HLU Committee

From: County Clerk
Sent: Monday, November 17, 2025 12:44 PM
To: HLU Committee
Subject: FW: Bill 9 Testimony
Attachments: MGC Bill 9 TVR Kapu Testimony 1 Dec2025.pdf

From: Dott.ssa Marion Ceruti, mezzosoprano <liuto@earthlink.net>
Sent: Monday, November 17, 2025 11:47 AM
To: County Clerk <County.Clerk@mauicounty.us>
Subject: Bill 9 Testimony

You don't often get email from liuto@earthlink.net. Learn why this is important

Aloha Maui County Clerk,

Mahalo for the opportunity to provide written testimony regarding Bill 9, which is attached.

Please do not hesitate to contact me if you have any questions

Aloha,

Marion Ceruti

Meeting of the Maui County Council on 1 Dec. 2025.

Testimony **Against** Bill 9 (2025), Maui County's Proposed TVR Kapu
by Dr. Marion Ceruti, Voting Resident of Maui County

1. **Beware assigning blame to the wrong cause.** The Grassroots Institute of Hawai'i has determined that the causes of the housing shortage are 1) the restrictive zoning laws and 2) the lengthy, costly, and complicated permit process. Banning Transient Vacation Rentals (TVRs) will not solve the problem because TVRs are not the cause of the affordable-housing shortage. In contrast, excessive and burdensome government control of the housing industry is responsible for the restrictive zoning laws and the permit process. Government can reform its approach simply by getting out of the way and allowing the housing market and the economy to recover on its own. To increase the housing supply, the government needs to accelerate rezoning, embrace higher-density housing, permit planned and self-contained communities, and streamline the permit process, especially for coastal properties.

2. **TVR properties are totally inadequate for the long-term housing needs of local families.** The TVR market is almost a total mismatch to the affordable long-term housing market needed for local, working families. This is because most TVRs are tiny, hotel-room sized condos, some (but not all) of which have no kitchens (or very limited ones), which is an accommodation that works fine for visitors staying a few weeks, but one that will not meet the needs of a family living for months or years.

Most local working families need more than the 500 to 900 square feet available from a TVR, which provides only one parking space. Moreover, many TVR condo properties do not allow pets. A TVR property may help with a tiny fraction of the supply but significantly more supply is needed than the TVR industry ever could offer. Another issue is the cost of building; entire homes can be built for $250,000 on the mainland whereas the same construction costs are double or triple in Hawai'i. The upshot of the deal is that akamai local families are moving to the mainland rather than attempting to squeeze a large square peg (their families) into a small round hole (TVR apartments).

3. **Beware the consequences of failure to learn from similar legislation.** Although we live on an island, we should not assume that our thinking should be insulated from good ideas and perspectives that originate elsewhere. More

specifically, members of Maui County Government should study the mistakes made in other counties, with a view toward avoiding them in Maui County. For example, most TVRs on O'ahu were banned with no measurable effect on the affordability of homes.

On Hawai'i Island after a similar regulation passed in 2018, Bill 108 grandfathered in and forced the permitting of existing TVRs. It also made kapu any new TVRs in non-resort zones. Hawai'i County officials failed to grasp the most basic principles of free-market capitalism and private-property rights. They thought that such harsh regulations would result in the enhanced availability of long-term rentals.

But county officials did not ask the owners whether or not they wanted to convert their TVRs to long-term rentals. If they had, they would have learned that TVR owners have to cover their mortgage, pay ever increasing HOA maintenance fees, and pony up still more money for the steep increases in fire-insurance costs. Can long-term tenants afford to pay a monthly rent of $3,500 to $4,000? This is why renting only on a short-term basis can generate enough income to pay all of these expenses. Is it any wonder that TVR owners want to continue their current TVR business plan?

The majority of TVR owners do not understand the hazards of being long-term landlords, do not know how to operate long-term rentals, and do not want to learn. Some previous TVR owners-turned-long-term landlords do not have to imagine having a long-term tenant who trashes their property, causes thousands of dollars of damage, stops paying rent, and refuses to leave. They already have experienced this horrible nightmare first hand.

Local courts tie the hands of landlords, all deemed without evidence, to be evil. Neither Hawai'i State nor Maui County wants to help evict problematic long-term tenants. Attorney fees are expensive and the judges usually side with tenants. At least with the payment structures of TVRs, the owner has the visitor's credit card on file to pay for damages. Moreover, any guest who has caused trouble in a TVR will be leaving soon. Anyone who has had experience with long-term tenants would be well advised to avoid long-term rentals in Hawai'i because landlords have no rights (because they are evil) and tenants have all the rights (because they are perfect).

No amount of legislation can force TVR owners to rent long-term, so in some cases, their only legal recourse will be to sell. Hawai'i County's legislation failed to deliver large quantities of long-term rentals and the rental market became even more out of reach for working families.

Maui County Council members who are contemplating bring a similar economic disaster to Maui should reverse course immediately before it is too late.

4. **Beware the adverse impact of the proposed TVR kapu on local Maui-County residents and their businesses.** The Grassroots Institute of Hawai'i has determined that when you rain on the parade of a targeted group of scapegoats, everyone gets wet. This is because it is impossible to hurt one group economically without damaging everyone's financial wellbeing. The damages to all Maui residents from this ill-advised legislation may turn out to be worse than the economic damages suffered by the fire victims. The proposed legislation affects every job, contractor, resident, and property owner in Maui County.

Even the suggestion of this bill already is creating significant uncertainty for people who want to do business in Maui County. If passed, Bill 9 will devastate Maui's economy. Without the competition from TVRs, hotel prices will increase dramatically. More expensive hotels will decrease the number of visitors to Maui. Those who do come to Maui will spend less money in local businesses. How many restaurants and other local businesses will fail for lack of customers? How many more local working families will be unable to "make ends meet" in this adverse economic environment? This proposed legislation will lead to lower wages, higher unemployment, and a decline in the standard of living for Maui residents.

Local businesses whose employees are required to travel to other islands to do their jobs will be forced to raise their rates or they will go out of business. Local inter-island visitors will lose an affordable place to stay. The unintended consequences of the proposed TVR phase out will outweigh any small advantage that may accrue from the proposed legislation.

Destroying the TVR industry does not build an economy and will not help Lahaina or any other place in Maui County. 50% of the TVRs on the Minatoya list are locally owned and run by Maui residents, some of which have been in business for decades. The TVR industry provides jobs directly to local people. 9,000 Maui County residents could lose their jobs as property-management companies close, laying off office workers, maintenance workers, pool-service workers, landscape workers and cleaners. Locals who are already losing incomes will be forced off island to find affordable housing and better jobs. They will be forced to sell because they can't afford mortgage and insurance payments without the income from TVRs. Cleaners and suppliers to these TVRs will see their source of income decline and diminish.

The Maui County government proposes to kapu TVRs without any assurances that those properties will be purchased or rented by locals, that the jobs lost will be replaced with new ones, or that the tax-revenue void will be filled by some yet unidentified industry. A chain of adverse reactions will continue to ripple throughout the economy, to include a loss of tax revenue for Hawai'i State and Maui Country. The number of lawsuits and Maui County's associated court costs will skyrocket. Which government services are you willing to cut? Would elected county officials like to take a pay cut?

Consider the failed economy of Los Angeles and San Francisco, CA, with their extensive homeless encampments spread out along busy streets, on sidewalks, in front of small businesses, and in public parks. Add that to increases in litter, crime, vandalism, and declines in public sanitation and health standards. Most of all, people and their businesses are leaving these cities, just like some previous Hawai'i residents have done. Some of the beaches' scenic viewpoints here on Maui will become de facto closed due to the proliferation of homeless shanty towns. This is not the kind of scenery that attracts visitors who will be forced to pay elevated prices in Maui-County hotels.

The proposed Bill 9 already has resulted in a huge property-value decline for owners throughout Maui, regardless of whether the owners are Maui residents, reside on other islands, or are from out of state. Business communities everywhere crave stability for success and prosperity but even the suggestion of phasing out TVRs brings the opposite.

Sales are falling out of escrows, appraisers cannot put fair values on either Minatoya and non-Minatoya properties, and this will go on for years if the law actually passes and the lawsuits begin. The Hawai'i State government has acted irresponsibly giving the counties the power to eliminate TVRs. However, Maui County does not have to take the bait. Even now, significant damage has been done to the confidence of investors, many of whom are Maui residents. Even if the law fails to pass, investors will not feel confident doing business in Maui because local and state governments have not demonstrated trustworthiness. The Maui County Council and the Mayor should do everything possible to reverse the damage already done and avoid causing future turmoil in the economy.

TVRs are an integral part of Maui County's hospitality industry. If they become kapu, many mainland people will stop coming here and find other vacation locations because they can't afford the high-priced Maui hotels. Specifically, this legislation will drive away visitors, who will be happy to spend their tropical-vacation money elsewhere, such as Bermuda, the Caribbean, Costa Rica, or in Mexico. Who will make up the shortfall in the local economy and in the tax revenue? Like the mainland and foreign visitors, akamai Maui locals will find more affordable vacations on the mainland and in other countries, rather than travel to another island or even spend their vacation money on their home island. Bill 9 threatens to upend thousands of local businesses and it could lead to a recession on Maui.

On a personal note, my neighbors, who have depended on TVR income to make ends meet, have announced that they will move to the mainland because of the threat of Bill 9.

5. **Beware adverse effects of a TVR kapu on Maui residents with special needs.** Clearly, one size does not fit all and a blanket ban on TVRs does not even begin to address special needs of handicapped Maui residents who may be struggling economically with their extra medical expenses that go far beyond those of healthy individuals. Some residents are forced to travel to seek medical treatment. Some residents with special needs use TVRs when their medical conditions require a kitchen to prepare food for a special diet. Expensive hotels are inadequate for this need. The government never should deny people cheaper options for travel just because they have failed to permit the building of adequate low-cost housing.

Moreover, some people with special needs do not have the strength to work normal jobs that require manual labor. To generate much needed income for their higher living expenses, they operate a TVR. Even the suggestion of a TVR kapu has decimated their small businesses with cancelations that decrease their income at a time when their living expenses are rising dramatically due to inflation and also due to the skyrocketing insurance expenses of condos.

The proposed TVR kapu hurts the most vulnerable among our local people, thus inflicting cruel and unusual punishment for no reason on those who are least able to bear it.

Moreover, the effect that Bill 9 will have on disabled people violates the Federal “Americans with Disabilities Act of 1990” (ADA) because it increases the disproportionately negative obstacles that the handicapped face, and it can interfere with their economic stability and independence. States and counties are bound by the supremacy clause in the U.S. Federal constitution to observe all U.S. federal laws. Bill 9 potentially stands in direct violation of ADA. For additional fertile ground for litigation, see section 7 below.

6. **Beware adverse effects of a TVR kapu on tax revenue and property values.** Biting off the hand that feeds the Maui County Government is a failed proposition from the start. TVR owners already pay the some of the highest property taxes on Maui – much more in property tax per $1,000 of assessed value than the large hotels. Approximately 50% of Maui’s short term rentals are small and locally owned businesses that employ local people and whose revenues stay in the islands. Maui County will lose a huge amount of TVR tax revenue, to the tune of 42 percent of the total revenue collections. Revenue collected from the few long-term rentals that result from Bill 9 will not even begin to make up the shortfall.

Property-tax revenue is not the only visitor-related tax revenue that will decline as a result of this extremely ill-advised legislation. Transient accommodation tax, general excise tax, rental-car fees (some of which actually are taxes) also decline with a downturn in the volume of visitors. Who is left holding the bag? Governments do not reduce their spending. Instead, the taxes on Maui residents will balloon to compensate for the lost tourist revenue. At the moment, Maui County depends on fire-related Federal and State funds that are likely to stop at some point, which could come in the near future. Maui residents who own their primary residences, may suffer massive reductions in property values as thousands of TVRs flood the market on top of the increase in their taxes.

7. **Beware the legal consequences of the proposed TVR kapu.** According to the United States Constitution’s Bill of Rights, no person shall be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation. The Minatoya Opinion, issued in 2001 by Deputy Corporation Counsel Richard Minatoya, was codified into law in 2014 to protect pre-1989 TVR rights under HRS §46-4 and

constitutional law. Constitutionally protected due-process property rights protect the people from the government's illegal taking of their property. Preexisting lawful uses of property are vested rights that zoning ordinances are not allowed to diminish without just compensation.

This bill clearly violates basic private-property rights of real-estate owners. It constitutes a taking from our fellow Americans, some of whom are locals, who made legal investments, obeyed every ordinance, and contributed fairly to the tax base of Hawai'i. It also constitutes another taking of jobs from local people who support the TVR industry.

TVR owners, both local and from the mainland, facing substantial loses of property values and income, will fight back. What would stop thousands of TVR condo owners and realtors from raising million of dollars to hire the best lawyers for a class-action lawsuit to protect their property from this government taking? Clearly, the retroactive removal of these rights will trigger expensive lawsuits that the County likely will lose. This is because both the State and Federal Constitutions protect property owners. Any unconstitutional law eventually will be struck down.

Government's kuleana is not to pick winners and losers, but rather, it is to preserve and enhance the rights of the people. Moreover, it is not the kuleana of private home owners to provide housing for the general public. Forcing the private home owners to do so is not the answer. People should be able to use their private properties to meet their economic needs and the government should not interfere. This bill will result in additional lawsuits from private homeowners who are no longer able to use their properties to generate much needed income to help make ends meet. When costs are rising due to inflation (some of which also is government generated) this will cause many local families to move to the mainland and/or file for bankruptcy.

Some people in Maui County act like they are not a part of the United States of America. They enjoy the benefits of citizenship without respecting or acknowledging the rights of their fellow Americans.

The Hawai'i Free Press has explained how Maui County should have learned its lesson. In 2022, the Hawaiʻi Intermediate Court of Appeals ruled against the government for attempting to phase out the vested property rights of TVR owners. The government's action was ruled unconstitutional. Property owners are constitutionally protected to continue the use of structures on their property, which lawfully existed prior to the effective date of a zoning restriction. This has been well established constitutional law at both the State and Federal levels.

Ironically, Bill 9, to kapu TVRs, which creates a legal quagmire for Maui County and its local taxpayers, will not even begin to address the housing problem because akamai lawyers will obtain a preliminary injunction against enforcement of this unconstitutional proposed law, pending further litigation.

TVR kapu will not go into effect until 2028 for some and 2030 for others, and maybe long after that as the litigation makes its way through the appeals process. Moreover, the categorization whereby a resort or condo association is deemed “apartment” or “hotel” appears arbitrary, which is subject to legal scrutiny. Another legally questionable term in Bill 9 is that TVRs will be phased out first on West Maui in 2028, whereas TVRs in South Maui can wait until 2030. Who made these decisions, on what basis, and what was the legal justification for them? The courts may get a shot a probing these issues.

The outcome likely will be either that Maui County will have to compensate TVR owners for the de facto eminent-domain seizure, because the values of TVR properties have declined and will decline further as a result of this proposed law, or the law will be struck down in its entirety. Bill 9 contains no clause to provide funds to compensate owners for the loss of value in their property. This loss has already occurred, not only for out-of-state owners but for Maui residents as well.

The fact that Maui County will be collecting much less tax revenue in the face of huge increases in county legal fees from the defense of multiple lawsuits. The pay out to plaintiffs will be millions in compensation. Lawyers will make money, but not local businesses. Moreover, Maui County will lose tax revenue and incur higher legal expenses to defend the many lawsuits that they cannot possibly win. Is this the result that appeals to Maui County elected officials?

8. **When legal TVRs are kapu, illegal ones will meet the demand.** The underground economy gladly will supply rentals available only by word of mouth and not advertised on the internet. “Renters” can avoid discussing the situation with neighbors. In case anyone asks, “renters” can say they are family or friends visiting from the mainland. Companies like Turo offer older cars for rent to help the “renters” blend into the community better. No one will collect or pay any transient accommodation tax, general excise tax, or income

tax on the revenue generated by any of these illegal, underground “rentals.” The more difficult it is for TVR businesses to operate legally, the higher the probability that they will operate illegally. Making TVRs kapu will not stop some people from booking them anyway.

9. **Beware the irreparable damage to the Aloha spirit.** Hate has never worked anywhere it has reared its ugly head and will not work in Maui County. Don’t forget how TVRs became popular in the first place. Vacation rentals were encouraged, zoned, and legitimized through county partnerships.
Now, to tell property owners they never had the right to TVR use of their property is not just inaccurate; it betrays of decades of legal policy and public investment. It undermines trust in government and discourages economic development that benefits everyone.

Vilifying non-residents just because they decided to invest in Maui's future many years ago is narrow minded, biased, counterproductive, and it discourages the Aloha spirit. The investors did not take away housing in Hawai’i; the state and county legislators did so by passing restrictive zoning laws and complicating the permit process, thereby ignoring affordable-housing needs. (See section 1 above.)

Moreover, the hotels should have been required to offer affordable housing to their employees. The burden of this policy falls squarely on the shoulders of private individuals, whereas the major corporate entities that run large hotel chains are allowed to continue their operations without restriction, while they raise prices with impunity. Is this an unintended consequence of the proposed legislation or is this by design?

The proposed bill to kapu TVRs already has resulted in a huge property-value loss for owners throughout Maui, regardless of whether the owners are residents or from out of state. This is not aloha. Outside Hawai’i, public media are already noting the ugly attitudes in Hawai’i against “nonresidents.” When tourism is lagging; business failures will follow. As a result, layoffs will occur and the local working families will suffer the most.

An akamai government will avoid hurting the same people it purports to represent. Now is the time for the Maui County government to be akamai enough to stop the TVR-kapu bill before it does any more damage. **Kill Bill 9 before it kills the economy.**

HLU Committee

From: County Clerk
Sent: Monday, November 17, 2025 1:01 PM
To: HLU Committee
Subject: FW: Testimony re Bill 9
Attachments: 2025-11-17 Testimony Bill 9.pdf

From: Michele White <michelewhite@twc.com>
Sent: Monday, November 17, 2025 12:54 PM
To: County Clerk <County.Clerk@mauicounty.us>
Cc: 'michelewhite@twc.com' <michelewhite@twc.com>
Subject: Re: Testimony re Bill 9

Aloha County Clerk,

Please see my attached testimony re Bill 9.

A hui hou,

Michele Muir White R(S), ABR, SFR RS-71240
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INTERNATIONAL STERLING SOCIETY

November 17, 2025

Council Chair Alice Lee
Maui County Council Members

RE: **Bill 9 – A BILL FOR AN ORDINANCE AMENDING CHAPTERS 19.12, 19.32, AND 19.37 MAUl COUNTY CODE, RELATING TO TRANSIENT VACATION RENTALS IN APARTMENT DISTRICTS**

Hearing Date – December 1, 2025

Aloha Chair Lee and Council Members,

My name is Michele White, and for 17 years I have had the privilege of working with local families every day as a Realtor on Maui. I am writing to ask you to oppose Bill 9—not just as a real estate professional, but as a neighbor who has seen firsthand how these policies affect real people.

Many of my clients are kupuna who bought condos decades ago with the hope of supporting their retirement. Others are working families who rely on short-term rental income to pay their mortgage and stay rooted in Maui. If this bill becomes law, many of them will face financial ruin or be forced to sell their homes. That's not just an economic loss—it's a loss of community.

I work with my local families who own small businesses that support the vacation rental industry, property managers, housekeeper/cleaners, handymen/women, laundry services and the like. Many of these families have spent decades building their small businesses and they employ many local residents. I don't know if you have been paying attention to all of the local news regarding some of our favorite long-time local restaurants closing, but Pita Paradise in Wailea is one of many who are closing. Many restaurants are struggling to stay in business on account of the lack of tourists coming to Maui and the down-turn effecting businesses on account of the economy.

While we all agree that housing affordability is a critical issue, this bill does not solve that problem. According to RAM's recent survey, only a tiny fraction of owners would convert their units to long-term housing. These properties are not affordable due to high HOA fees, maintenance costs, high cost of insurance, and mortgage burdens. Because of the advanced age of these complexes, they are seeing hefty Special Assessments for new roofs, plumbing repiping, spalling repairs and the like. Most of these complexes have limited parking spaces for guests/tenants, as they were built in mind for visitors renting one car. Tourists do not typically rent multiple cars to stay in these units but homeowners who live there most likely will have more than one car. Instead, many units will go off the market altogether or be purchased by investors who won't contribute to the local fabric.

Rather than targeting legal, tax-paying owners, let's focus on smarter enforcement, building new truly affordable housing, or perhaps converting our empty shopping centers and stores into housing, and supporting those who already provide long-term rentals. This is our home—we can do better than tearing apart the livelihoods of our small business owners and workers in the name of a solution that doesn't work.

Please oppose Bill 9 and consider a more compassionate, common sense and effective path forward.

With gratitude,
Michele White

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