

BF Committee

From: Angelia Crim <crima001@hawaii.rr.com>
Sent: Thursday, November 02, 2017 8:14 PM
To: BF Committee
Cc: Angelia Crim
Subject: BF79

To: Maui County Council
From: Angelia Crim, 808.280.1024
Re: Objection to BF79
November 3, 2017

Good morning Council, thank you for the opportunity testify this morning, my name is Angelia Crim I live in West Maui and I own a permitted, short term vacation rental home.

I missed the last opportunity to testify due to the storm we had Sunday night into Monday, all the traffic lights were out, by the time I made it through testimony was over. I am sure I was not the only person delayed or missing the opportunity altogether. I stayed for the discussion, it was clear and disappointing to me that the council members did not seem to understand the unique differences between short-term vacation homes and other short-term rentals nor the additional restrictions placed on short-term homes as all voted yes except for Mr. White.

This is very important to me as a 17 year resident of Maui and a five year resident of Kauai.... Am I local yet???? This is my livelihood. Please DO NOT Pass BF79. As stated I own a short-term home paying taxes, Property, GET, TAT, State income tax, insurance, permits, electricity, cable, phone, cleaning, garbage collection, gardening, pool, maintenance, décor, furnishings, etc. etc. I alone carry all the expense of my short-term home.

Short term homes have already seen a 25% hike or more in property taxes. If pushed into the same rate that condos currently pay this will be a total 60% tax increase post STRH Permit. To classify my short term rental home the same as a condo would be unfair. To operate a legal STRH home owners must apply for a permit at significant investment in time, expense, inspections (and stress) which must be renewed and is non transferrable. STRH homes have restrictions condos do not including not even inviting grandma over to see the grandkids! Maximum occupancy is

also dictated. Family too big for the house, grandparents in a condo, cannot visit! No events or parties...Additional 1M liability insurance naming the County of Maui as an additional insured is required and costs each owner an additional \$1,400 + per year.

By zoning, condos have the right to rent short-term, have many owners to share in expenses, are NOT required to apply for a special permit, are NOT required to have the 1M liability policy naming the County of Maui as additional insured. Occupancy limits are not in place for condos or hotels. Condos also build a short term rental business that IS transferrable through escrow at the point of sale increasing their value or can be left to heirs. Condos can and do hold events for a fee benefiting all owners as well as hotels, of course. Condo properties have restaurants, bars, spas, exercise facilities, meeting rooms as well as hotels, all providing additional income. STRH's enjoy none of these revenue streams.

If you spent several months time, several thousand dollars, and paid all your taxes, on time!, and now face additional taxes while countless others operate illegally, would you feel justly treated? Adding a mere 220 homes to this new text category and increasing our taxes Will not significantly increase the total tax collected by the county. Will passing BF 79 and increasing the taxes for short term rental homes encourage the illegal ones to step up and become permitted?

Those of us who have worked so hard to permit homes and pay all taxes required and now face additional tax feel it is not just to ignore all of those operating without a permit.

At the October 24 meeting budget chair Ricky Hokama more than once stated the tax rate for the new classification could go up but it could also go down. This is not likely, the tax rate would need to be at least as high as the current hotel rate in order to generate the same revenue as last year. The 10,769 condos pay the hotel tax rate of \$9.37 this classification accounts for the largest single share of real property tax paid. Giving the new classification a lower rate would in fact disrupt the county budget. Placing STRH homes in this new classification would immediately make our tax rate increase from the Commercial rate of \$7.28 to the Hotel rate of \$9.37 in effect a 29% increase in one year! Again the addition of approximately 220 permitted homes Will not significantly increase the total tax collected by the county.

Focus on bringing illegal properties into legal, permitted status not shutting them down, thereby increasing all forms of tax revenue for Maui County. Shutting down homes costs jobs as well as income for the county.