

**MAUI COUNTY COUNCIL
PUBLIC HEARING MINUTES
May 13, 2024
11:00 AM**

Pursuant to §92-3.7, Hawaii Revised Statutes, the meeting was conducted as a remote meeting by interactive conference technology, via Microsoft Teams, <http://tinyurl.com/2p9zhjr2>.

In person testimony and viewing: Council Chamber, Kalana O Maui Building, 8th Floor, 200 S. High Street, Wailuku, Hawaii.

Video recording of meeting available at: www.mauicounty.legistar.com

TIME MEETING CALLED TO ORDER: 11:01 a.m.

ROLL CALL

Councilmember	Pres.	Abs.	Exc.	Time(s) In/Out (during meeting)
CM Pro Tempore Tasha Kama	√			
Vice Chair Yuki Lei Sugimura	√			
CM Tamara Paltin	√			
CM Gabe Johnson	√			
CM Keani Rawlins-Fernandez			√	
CM Tom Cook	√			
CM Nohelani U‘u-Hodgins	√			
CM Shane Sinenci	√			
Chair Alice L. Lee	√			
TOTAL PRESENT	8		1	

Resolution 24-78, FD1 "ADOPTING THE REAL PROPERTY TAX RATES FOR THE COUNTY OF MAUI"

	AYE	NO	EXC	Time Deliberations Began	11:50 a.m.
Pro Tem Kama	√			Time Motion Made	11:50 a.m.
VC Sugimura	√			Motion	WAIVE Rules 7(G) and 5(G)
CM Paltin	√			Maker	Sugimura

CM Johnson	√			Seconder	Kama
CM Rawlins-Fernandez			√	Time Vote Taken	11:51 a.m.
CM Cook	√				
CM U'u-Hodgins	√				
CM Sinenci	√				
Chair Lee	√				
TOTAL VOTES	8		1	MOTION PASSED	

	AYE	NO	EXC	Time Deliberations Began	11:51 a.m.
Pro Tem Kama	√			Time Motion Made	11:51 a.m.
VC Sugimura	√			Motion	ADOPT
CM Paltin	√			Maker	Sugimura
CM Johnson	√			Seconder	Kama
CM Rawlins-Fernandez			√	Time Vote Taken	11:55 a.m.
CM Cook	√				
CM U'u-Hodgins	√				
CM Sinenci	√				
Chair Lee	√				
TOTAL VOTES	8		1	MOTION PASSED	

TIME MEETING ADJOURNED: 11:56 a.m.

TRANSCRIPTION

Council of the County of Maui on 2024-05-13 11:00 AM - Public Hearing - Real Property Tax

[GAVEL] >> WILL THE PUBLIC HEARING OF APRIL 23RD, 2024 ON THE PROPOSED REAL PROPERTY TAX FOR FISCAL YEAR 2025, PLEASE RECONVENE. MS. CLERK, ROLL CALL. >> CHAIR, PROCEEDING WITH ROLL CALL, COUNCIL MEMBER PRO TEMPORE TASHA KAMA. >> GOOD MORNING CHAIR AND GOOD MORNING EVERYONE IN AKAKU LAND. >> VICE-CHAIR YUKI LEI SUGIMURA. >> GOOD MORNING EVERYBODY.\r\n\r\n>> COUNCIL MEMBER TAMARA PALTIN. >> ALOHA AND KIA ORA KAKOU. >> COUNCIL MEMBER GABE JOHNSON. >> DO YOU SEE HIM? >> YES. I'M HERE, CHAIR. THANK YOU, THERE'S NO ONE IN MY PERSONAL SPACE AND NO TESTIFIERS.\r\n\r\nTHANK YOU, CHAIR. >> THANK YOU. >> COUNCIL MEMBER KEANI RAWLINS-FERNANDEZ. >> EXCUSED. >> COUNCIL MEMBER TOM COOK. >> PRESENT. >> COUNCIL MEMBER NOHELANI UU-HODGINS.\r\n\r\n>> GOOD MORNING AGAIN. >> COUNCIL MEMBER SHANE SINENCI. >> ALOHA AND KIA ORA, HERE AT MY HOME OFFICE, I'M BY MYSELF, AND NO TESTIFIERS IN HANA, CHAIR. >> AND CHAIR ALICE LEE. >> ALOHA. >> CHAIR, YOU HAVE EIGHT MEMBERS PRESENT, ONE EXCUSED. A QUORUM IS PRESENT TO CONDUCT THE BUSINESS OF THE COUNCIL.\r\n\r\nFOR THE RECORD, I'M THE COUNTY CLERK MOANA LUTEY, ALSO PRESENT FROM THE OFFICE OF THE COUNTY CLERK ARE DEPUTY COUNTY CLERK RICHELLE THOMSON, AND LEGISLATIVE DIVISION STAFF JOYCE MURASHIGE, DELL YOSHIDA AND ARTHUR SUYAMA. JOINING THE MEETING FROM THE OFFICE OF COUNCIL SERVICES IS DIRECTOR DAVID RAATZ AND DEPUTY DIRECTOR RICHELLE KAWASAKI AND FROM THE DEPARTMENT OF CORPORATION COUNSEL, WE HAVE DEPUTY CORPORATION COUNSEL KRISTINA TOSHIKIYO . >> MAY I PLEASE REQUEST EVERYONE KEEP THEIR MICROPHONES MUTED UNLESS IT'S YOUR TURN TO SPEAK. WHEN TESTIFYING PLEASE DIRECT YOUR REMARKS TO THE COUNCIL, AND NOT TO ANYONE INDIVIDUAL MEMBER OR MEMBER OF THE PUBLIC. EACH TESTIFIER WILL BE ALLOWED TO SPEAK FOR UP TO THREE MINUTES. FOR INDIVIDUALS WISHING TO TESTIFY ON TEAMS, PLEASE CLICK THE RAISE YOUR HAND BUTTON TO BE ADDED TO THE TESTIFIER LOG. IF YOU ARE CALLING IN, PLEASE FOLLOW THE PHONE PROMPTS TO BE ADDED TO THE LOG. DECORUM SHALL BE MAINTAINED AT ALL TIMES.\r\n\r\nANY PERSON WHO BEHAVES IN A MANNER THAT DISRUPTS, DISTURBS OR IMPEDES THE ORDERLY CONDUCT OF ANY COUNCIL MEETING CAN AT THE DISCRETION OF THE PRESIDING OFFICER OR PRESENT COUNCIL MEMBERS BE EJECTED OR BANNED FROM COUNCIL MEETINGS, OR IF PARTICIPATING REMOTELY, BE MUTED, OR DROPPED FROM THE MEETING. EXAMPLES OF DISRUPTIVE BEHAVIOR INCLUDE, BUT NOT LIMITED TO HECKLING, SHOUTING, USE OF PROFANITY, THREATENING OR SLANDEROUS REMARKS, OR MAKING STRANGE FACES. [LAUGHTER] TO ANY OF THE COUNCIL STAFF, OR GENERAL PUBLIC. MS. CLERK, PLEASE PROCEED. >> THANK YOU, CHAIR. WE CURRENTLY HAVE FOUR PEOPLE SIGNED UP TO TESTIFY.\r\n\r\nAND WE ARE TAKING TESTIMONY ONLY ON RESOLUTION 24-78, FD 1, ENTITLED, "ADOPTING THE REAL PROPERTY TAX RATES FOR THE COUNTY OF MAUI, EFFECTIVE JULY 1, 2024." THE FIRST PERSON TO TESTIFY IS KATHY FLEMING TO BE FOLLOWED BY TOM CROLY. >> GOOD MORNING, COUNCIL MEMBERS. IS THIS WORKING? >> YES, IT IS. >> OKAY. WELL, I HAD A THREE-MINUTE SPEECH PLANNED, AND I HAD ALREADY SENT IT IN AS AN EMAIL. SO I'M NOT GOING TO DO THAT, BUT I'M TELLING YOU, THE TIMING IS SO WRONG FOR INCREASING PROPERTY TAXES ON STRS WITH ALL OF THE PUBLICITY OF ENDING 7,000 STRS ON MAUI, PEOPLE STOPPED COMING TO THE ISLAND.\r\n\r\nALL YOU HAVE TO GO ON, YOU KNOW, IS, LIKE, YOU HEAR REPORTS OF MARCH, WHICH SAYS TOURISM DOWN 18%. I'M TELLING YOU, IT'S WORSE, IT'S WAY WORSE THAN THAT, BECAUSE BEFORE PEOPLE BOOKED SIX MONTHS, 12 MONTHS OUT, AND I AM IN CONTACT WITH A LOT OF STR OWNERS AND WE'RE ALL REPORTING ABOUT 40% RIGHT NOW. SO EVEN IF WE WANTED TO PAY THIS PROPERTY TAX INCREASE, I'M AFRAID THAT WE COULDN'T, THAT WE'RE NOT GOING TO BE ABLE TO AFFORD IT, BECAUSE THE BOOKINGS ARE DOWN SO BADLY. AND THEN YOU INCREASE THE PROPERTY TAXES, BUT THEN, AGAIN, THE TOURISTS AREN'T HERE. THEY ARE NOT RENTING ANYTHING, SO THEY ARE NOT PAYING TAXES OR G.E.T.. SO YOU RAISE ONE AND LOSE THE OTHER. I JUST FEEL LIKE IT'S THE SAME ARGUMENT THAT PRIMARY HOMEOWNERS THIS IS THAT THE ASSESSMENTS WENT THROUGH THE ROOF. SO EVERYBODY'S PAYING MORE ANYWAY. ANY ASSESSMENT WENT FROM \$700,000 TO OVER \$1.1

MILLION.\r\n\r\nSO I AM LOOKING AT PAYING, IF YOU PASS THIS, I'M LOOKING AT PAYING OVER \$16,000 IN PROPERTY TAX; WHICH IF I HAD THE BOOKINGS I WOULD JUST GO AHEAD AND DO IT. BUT THEY ARE NOT THERE. AND THE OTHER PROBLEM IS THAT THE HOTELS ARE ABSOLUTELY NOT PAYING THEIR FAIR SHARE. I JUST BECAME A MEMBER OF MAUI VACATION RENTAL ASSOCIATION. THEY HAVE SENT YOU THIS BEAUTIFUL GRAPHIC THAT SHOWS HOW MUCH PROPERTY TAX REVENUE THE HOTELS CONTRIBUTE, AND HOW MUCH THE STRS CONTRIBUTE. AND IT'S PRETTY HORRIFYING. SO I'M CHIPPING IN \$16,000 A YEAR, AND SOME OF THE HOTELS CHIP IN AS LITTLE AS \$4,000 PER YEAR PER ROOM.\r\n\r\nHOW IS THAT FAIR? EVEN THE FAIRMOUNT, YOU KNOW? THEY ARE AT THE TOP OF THE LIST FOR HOTEL PROPERTY TAX REVENUE, AND THEY ARE STILL ONLY CHIPPING IN \$10,000 PER ROOM. SO IF YOU RAISE OUR TAXES, YOU BETTER RAISE -- >> THREE MINUTES. >> THE HOTEL TAXES RIGHT ALONG WITH THEM, BECAUSE OTHERWISE, IT JUST LOOKS LIKE PAY-TO-PLAY, THAT YOU GUYS ARE RESPONDING TO POLITICAL CONTRIBUTIONS AND NOT BEING FAIR WITH US. IT'S THE STR OWNERS THAT LIVE ON-ISLAND, RETIRED PEOPLE THAT LOOK FORWARD TO THIS AS PASSIVE INCOME. BECAUSE WE CAN'T GO WAIT TABLES ANY MORE.\r\n\r\nI'M 70. IT'S THE HOTEL PEOPLE THAT LIVE OFF-ISLAND AND TAKE THOSE PROFITS OFF-ISLAND. I SPEND IT ALL HERE. >> MEMBERS, ANY QUESTIONS? MR. COOK. >> THANK YOU. MY CLARIFYING QUESTION, I CAN -- HOW LONG HAVE YOU BEEN -- HAD YOUR BUSINESS?\r\n\r\n>> WELL, I WAS ABLE TO PURCHASE THE CONDO IN 2019. I HAD TO GO HOME AND WORK TO MAKE THE MORTGAGE, BECAUSE -- YOU DO GET PAID MORE ON THE MAINLAND. I LIVED IN THE 'OHANA FOR A WHILE, SO THE -- SO I COULD RENT OUT THE BIG AREA. I ACTUALLY TRIED LONG-TERM RENTAL AND IT JUST DIDN'T WORK. SO I HAVE BEEN ON-ISLAND NOW SINCE 2019. >> THANK YOU FOR YOUR TESTIMONY. ALSO, THANK YOU FOR COMING TODAY, AND TESTIFYING IN-PERSON. >> YOU'RE WELCOME OH, CAN I JUST PLEASE ADD ONE THING? >> OKAY.\r\n\r\n>> SO IF YOU LOOK AT THE INCREASES IN THE BUDGET RIGHT NOW, THE SMALLEST TIER FOR STRS IS 5%. YOU KNOW, THAT IS VERY DOABLE, I THINK. THE SECOND ONE GOES TO 14% AND SO MANY OF US GOT PUSHED INTO THE BIGGER TIER BY THE REASSESSMENTS. I WOULD JUST ASK THAT YOU LOWER THAT MIDDLE TIER DOWN TO SAY A 10%, WHICH WOULD PUT IT AT 13.05. IT'S NOT MUCH. IT ONLY WOULD SAVE ME \$600 A YEAR, BUT RIGHT NOW EVERYTHING WOULD REALLY HELP. AND AGAIN, I THINK WHAT IS GOOD FOR US IS GOOD FOR THE HOTELS. >> I HAVE A QUESTION. MS.\r\n\r\nFLEMING, YOU TALKED ABOUT THE OCCUPANCY RATE FOR STRS IS DOWN. RIGHT? DO YOU THINK THE FACT THAT MANY STRS ELECTED TO RENT TO VICTIMS OF THE FIRE, HAD AN IMPACT ON THE OCCUPANCY RATE? >> I DO THINK THAT. I MEAN, I TALKED TO -- I WALK ON THE BEACH LIKE EVERYBODY ELSE DOES AND I TWITO TALK TO GUESTS AND VISITORS AND THEY ARE STILL SAYING THAT THEIR FRIENDS ARE SAYING WHY ARE YOU GOING TO MAUI? IT'S ALL BURNED UP AND I SAY, NO, NO. BUT I THINK RIGHT NOW, IT'S MORE OF THIS NEGATIVE ATMOSPHERE.\r\n\r\nPEOPLE DON'T FEEL WELCOMED ON MAUI. THEY FEEL LIKE, WELL MAYBE YOU WANT OUR MONEY, BUT YOU DON'T WANT US AND WE'RE NOT EVEN SURE YOU WANT OUR MONEY ANY MORE, BECAUSE PEOPLE -- THIS IS LIKE A LIFETIME DREAM. IT'S NOT ALWAYS RICH PEOPLE THAT COME. IT'S A LOT OF TIMES IT'S JUST WORKING-CLASS PEOPLE THAT SAVE FOR 15 YEARS TO COME HERE, AND THEY BRING GRANDPARENTS AND GRANDKIDS, AND THEY DON'T WANT TO PLAN SOMETHING LIKE THAT JUST TO HAVE THE RUG RIPPED OUT FROM UNDER THEM TO HAVE IT CANCELED, BECAUSE IT'S NO LONGER LEGAL. >> THANK YOU VERY MUCH. NEXT TESTIFIER. >> CHAIR, THE NEXT TESTIFIER IS TOM CROLY, FOLLOWED BY SHAY CHAN-HODGES.\r\n\r\nTOM CROLY. >> ALOHA, CHAIR. TOM CROLY >> ALOHA. >> THIS IS MY 18TH YEAR FOLLOWING THE BUDGET AND EVERY YEAR I LEARN SOMETHING. THIS YEAR, I LEARNED THAT THESE HEARINGS, THIS PUBLIC HEARING ON REAL PROPERTY TAX RATES AND THE ONE THAT WE HELD A LITTLE WHILE AGO ARE KIND OF JUST A SHOW. WE KNOW THAT THE RATES THAT YOU HAVE SET IN THE BUDGET NOW ARE GOING TO BE ADOPTED. THERE IS GOING TO BE NO CHANGE TODAY.\r\n\r\nI UNDERSTAND THAT. AND I KIND OF ALWAYS KNOWN THAT. SO ANYTHING YOU HEAR TODAY IS NOT REALLY RELEVANT TO WHAT THE RATES ARE GOING TO BE UNLESS YOU WERE TO REPOST EVERYTHING AND YOU WILL MISS YOUR DEADLINES IF YOU DO. BUT WHAT I LEARNED THIS YEAR WAS NOT ONLY THAT, BUT THE RANGE OF RATES THAT YOU POSTED WERE DECIDED PRIOR TO THE POSTING OF THAT RANGE, WHICH WAS APRIL 10TH. AND THAT WAS DONE WITHOUT ANY PUBLIC INPUT WHATSOEVER BY THE BUDGET CHAIR. AND THAT RANGE OF RATES KEPT YOU

FROM ACTING ON WHAT I WAS SPENDING TIME TESTIFYING TO YOU ABOUT, BEING FAIR TO THE RESIDENT OWNER-OCCUPIED BED & BREAKFAST OWNERS ON THE ISLAND. AS I PROCESS I FEEL IT WAS WRONG.

IT WAS TO SET A RANGE THAT WAS SO CONSTRAINED THAT YOU CAN'T ACT IN A WAY THAT WOULD BE FAIR TO THE HOMEOWNERS, WHO HAVE A BED & BREAKFAST AT THEIR HOME. NEVERTHELESS, I'M VERY GRATEFUL TO TOM COOK, FOR MAKING THE MOTION THAT HE DID, AND NOT BEING STUCK WITH THE RATE THAT THE MAYOR HAD PUT FORWARD. HOWEVER, THE RATE THAT WE END UP WITH STILL INCREASES MY TAX BILL BY 63% FROM WHAT IT WAS FOUR YEARS AGO. IF I DIDN'T HAVE MY PERMIT, THE RATES THAT YOU CAME UP THIS YEAR WOULD HAVE INCREASED MY TAX BILL 24% AS A HOMEOWNER. SO THAT IS MY PROBLEM THERE. IS THAT MY TAXATION IS GOING UP AT A MUCH HIGHER RATE THAN THE TAXATION OF OTHER HOMEOWNERS. AND NET/NET, YOU GOT MY TESTIMONY.

I HAVE TO PAY \$4400 MORE IN PROPERTY TAX, BECAUSE I HAD MY PERMIT. I AM WILLING TO PAY MORE, BUT PLEASE UNDERSTAND THAT YOU ALSO GET THE TAT NOW FROM MY BUSINESS, AND YOU GET AN EXTRA G.E.T. FROM MY BUSINESS, AND AS THE PREVIOUS TESTIFIER SAID, THE TAXATION IS REALLY BECOMING QUITE A BURDEN ON US BEING ABLE TO CONTINUE OUR BUSINESSES. AS FAR AS WHAT MY FUTURE LOOKS LIKE, I ONLY HAVE TWO RESERVATIONS FOR THE REST OF THE YEAR. I NEVER, EVER IN 22 YEARS SEEN THIS POSITION. MAUI IS IN FOR A VERY, VERY ROUGH TIME WITH RESPECT TO VISITORS COMING HERE. >> THREE MINUTES. >> VISITORS HAVE STOPPED COMING AND THE TAXATION I'M BEING ASKED TO PAY AND 63% INCREASE IS REALLY NOT FAIR.

I HOPE THAT NEXT YEAR, THIS WILL BE TAKEN INTO CONSIDERATION, AND I HOPE THAT NEXT YEAR THE RANGE WILL NOT BE SET SO TIGHT THAT YOU WILL NOT BE ABLE TO RESPOND TO THE FOLKS THAT COME AND TESTIFY, BECAUSE I KNOW YOU ARE NOT GOING TO CHANGE THE RATES TODAY. WHEN YOU HAVE THE OPPORTUNITY TO CHANGE THE RATES, THEY WERE ALREADY DETERMINED, BASED ON WHAT HAPPENED BY APRIL 10TH. SO THE PROCESS WAS BAD, AND THE PROCESS DIDN'T ALLOW FAIRNESS TO TAKE PLACE. AND THAT IS MY TESTIMONY TODAY. THANK YOU, CHAIR. I'M THROUGH. UH-OH, MAYBE YOU ARE FROZEN.

EVERYONE'S LOOKING DOWN. I'M DONE SPEAKING. I THINK MAYBE YOU LOST ME, HUH? I APOLOGIZE. EVERYONE IS GOING DOWN. THE SYSTEM WENT DOWN. (MEETING IN RECESS) MR. CROLY, ARE YOU AND TO HEAR US. >> YES, I AM. >> SORRY ABOUT THAT WE HAD A TECHNICAL GLITCH. THE NETWORK WENT DOWN. SO WE'RE IN RECESS. WE'LL RECONVENE IN A MINUTE. >> OKAY.

THANK YOU. [GAVEL] >> WILL THE MEETING -- RECONVENED MEETING OF APRIL 23RD, 2024 PUBLIC HEARING PLEASE RECONVENE. TODAY IS MAY 13TH, 2024. THE TIME IS 11:24. MS. CLERK, LET'S CONTINUE. >> CHAIR, WHEN WE LAST LEFT OFF, MR. CROLY WAS I THINK PROBABLY MID-SENTENCE IN HIS TESTIMONY. >> THANK YOU.

>> MR. CROLY, CAN YOU GIVE US THE LAST 30 SECONDS . YES. I SAW WHERE I CAUGHT OFF. >> GO AHEAD, PLEASE. >> OKAY. THE LAST STATEMENT I WAS MAKING WAS I WAS AGREEING WITH LAST TESTIFIER THAT THE AMOUNT OF BUSINESS THAT IS COMING TO MAUI HAS DROPPED OFF TREMENDOUSLY. I HAVE BEEN IN MY BUSINESS FOR 22 YEARS.

AND NEVER, NEVER HAVE I SEEN AS FEW ADVANCED RESERVATIONS AS I HAVE RIGHT NOW. THE ONLY HAVE TWO ADVANCED RESERVATIONS IN MY BED & BREAKFAST ROOMS FOR THE NEXT FIVE MONTHS AND I HAVE NEVER SEEN THAT SITUATION BEFORE. SO IRRESPECTIVE OF TAX RATES I THINK WE'RE IN FOR A VERY ROUGH YEAR AS FAR AS VISITORS COMING TO MAUI AND SPENDING THEIR MONEY HERE. THANK YOU FOR THE OPPORTUNITY TO SPEAK, CHAIR. >> THANK YOU. MEMBERS, QUESTIONS? IF NOT, THANK YOU VERY MUCH, MR. CROLY. >> CHAIR. THE NEXT TESTIFIER IS SHAY CHAN-HODGES, FOLLOWED BY IAN CHAN-HODGES. >> ALOHA COMMITTEE. THIS IS SHAY CHAN-HODGES, CAN YOU FOLKS HEAR ME? >> YES. >> GREAT.

I WANTED TO SPEAK TO TESTIMONY THAT IAN SUBMITTED TO ALL YOU FOLKS I THINK ON FRIDAY. HE EMAILED A DOCUMENT TO YOU CALLED "FROM FIRE TO FAIRNESS TO REBUILD MAUI TAX DISPARITIES." I HOPE YOU TAKE A LOOK AT IT, BECAUSE YOU WILL SEE SOME GREAT VISUALS AND MAPS THAT RELATE TO A TOOL THAT WE ALSO SENT TO YOU FOLKS A FEW MONTHS AGO, BUT WE CAN RESEND IT TO YOU, WHICH HELPS TO UNDERSTAND WHAT THE OWNERSHIP IS AND WHAT PEOPLE, WHAT THE OWNERS ARE PAYING IN TAXES, AND WHO THEY ARE. SO I'M GOING TO START ABOUT MIDDLE OF THE SECOND PAGE OF THE DOCUMENT. BUT IN A RECENT MEETING DISCUSSING HOTEL PROPERTY TAX RATES, COUNCIL MEMBER TAMARA PALTIN ASKED ABOUT THE PAYMENTS RECEIVED BY HOTELS FROM FEMA FOR VICTIMS OF THE LAHAINA WILDFIRES? IN THE CONTEXT

OF HER QUESTION, IT'S WORTH NOTING THAT AS WITH LANA'I, MANY LARGE RESORTS ACROSS MAUI PAY LESS FOR THEIR PORTFOLIOS OF PROPERTIES THAN THE HOTEL PROPERTY TAX RATE DUE TO A MIX OF LAND CATEGORIES, INCLUDING GOLF COURSES BEING CLASSIFIED AS CONSERVATION LAND. IN WAILUA, FOUR SEASONS, AND WAILUA BEACH RESORT ALL HAVE LARGE PORTIONS OF OUR PROPERTIES CLASSIFIED AS CONSERVATION, A TAX RATE THAT IS A LITTLE MORE THAN HALF OF THE HOTEL-RESORT RATE EFFECTIVELY AVOIDING COMBINED \$1 MILLION IN PROPERTY TAXES. MANY OF THESE PROPERTIES ARE OWNED BY PRIVATE EQUITY ENTITIES THAT SENT PROFITS OUTSIDE OF HAWAII AND REGARDLESS OWNER SHOP STRUCTURE CURRENTLY NO LOCALLY OWNED HOTELS IN MAUI COUNTY.

ANOTHER EXAMPLE IS MOLOKA'I, WHERE NEARLY HALF OF THE PRIVATELY HELD LAND ON THAT ISLAND IS OWNED BY MOLOKA'I PROPERTIES, I'M SORRY, AND THE CENTER FOR GEO SPATIAL SOLUTIONS MAPPING TOOL ILLUSTRATES THE DISPARITIES AND TAX CONTRIBUTIONS BETWEEN WEALTHY LANDOWNERS AND LOCAL RESIDENTS 45% OF WHOM ARE CONSIDERED LOW-INCOME. DUE IT ITS CLASSIFICATION AS AGRICULTURE, AN EXTREMELY LOW LAND VALUATION, THE LAND OWNED BY MOLOKA'I PROPERTIES ONLY PROVIDES ABOUT 2.5% OF THE TOTAL TAX REVENUE PAID TO THE COUNTY BY ALL OF MOLOKA'I'S PRIVATE PROPERTY OWNERS. MOLOKA'I PROPERTIES OWNED OVER 43,000 ACRES OF LAND ON MOLOKA'I, WHILE OTHER PRIVATE AG LAND ON THE ISLAND COMES TO JUST UNDER 43,000 ACRES ON AVERAGE MOLOKA'I PROPERTIES AGRICULTURAL LAND, WHICH IS 88% OF ITS HOLDINGS HAS A VALUE PER ACRE UNDER \$100, WITH EACH ACRE ONLY GENERATING 52 CENTS OF TAX REVENUE. THE AVERAGE VALUE OF OTHER PRIVATELY HELD MOLOKA'I AGRICULTURAL LAND IS 4451 DOLLARS PER ACRE, GENERATING \$23.37 IN REVENUE PER ACRE FOR THE COUNTY, WHICH IS 45 TIMES WHAT MOLOKA'I PROPERTY PAYS. SO AS A RESULT OF THAT, THE COUNTY OF MAUI COLLECTS \$22,570 IN TAXES FOR MOLOKA'I PROPERTIES COMPARED TO A TOTAL OF \$998,000 FROM THE OTHER PRIVATE AGRICULTURAL LAND OWNERS FOR AN EQUIVALENT AMOUNT OF LAND. SO I REALLY ENCOURAGE YOU FOLKS TO LOOK AT THIS DOCUMENT AND ALSO LOOK AT THE TOOL, BECAUSE I THINK WHAT THE REAL ISSUE -- THERE IS OBVIOUSLY AN ISSUE RELATED TO WHAT THE TAX RATES ARE, BUT ALSO WHAT THE POLICIES ARE IN TERMS OF HOW YOU ASSESS WHAT SOMEBODY SHOULD PAY OVERALL IN TAXES? I THINK WE NEED TO MAKE SURE WE'RE EQUITABLE AND AS EVERYONE SAID THE TOURISM IS CHANGING IN OUR ECONOMY AND TO LOOK AT DIFFERENT NEEDS OF FUNDING OUR NEEDS.

THANK YOU SO MUCH. . >> THANK YOU. ARE THERE ANY QUESTIONS? MEMBER PALTIN. >> THANK YOU, CHAIR. YOU KNOW AS MR. CROLY SAID, THERE'S NOT MUCH WE CAN DO AT THIS POINT.

DID YOU NOT HAVE THIS INFORMATION EARLIER, WHEN WE WERE DOING DELIBERATIONS? BECAUSE WE DID TAKE TESTIMONY NEARLY EVERY DAY, AND GO OUT TO ALL OF THE DISTRICTS. IT'S DIFFICULT TO CHANGE THINGS AROUND AT THIS TIME, BECAUSE OF THE DEADLINES. >> YEAH, I FULLY UNDERSTAND THAT. ACTUALLY, WE STARTED WORKING ON THIS TOOL SEVERAL MONTHS AGO, AND WE DID SEND IT TO ALL OF YOU FOLKS, AND WE ASKED FOR MEETINGS TO TALK ABOUT IT, BECAUSE WE COULD SEE THE POTENTIAL OF IT. AND I THINK IAN DID TESTIFY AT THE PA'IA MEETING ABOUT KIND OF A VARIETY OF ISSUES. OF COURSE IT'S NOT JUST A SIMPLE THING OF OH, YOU SHOULD TAX PEOPLE LIKE THIS.

IT'S REALLY SAYING THAT WE NEED TO LOOK AT THIS AS A WHOLE. I REALIZE YOU ARE UNDER A DEADLINE AND YOU JUST CAN'T RESPOND TO WHAT I'M SAYING AND FIX IT TOMORROW. I JUST THINK IT'S SOMETHING THAT YOU NEED TO BE LOOKING AT FOR THE LONG-TERM. JUST AS THESE DIFFERENT OTHER TESTIFIERS ARE SAYING, TOURISM IS NOT GOING TO SUPPORT EVERYTHING FOREVER AND WE DON'T NECESSARILY WANT IT TO. SO LET'S LOOK AT DIFFERENT WAYS OF WHO IS MAKING MONEY OFF OF THE PROPERTY? AND HOW CAN WE MAKE SURE THEY CONTRIBUTE FAIRLY? >> THANK YOU.

>> ANY MORE QUESTIONS? IF NOT, THANK YOU VERY MUCH. >> THANK YOU. >> CHAIR, THE NEXT TESTIFIER IS IAN CHAN-HODGES, TO BE FOLLOWED BY ALICIA. >> ALOHA COUNCIL MEMBERS. MY NAME IS IAN CHAN-HODGES AND THANK YOU FOR THE OPPORTUNITY TO TESTIFY AND TALKING ABOUT THE ISSUE GO BACK TO WHAT COUNCIL MEMBER PALTIN SAID, YOU ARE RIGHT NOW SETTING YOUR TAX RATES FOR THE DIFFERENT CATEGORIES AND THIS IS JUST LOOKING LONGER-TERM AND MAYBE CAN BE TAKEN UP LATER ON BY THE COUNCIL? BUT THE ISSUE OF THE TAX ASSESSMENTS, AND THE EXAMPLE THAT SHAY GAVE OF MOLOKA'I, WHERE THERE'S BASICALLY FOR THE SAME PROPERTY CLASSIFICATION OF AGRICULTURE, MOLOKA'I RANCH, MOLOKA'I PROPERTIES PAYS 2% OF WHAT

THE OTHER PRIVATES -- BASICALLY THE FARMERS, WE BUY MOLOKA'I SWEET POTATOES AND THEY PAY 45% MORE THAN THE MOLOKA'I PROPERTIES DOES AND TO ME, IT'S AN ISSUE OF THE DEPARTMENT OF ACTUALLY DOES THE TAX ASSESSMENTS, AND HOW THEY ACTUALLY DO THAT AND HOW WE'RE LOOKING INTO IT.

BECAUSE THAT IS SUCH A BIG DISPARITY, THAT IT REALLY NEEDS TO BE LOOKED INTO AND THE FACT THAT YOU HAVE LOCAL FARMERS PAYING BASICALLY A MILLION DOLLARS IN TAXES TO COUNTY, AND MOLOKA'I RANCH, WHICH IS OWNED BY A BILLIONAIRE FAMILY OUT OF SOUTHEAST ASIA, PAYS ABOUT LESS THAN 25,000 DOLLARS. SO SOMETHING TO LOOK AT, BECAUSE OBVIOUSLY, THE TAX RATES ARE SETTING AS FAR AS DOLLARS PER THOUSAND. THAT IS REALLY IMPORTANT, BUT IT'S ALSO HOW DO YOU GET THOSE ASSESSMENTS IN THE FIRST PLACE? BECAUSE IF THOSE ARE SO FAR OFF IN MOLOKA'I, YOU GET A REALLY INEQUITABLE RESULT. SO THANK YOU. >> QUESTIONS, MEMBERS? MEMBER PALTIN.

THANK YOU. I WAS WONDERING HAVE YOU BEEN IN TOUCH WITH THE DEPARTMENT OF FINANCE, OR ANYTHING? BECAUSE WE DON'T -- I'M NOT SURE I UNDERSTAND WHAT YOU'RE ASKING US TO DO? WE DON'T MONKEY AROUND WITH THE ASSESSMENTS. THAT IS THE DEPARTMENT OF FINANCE. AND WE'RE NOT ALLOWED TO TAX PEOPLE ON WHAT THEY HAVE IN THE BANK. IT'S BASED ON WHAT IS ASSESSED BY THE ASSESSOR, I GUESS.

SO I'M NOT CLEAR ON WHAT IT IS THAT YOU WOULD LIKE US TO DO? BECAUSE WE TAX PROPERTIES BASED ON WHAT IT'S ASSESSED. I SPOKE TO THE FINANCE DIRECTOR PREVIOUSLY ABOUT THESE SHORELINE PROPERTIES THAT WILL EVENTUALLY FALL INTO THE OCEAN AND WHY THEY ARE VALUED SO HIGH AND THEY SAY THEY VALUE IT BASED ON WHAT PEOPLE ARE WILLING TO PAY FOR IT. WE AS A COUNCIL CANNOT ADJUST THE ASSESSMENTS. SO I'M NOT CLEAR ON WHAT IT IS THAT YOU ARE SAYING FOR US TO DO. >> THANKS FOR THE QUESTION, COUNCIL MEMBER. I THINK THE COUNCIL DOES -- FIRST OF ALL TO ANSWER YOUR QUESTION ABOUT THE FINANCE DIRECTOR.

AS YOU FOLKS KNOW, THERE'S BEEN A LOT OF ISSUES WITH THE FINANCE DIRECTOR IN TERMS OF ACTUALLY -- THEY HAVE BEEN FIRST OF ALL KIND OF OVERWHELMED AND SECOND OF ALL HAD PEOPLE ON LEAVE, AND THEN THE PERSON WHO IS ACTING FINANCE DIRECTOR ANYWAY, YOU KNOW THE ISSUES. SO IT'S HARD -- SO THE SECOND THING IS THE POLICIES THAT THE ASSESSMENTS ARE DONE BY THERE'S OBVIOUSLY SOMETHING WRONG WITH THEM. I MEAN NOT ALL OVER THE PLACE, BUT BASICALLY IF YOU LOOK AT THE EXAMPLE OF MOLOKA'I, HOW DO YOU GET TO THE POINT THAT YOU ARE ASSESSING SOMETHING BASICALLY SIMILAR LANDS AT 2% OF THE VALUE? HOW DOES THAT ACTUALLY HAPPEN? AND THE POLICIES ARE ACTUALLY DOING THE ASSESSMENTS UNDER ARE SET BY BASIC STANDARDS THAT I BELIEVE THE COUNCIL HAS OVERSIGHT OVER. I UNDERSTAND THAT IT'S ADMINISTRATION THAT ACTUALLY DOES THAT, BUT THE QUESTION IS WHAT ARE YOUR STANDARDS FOR ASSESSMENT? AND HOW IS IT SO FAR OUT OF WHACK?

I HOPE THAT ANSWERED YOUR QUESTION, COUNCIL MEMBER. >> I WILL TRY TO LOOK IF THERE'S CODE ABOUT ASSESSMENTS, BUT I HADN'T SEEN ANY IN THE PAST. IT MIGHT BE BETTER TO GO STRAIGHT TO THE ADMINISTRATION. >> I APPRECIATE THAT. AND SINCE YOU GUYS WERE TALKING ABOUT THIS, WE JUST WANTED TO RAISE THIS ISSUE, BECAUSE OBVIOUSLY, THE AMOUNT THAT YOU ARE MULTIPLYING THE TAX RATE BY REALLY MATTERS. AND IF THERE'S A LOT OF DISPARITIES AND INEQUITIES IS A DIFFERENCE AND MOLOKA'I IS A STARK EXAMPLE, BUT IT HAPPENS ALL OVER THE COUNTY. >> WHEN WE HAD COVID, THEY ASSESSED THE HOTELS LOWER, AND PEOPLE WERE UPSET ABOUT THAT, BUT WE HAD NO CONTROL OVER WHAT THEY DO IN THAT POLICY SHIFT THAT THEY HAD.

SO I DON'T KNOW FOR SURE THAT IT'S WITHIN OUR PURVIEW TO SET THE POLICY ON HOW IT'S ASSESSED. THERE'S AN IAAO IS THE AGENCY OF THE ASSESSORS AND THEY HAVE THEIR OWN WAYS OF DOING THINGS. WE'RE DEFINITELY NOT PROFESSIONAL ASSESSORS. I THINK THEY HAVE TO GO BY INDUSTRY STANDARDS, I MEAN, I GUESS IT WOULD BE GOOD TO LOOK INTO. AS FAR AS I KNOW, WE HAVE NEVER MONKEYED AROUND WITH ASSESSMENTS >> THAT IS GOOD TO KNOW AND MIGHT BE SOMETHING TO LOOK INTO AND WE CAN LOOK INTO WHAT THE STANDARDS ARE AND WHAT OVERSIGHT THE COUNCIL HAS? WHICH I'M ASSUMING THERE'S IS DEFINITELY OVERSIGHT, SINCE YOU ARE THE POLICYMAKERS, BUT I APPRECIATE YOUR QUESTION. >> THANK YOU.

THANK YOU, CHAIR. >> ANYONE ELSE? IF NOT, THANK YOU. MS. CLERK. >> THANK YOU, CHAIR. >> CHAIR, THE NEXT TESTIFIER IS ALICIA, TO BE FOLLOWED BY LAURENCE CHAPMAN.

ALOHA CHAIR AND COUNCIL MEMBERS. THANK YOU FOR THE OPPORTUNITY

TO TESTIFY. I DON'T HAVE ANYTHING REALLY PREPARED. I WAS JUST NOTICING THAT THE HOTEL RATES OR THE TIME SHARE RATES AND THE STR RATES WERE RAISED SUBSTANTIALLY, IN MY OPINION. AND I JUST DON'T UNDERSTAND IT. I THINK I HEARD SOMEBODY SAY IT WAS BECAUSE THEIR ADR NUMBERS WERE DOWN. SHORT-TERM RENTALS WERE DOWN, THEY WERE CLOSED DOWN ON THE WEST SIDE FOR A FEW MONTHS AFTER THE FIRES.\r\n\r\nSO REVENUES WERE NIL. WHEREAS, THE HOTELS WERE STILL GAINING REVENUE THROUGH FEMA. AND A LARGE AMOUNT OF MONEY. SO I GUESS I JUST HAVE A QUESTION, I DON'T KNOW IF YOU CAN ANSWER IT, WHY IS THERE SUCH A DISPARITY? THANK YOU. >> OKAY. ANYBODY ELSE WITH QUESTIONS?\r\n\r\nTHANK YOU. I'M AFRAID THAT, LET'S SEE, DOES ANYONE WANT TO VOLUNTEER? I WILL REFER THIS TO YOUR COMMITTEE, MEMBER SUGIMURA TO RESPOND TO THE TESTIFIER. OKAY? THANKS. >> CHAIR, THE NEXT TESTIFIER IS LAURENCE CHAPMAN AND CURRENTLY MR. CHAPMAN IS THE LAST PERSON SIGNED UP TO TESTIFY.\r\n\r\n>> ALOHA, COUNCIL MEMBERS. I TESTIFIED TO YOU A FEW WEEKS AGO ABOUT THE VERY DIFFICULT TIME THAT STR OWNERS HAVE HAD AND I THINK KATHY FLEMING DID A GREAT JOB OF REINFORCING THAT. MY OWN UNIT IS ABSOLUTELY EMPTY IN JULY. THAT WOULD NORMALLY BE A VERY BIG MONTH FOR ME, AND I HAVE NO BOOKINGS. I REALIZE THAT YOU ARE LIMITED IN WHAT YOU CAN DO TODAY, BUT I THINK THAT THE COUNCIL IS GOING TO FACE A STRUCTURAL PROBLEM GOING FORWARD WITH THE INCOME THAT YOU NEED FOR YOUR BUDGET. YOU'RE SHIFTING -- WITH THESE RATES THAT YOU ARE SETTING TODAY, YOU ARE SHIFTING THE BURDEN TO THE STR CATEGORY, WHICH IS ALREADY A VERY LARGE CATEGORY OF CONTRIBUTIONS. BUT AT THE SAME TIME, FOR GOOD PUBLIC POLICY REASONS, YOU ARE GOING TO SHRINK THE STR UNIVERSE.\r\n\r\nYOU ARE GOING TO SHRINK THE NUMBER OF STRS THAT ARE GOING TO BE PAYING THOSE RATES. SO YOU ARE GOING TO HAVE A BUDGET SHORTFALL UNLESS YOU FIND THE MECHANISM FOR SHIFTING -- RAISING THE INCOME IN OTHER CATEGORIES. AND I'VE POINTED OUT, I THINK TOM POINTED OUT THAT HOTEL ASSESSMENTS ARE SIGNIFICANTLY BELOW STR ASSESSMENTS. I HAVE PROVIDED SOME INFORMATION TO COUNCIL MEMBER PALTIN THAT SHOWS THAT HOTELS TELL THEIR SHAREHOLDERS INFORMATION THAT ALLOWS THE SHAREHOLDERS TO UNDERSTAND HOW VALUABLE THOSE PROPERTIES ARE. SO THERE'S INFORMATION OUT THERE ABOUT PROPERTY VALUES, AND LOOKING AT THAT INFORMATION, THEY ARE BEING ASSESSED AT ABOUT HALF THEIR MARKET VALUE. I REALIZE YOU ARE NOT ASSESSORS, BUT THERE REALLY IS A SIGNIFICANT DISPARITY THAT CAN BE DEMONSTRATED BETWEEN THE WAY HOTELS ARE -- THE VALUATIONS FOR HOTELS AND THE VALUATIONS FOR STRS. I JUST WOULD ENCOURAGE YOU TO THINK ABOUT WHERE YOU ARE GOING TO RAISE FUNDS NEXT YEAR AND THE YEAR BEYOND?\r\n\r\nI'M IN CALIFORNIA AND WE HAVE A BIG PROBLEM WITH TAXATION HERE, BECAUSE THE STATE TAXES THE CAPITAL GAINS OF HIGH NET WORTH INDIVIDUALS AND THAT IS THEIR PRINCIPAL SOURCE OF REVENUE. WHEN YOU HAVE A BAD YEAR AND RICH PEOPLE AREN'T TAKING CAPITAL GAINS, THE AVAILABILITY OF FUNDS DROPS SIGNIFICANTLY. AND I THINK AS A COUNCIL YOU ARE GOING TO FACE A SIMILAR PROBLEM WITH A VERY WEAK YEAR FOR STR OWNERS AND YOU ARE SHRINKING THE NUMBER OF STR OWNERS. YOU HAVE TO FIND SOMEWHERE ELSE TO RAISE REVENUE. THANK YOU. >> ANY QUESTIONS, MEMBERS? IF NOT, THANK YOU VERY MUCH.\r\n\r\nMS. CLERK. >> MADAM CHAIR, I SEE J.C. LAU MAKING HIS WAY TO THE PODIUM. >> ALOHA KAKOU AND ALOHA AKAKU. J.C. LAU. I'M PUTTING IN MY TWO CENTS. THAT IS ABOUT ALL I GOT AND PUTTING ON THE SAME BROKEN RECORD ABOUT THE CHURCH, THE CHURCH LANDS.\r\n\r\nI HAVEN'T HEARD ANYTHING ABOUT YOU GUYS LOOKING AT THE FEES THAT THEY PAY, OR WHATEVER THE MINIMUM CHARGE THAT THEY GET? THE CHURCHES SEEM TO GET CHOKE LANDS AND FIRE VICTIMS ARE LIVING IN CARS, TENTS AND THE SIDE OF THE ROADS. SPECIFICALLY SPEAKING THE CHURCHES IN MY NEIGHBORHOOD, THERE SHOULD BE MORE OVERSIGHT, AND I CAN'T LOOK AT ALL, BUT 300 OF THE CHURCH LANDS THAT ARE GETTING THE TAX SUBSIDY FROM THE TAXPAYERS. I THINK THERE SHOULD BE SOME KIND OF HOTLINE THEY CAN CALL AND REPORT WHETHER THEY ARE BEING USED OR NOT? SO WHAT HAPPENS IF THE MEGA CHURCHES BUY THE HIGH LANDS LIKE THE MOLOKA'I RANCH OUTFIT DOES? I DON'T WANT TO JUST SIT UP HERE AND CRITICIZE ALL THE TIME, SO I'M TRYING TO FIGURE OUT. SOME CHURCHES DO GOOD AND I DON'T WANT TO SEE THEM GET PUT OUT OF BUSINESS.\r\n\r\nMAYBE SOMEBODY CAN RESEARCH HOW THE MONARCHY USED TO DEAL WITH THAT SITUATION? AND IF THEY WERE CHARGING TAXES? SO I ALMOST FORGET THE HAWAIIAN

WORD OF THE DAY IS PU OE HA, AKAKU, THE LINE ABOVE THE U, AFTER THE P, AND THE GLOTTAL STOP O AND GLOTTAL STOP A MEANS "TOWER, STEEPLE, PYRAMID, PEAK." AND THIS IS INTERESTING O A HOUSE FOR DEPOSITING A CORPSE, A LEAN TO OR TENT." AND TO PUT IT IN A SENTENCE -- SPEAKING HAWAIIAN. MEANS THE TALL STEEPLES OF THE CHURCHES. THANK YOU TO YOU YOUR TIME, MADAM CHAIR. >> QUESTIONS? NO QUESTIONS.\r\n\r\n>> CHAIR, THE NEXT TESTIFIER IS PAMELA TUMPAP. >> MS. TUMPAP, ARE YOU THERE? >> CAN YOU HEAR ME NOW? >> YES. >> THANK YOU SO MUCH. I HAVE BEEN TRYING TO TYPE IN THE CHAT, BUT IT WOULDN'T LET ME.\r\n\r\nYOU KNOW, I DO UNDERSTAND TODAY, THERE'S LIMITED THINGS THAT CAN BE DONE, BUT I JUST WANTED TO SHARE A FEW COMMENTS AND I SENT THOSE EARLIER TO YOU THROUGH AMBER. WE'RE GRATEFUL FOR THE DIFFERENT CATEGORIES THAT YOU KEPT THE RATES THE SAME. THIS HAS BEEN AN INTERESTING YEAR LOOKING AT VALUATIONS AND REALLY TAKING INTO ACCOUNT WHAT THOSE VALUATIONS MEAN IN COMBINATION WITH THE RATES. I GOOD WANT TO MENTION THAT WE'RE A LITTLE CONCERNED ABOUT AGRICULTURE, BECAUSE EVEN THOUGH YOU KEPT IT FLAT AS WELL WE'RE SEEING AGRICULTURAL RATES GO UP. SO THAT IS A LITTLE CONCERNING AS WE SEE MORE AND MORE PEOPLE BUYING UP AGRICULTURAL LAND AND SAW A LOT OF THAT DURING COVID AND THAT CONTINUES. WANTED TO MENTION ON SHORT-TERM RENTALS, TOO, WE HAVE CONCERNS AS WE'RE ALSO HEARING THAT SEEING A DECLINE IN THE RENTALS AND THE CONDO SIDE WITH THE FEMA RENTALS AND ISSUES THERE. JUST REALLY WANTED TO PUT A WATCH ON THAT, BECAUSE I AGREE MANY PEOPLE ARE GOING TO SEE INCOME LOSSES AND IT'S GOING TO BE CONCERNING WITH THE HIGHER RATE.\r\n\r\nWE HAVE A CONCERN REGARDING THE NON-OWNER-OCCUPIED CLASSIFICATION THERE THAT IT'S THE LOWEST TIERED -- SORT OF A MISSED OPPORTUNITY. WE BELIEVE THAT WE CAN MAKE MORE MONEY USING THAT TIER, AND JUST A SUGGESTED PRICE OF \$6.25 FOR THAT TIER. ACTUALLY WOULD NOT -- IT WOULD NET US A LITTLE BIT MORE THAN LAST YEAR, BUT NOT EXPONENTIALLY MORE. AND WOULD HELP MAKE UP FOR LOSSES IN OTHER AREAS AS AN OPTION AND PROVIDED SOME SUGGESTIONS FOR THE FUTURE, REALLY LOOKING AT THAT OWNER-OCCUPIED TIER AND MAYBE GOING TO A FOURTH TIER, AND PUTTING OUT SUGGESTIONS EARLY. WE PREDICTED IN 2019 BY 2024 WE WOULD SEE OVER A MILLION DOLLAR MEDIAN HOME PRICE AND OF COURSE, WE'RE THERE, AND WE WERE THERE EARLIER BEFORE 2024. SO WE PREDICTED THAT BY 2042 WE WOULD SEE A \$2 MILLION MEDIAN HOME PRICE. SO THE CATEGORIES FOR BREAK THINGS OUT AND LOOKING AT RATES THE WAY YOU HAVE BEEN DOING IT, WE THINK IS GREAT AND VERY IMPORTANT. BUT WE ALSO UNDERSTAND EVEN THE LOWEST TIERS WE'RE GOING TO SEE MORE AND MORE PEOPLE SLIDING INTO THE OVER \$1 MILLION TIER AS A MEDIAN.\r\n\r\nSO TO TAKE THAT INTO ACCOUNT AND ALSO RECOGNIZE THE IMPACT ON AG, WITH MORE PEOPLE COMING IN, AND BUYING UP AG LAND AT VERY REASONABLE PRICES, BUT PLANNING TO HOLD IT OR NOT DO AG FOR A LONG PERIOD OF TIME AND THOSE ARE OUR THOUGHTS. AGAIN, I APOLOGIZE FOR THE LATENESS, BUT WE WANTED TO BE MORE PROACTIVE AND SHARE THOUGHTS MOVING FORWARD, GIVEN WHAT WE'RE EXPERIENCING AS A COMMUNITY WITH THE VALUATIONS. >> THREE MINUTES. >> QUESTIONS, MEMBER SUGIMURA. >> THANK YOU. THANK YOU, CHAIR. PAM TUMPAP, I DON'T SEE YOU ON THE SCREEN.\r\n\r\nYOU HAD MENTIONED IN YOUR TESTIMONY THAT OWNER-OCCUPIED YOU WOULD RECOMMEND TIER 4? >> WE WOULD, BECAUSE WE THINK THAT AGAIN, A LOT OF PEOPLE ARE GOING TO START SLIDING INTO BEYOND A MILLION DOLLARS. AND AT ONE POINT THERE WAS TALK ABOUT YOU FOLKS DOING A TIER 4. AND YOU KNOW, IN -- >> JUST THE AMOUNT. >> FOR THE FOURTH TIER, WE WERE LOOKING AT \$6 MILLION AND OVER, BUT EXPANDING THE TIER BEFORE THAT UP TO JUST BELOW \$6 MILLION. >> THANK YOU. THANK YOU. >> ANY MORE QUESTIONS? >> AGAIN, THAT IS MORE MEGA PROPERTY OWNERS.\r\n\r\n>> OKAY. IF NOT, THANK YOU VERY MUCH. >> THANK YOU, ALOHA. >> ALOHA. NEXT TESTIFIER. >> CHAIR, THERE'S CURRENTLY NO ONE ELSE CURRENTLY SIGNED UP TO TESTIFY. IF THERE'S ANYONE WHO WOULD LIKE TO TESTIFY, YOU CAN RAISE YOUR HAND IN TEAMS OR IF YOU ARE IN CHAMBERS, YOU CAN MAKE YOUR WAY TO THE PODIUM.\r\n\r\nTHIS IS LAST CALL FOR TESTIMONY. THE COUNTDOWN IS 3, 2, 1. >> MEMBERS, ANY OBJECTIONS TO CLOSING PUBLIC TESTIMONY AND ACCEPTING WRITTEN TESTIMONY FOR THE RECORD? >> NO OBJECTIONS. >> NO OBJECTIONS, SO ORDERED. MS. CLERK. >> CHAIR, BEFORE YOU IS RESOLUTION 24-78, FD 1, ENTITLED, "ADOPTING THE REAL PROPERTY TAX RATES FOR THE COUNTY OF MAUI EFFECTIVE JULY 1ST, 2024." >> VICE-CHAIR SUGIMURA.\r\n\r\n>> THANK YOU. I

MOVE TO WAIVE THE REQUIREMENT OF COMMITTEE REFERRAL AND REPORT UNDER RULE 7G, AND 5E OF THE RULES OF THE COUNCIL AS IT RELATES TO RESOLUTION 24-78. >> SECOND. >> FD 1. >> THANK YOU. >> MOVED BY MEMBER VICE-CHAIR SUGIMURA, SECONDED BY PRO TEM KAMA TO WAIVE RULE 7G AND 5E. DISCUSSION, VICE-CHAIR SUGIMURA. >> MAUI COUNTY CODE SECTION 3.48.565 STATES THAT AFTER THE COUNCIL'S INITIAL PUBLIC HEARING ON REAL PROPERTY TAX RANGES OF RATES, AND TIERS, THE COUNCIL SHOULD READVERTISE, AND RECONVENE WITHIN THREE WEEKS TO ADOPT A RESOLUTION, FIXING THE TAX RATES, AND TIERS. THIS WAIVER IS NECESSARY BEFORE WE CAN ADOPT THE RESOLUTION TO FIX THE RATES AND TIERS AT THIS HEARING. THIS ALLOWS US TO REMAIN ON-SCHEDULE TO MEET CHARTER-MANDATED DEADLINES WITH FIRST READING ON THE BUDGET ON MAY 21ST, AND THE SECOND READING ON JUNE 5TH.

THANK YOU, CHAIR. >> ANY MORE DISCUSSION ON THE WAIVER? IF NOT, ALL THOSE IN FAVOR THE WAIVER, BOTH RULES, 7G, AND 5E, RAISE YOUR HAND, SAY AYE. >> AYE. >> MEMBER JOHNSON, I DON'T SEE YOUR HAND. OKAY. SO WE HAVE EIGHT AYES, ONE EXCUSED.

MOTION CARRIES. THE EXCUSED IS MEMBER KEANI RAWLINS-FERNANDEZ. VICE-CHAIR SUGIMURA. >> I MOVE TO ADOPT RESOLUTION 24-78, FD 1. >> SECOND. >> MOVED BY VICE-CHAIR SUGIMURA, SECONDED BY PRO TEM KAMA TO ADOPT RESOLUTION 24-78, FD 1. DISCUSSION, VICE-CHAIR SUGIMURA. >> THANK YOU. AFTER THE INITIAL RPT HEARING THE BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE DISCUSSED POTENTIAL ADJUSTMENTS TO THE MAYOR'S PROPOSED RATES TAX RATES AND TIERS.

THE COMMITTEE CAME UP WITH AT FOLLOWING CHANGES TO HIS PROPOSAL, WHICH ARE REFLECTED IN THE RESOLUTION BEFORE US TODAY. FOR OWNER-OCCUPIED CLASS, RATE CHANGES AS FOLLOWS: FOR THE FIRST TIER UP TO \$1 MILLION A RATE OF \$1.80 PER ONE THOUSAND DOLLARS, AND FOR THE SECOND TIER \$1 MILLION AND ONE DOLLAR TO \$3 MILLION AT A RATE OF \$2 PER ONE THOUSAND. MEMBERS, THIS WAS A REDUCTION FROM THE MAYOR'S RATES. FOR THE NON-OWNER-OCCUPIED CLASSIFICATION TO THE TIER WILL NOW WITH THEM NOW BEING UP TO \$1 MILLION, AND ONE MILLION AND ONE TO THREE MILLION AND MORE THAN THREE MILLION AND CHANGES TO THE RATE FOR THE FIRST TIER OF \$1 MILLION NOW AT \$5.87 PER -- WHICH MEANS WE CHANGED THE TIERS AND THIS ONE RATE. FOR THE COMMERCIALIZED RESIDENTIAL RATE THE INTRODUCTION OF TIERS WERE THEIR OWN RATE AS FOLLOWS: UP TO \$1 MILLION WITH RATE OF \$4 PER ONE THOUSAND. \$1 MILLION AND 1 TO \$3 MILLION WITH A RATE OF \$5 PER ONE THOUSAND. MORE THAN \$3 MILLION WITH A RATE OF \$8 PER ONE THOUSAND.

THE OTHER RATES AND TIERS ARE THE SAME AS WHAT THE MAYOR PROPOSED. OTHER ADJUSTMENTS ARE -- OUR ADJUSTMENTS ARE ESTIMATED TO GENERATE \$8,000 MORE THAN THE MAYOR'S PROPOSAL, WHICH ALLOWS US TO MAKE RATE REDUCTIONS FOR THE HOMEOWNERS WITH PROPERTIES IN THE LOWER TIERS. I RESPECTFULLY ASK FOR MEMBERS' SUPPORT OF MY MOTION. THANK YOU, CHAIR. >> VICE-CHAIR SUGIMURA, SO WAS THIS DISCUSSED PREVIOUSLY? OR ARE THESE BRAND-NEW NUMBERS >> THIS WAS DISCUSSED EARLIER. >> OKAY.

JUST CHECK BECAUSE OF WHAT THE TESTIFIER SAID. I THINK ALL OF THE MEMBERS KNOW THAT. YES. THANKS. >> ANY MORE DISCUSSION? MEMBER PALTIN? >> I JUST WANTED TO DISCUSS DID YOU NOT KNOW WHAT YOUR POSTING FOR THE RANGE OF RATES?

BECAUSE THAT IS WHAT MR. CROLY HAD SAID, IT WAS DONE WITHOUT YOUR KNOWLEDGE? >> SO THE RANGES WERE -- -- THE RANGES WERE DISCUSSED WITH FINANCE TO GET SOME FACTUAL DATA. AND THEN IT WAS POSTED, AND ALL OF THE MEMBERS WERE MADE AWARE WITH THAT POSTING. SO IT WASN'T A SECRET. AND IT COULD HAVE BEEN CHANGED AT THAT TIME. SO WHEN IT WAS SET.

>> ANY MORE QUESTIONS? >> SO THAT IS NOT TRUE THAT IT WAS POSTED WITHOUT. >> IT'S NOT A SECRET. >> OKAY. >> IT'S NOT A SECRET TO YOU OR ANY OF THE OTHER MEMBERS, BECAUSE WE RAN BASED UPON SUNSHINE. SO WE CANNOT DO JUST WHAT WE WANT TO DO. >> SO THAT IS NOT TRUE WHAT HE WAS SAYING.

>> IT'S NOT TRUE. >> OKAY. IT PROBABLY LOOKS LIKE IT IF HE WASN'T AWARE. I'M NOT SURE. I CAN'T READ HIS MIND. >> ANY MORE QUESTIONS? WE'RE GOING TO VOTE ON THE RESOLUTIONS, DO WE NEED A ROLL CALL?

NO? ALL THOSE IN FAVOR OF THE MOTION, RAISE YOUR HAND, SAY AYE. >> AYE. >> ALL AYES, ZERO NOS, ONE EXCUSED. MOTION CARRIES. EXCUSED IS MEMBER RAWLINS-FERNANDEZ. MEMBER PALTIN.

>> SORRY. SLOW REACTION. I WAS TAKING DOWN MY HAND. [LAUGHTER] >> VICE-CHAIR SUGIMURA, DID YOU HAVE ANOTHER MOTION TO MAKE? >> NO, THAT IS IT. ANYBODY ELSE? OKAY.

ARE WE READY TO ADJOURN? EVERYBODY? >> MOVE TO ADJOURN. >> THIS

MEETING IS THEREFORE ADJOURNED. [GAVEL] >> THANK YOU.