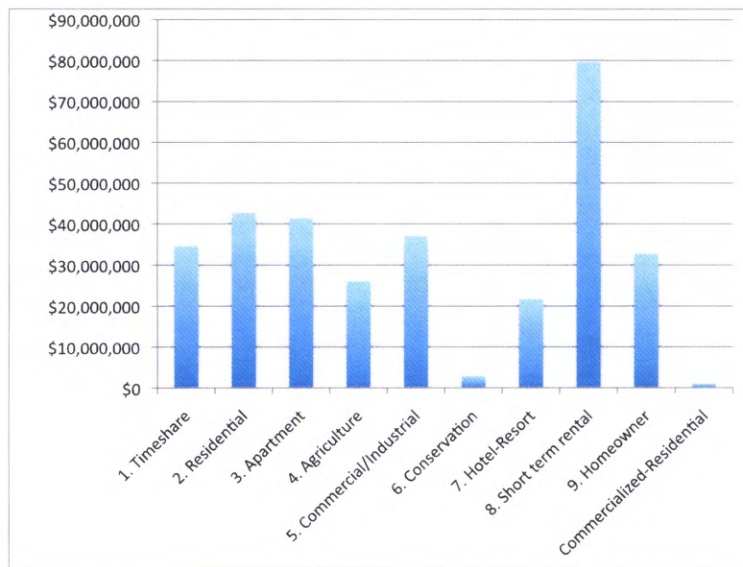
The total tax paid by the 141 property owners in the Commercialized Residential (\$4.55/\$1000) classification in 2018 was \$896,000 and this was an average of \$6,355 per resident owner occupied B&B property.

2018/2019

Real property tax classifications and tax contributions

Classification	2018/19 total tax contribution	number of properties in class	Average tax per unit*	tax rate
1. Timeshare	\$34,560,000	2481	\$13,930	\$15.41
2. Residential	\$42,624,000	10760	\$3,961	\$5.52
3. Apartment	\$41,295,000	9363	\$4,410	\$6.31
4. Agriculture	\$25,982,000	9022	\$2,880	\$6.00
5. Commercial/Industrial	\$36,998,000	3098	\$11,943	\$7.35
6. Conservation	\$2,787,000	1153	\$2,417	\$6.35
7. Hotel-Resort	\$21,638,000	906	\$2,705	\$9.37
8. Short term rental	\$79,484,000	11311	\$7,027	\$9.28
9. Homeowner	\$32,646,000	25765	\$1,267	\$2.85
Commercialized-Residential	\$896,000	141	\$6,355	\$4.55
Total	\$318,910,000			

* 8000 hotel rooms used as total units in hotel classification



Submitted by Thomas Croly

Takeaways:

1. Maui's Short Term Rentals pay the biggest share of Maui's property taxes
2. Maui Timeshares pay the most tax per visitor lodging unit
3. Maui's hotels pay the least tax per visitor lodging unit
4. Maui Resident homeowners pay the least amount of property tax.
5. Second homes make up the majority of the assessed value and taxes paid by the Residential, Apartment, and Agriculture tax classifications.