

EDB Committee

From: Kelly King
Sent: Thursday, May 02, 2019 8:44 AM
To: EDB Committee
Subject: Fw: Oppose Hotel 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: noreply@jotform.com <noreply@jotform.com>
Sent: Wednesday, May 1, 2019 3:33 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: Oppose Hotel Property Tax Increase

Aloha Councilmembers:

As a Maui resident and voter, I appreciate the efforts made to the proposed 2020 budget but still have concerns regarding the suggested real property tax increases – particularly the hotel & resort increase which could potentially lead to unintended consequences for many Maui hotel workers.

While I applaud the Council for listening to our early concerns regarding a massive 60 percent tax increase, I still cannot in good conscience support the suggested large property tax increase to the hotel industry. As many of you know, a significant number of Maui residents work in the visitor/hospitality industry which consists of a substantial percentage of the entire private sector workforce on Maui. In fact, the private sector workforce on Maui accounts for nearly 25,000 jobs in accommodation, hospitality, and food services according to the Department of Labor and Industrial Relations – and these jobs rely heavily on the tourism industry – directly and indirectly.

Further, with the loss of sugar and pineapple jobs on Maui including other agricultural jobs, more and more Maui residents are relying on jobs that rely vastly on tourism spending. With such a large property tax increase, hotels may be forced to either lay off workers who rely on these jobs or pass along the tax increase to visitors who will reach a breaking point and stop visiting Maui altogether or reduce spending. Additional revenue may be generated by the increased hotel property tax rate, but a loss of revenue will occur as visitor arrivals decline and workers are laid off resulting in less consumer spending and ultimately less tax revenue.

While I understand the need to generate revenue for a successful operating budget it should however be done in a fair and reasonable manner – the current proposed 2020 budget will likely have negative consequences that could potentially result in job losses and less revenue generated defeating the purpose of raising the rate in the first

place. Until Maui's economy expands to other sectors that provide good paying jobs – attacking the one sector that does is ill-advised.

I strongly urge the Council to support the Mayor's proposal for the real property tax rates which won't result in unintended consequences.

Mahalo.

EDB Committee

From: Kelly King
Sent: Thursday, May 02, 2019 4:09 PM
To: EDB Committee
Subject: Fw: Real Estate Taxes for Maui County 2020

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: Barbara sterling <barbsterling1213@gmail.com>
Sent: Thursday, May 2, 2019 11:48:50 AM
To: Jacqueline Kramer
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: Re: Real Estate Taxes for Maui County 2020

Dear ms king: I also want to point out that the rent is out of my control. The Aston group decides what to charge and they pay out all their expenses before I receive any rent from them. However the taxes still come out of the rents no matter how much I receive from rents. As it is I now just cover all my expenses with the present tax rate

Please present this letter to the council. I really appreciate it

Aloha. Sincerely
Barbara sterling

Sent from my iPhone

On May 2, 2019, at 8:46 AM, Jacqueline Kramer <jdkskymanagement@gmail.com> wrote:

Hello Ms. King,

In the last year we purchased a condo at the Whaler on Kaanapali Beach in Maui. We love this area and the location is absolutely beautiful. We purchased the condo to use for ourselves, however we do rent it out for short term rental when we are not using it. As it is a popular location, the unit does rent well, however we purchased the unit with specific costs in mind. Although the unit rents well, we can only demand the going market rate for rental. What we are currently earning does offset the operation costs of the unit, however, if the Real Estate Tax rates are increased, this would put a definite strain on our budget.

We recently were informed that the County of Maui is voting to increase the Real Estate Tax rate and the decision will be made by June, 2019. We are hoping you are able to use your influence to retain the current rate for the Real Estate Taxes. We appreciate your input on this matter and hope that you are able to grant our request.

Thank you in advance for you help.

Jacqueline Kramer
JDK Sky Management, Inc.

EDB Committee

From: Ben Brigham <benjaminpbrigham@gmail.com>
Sent: Thursday, May 02, 2019 10:08 AM
To: EDB Committee
Cc: Yukilei Sugimura; Shane M. Sinenci; Tamara A. Paltin; Mike J. Molina; Tasha A. Kama; Alice L. Lee; Riki Hokama; Keani N. Rawlins; Kelly King; Mayors.Office@co.maui.hi.us
Subject: Opposed to extreme property tax hike for short-term rentals

Dear Keani, Kelly, Riki, Tasha, Alice, Michael, Tamara, Shane, and Yuki,

I'm writing to express my extreme opposition to the proposed property tax hike for condominiums classified as short-term rentals. A property tax hike of over 60% is unconscionable. Please reconsider this proposed hike and opt for something more reasonable.

Thank you for your consideration,

Benjamin P Brigham
Condominium Owner at the Kaanapali Alii

EDB Committee

From: Craig Gay <craigmgay@gmail.com>
Sent: Thursday, May 02, 2019 2:29 PM
To: EDB Committee
Subject: Re: Proposed tax hike for STRH permit owners

Dear Committee Chair Keani N. W. Rawlins-Fernandez and members of the Economic Development and Budget Committee,

Tax rates should be fair. Should the proposed 66% increase for STRH permit holders be approved they will simply not be.

As I am sure you are all aware, current STRH Tax Rates are \$9.28/\$1000, the third highest rate in the State, exceeded only by the rates charged to fully commercial hotel and time-share enterprises. The existing high rate is exacerbated by the fact that it is often calculated on property values that are actually in excess of what properties can bring on the open market. The proposed 66% rate increase would make STRH property taxes among the highest taxes on residential property anywhere in the world (!)

As I understand it, taxes on STRH properties already comprise 25% of real property tax revenue on Maui. STRH permit holders are already paying more than their fair share of property tax.

And not only is increasing STRH rates by 66% is unfair, it must also put the entire short-term rental industry in jeopardy which will, in turn, inevitably hurt Maui's larger economy. STRH properties occupy a small but important niche within Maui's vacation rental ecosystem, allowing for varied accommodation and experiences, particularly for families. This, in turn, increases return visits, and benefits any number of small businesses on Maui as well as supporting hundreds of local jobs. Property maintenance costs are already extremely high on Maui. Burdening STRH permit holders with excessively high taxes will only drive our properties out of the short-term rental market, and this can only result in fewer vacation visitors to the island. The STRH permit process already severely limits the number of STRH permit holders. Don't make this situation worse with punitive taxation.

It is important that you understand that our properties are not commercial enterprises. In my own family's case it is our second home. Between my wife and I, my parents, her parents, and our four kids' families, we spend nearly six months out of any given year on island and have done so for nearly 40 years. We love Maui and we want the island to prosper. We have chosen to share our home with others when we are not using it which, when you come to think about it, is the only responsible thing to do. Yes, this benefits us, but it also benefits the island. Would it be better for Maui if our home was simply left to sit empty six months of the year?

So please do not to further burden us with the proposed aggressive and unfair tax increase.

Respectfully submitted,

Craig M. Gay
25 Kai Pali Place
Lahaina, HI 96761
(604) 351-2613

EDB Committee

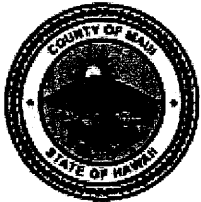
From: Dick Hannah <dick@dickhannah.com>
Sent: Thursday, May 02, 2019 2:41 PM
To: EDB Committee
Subject: Property tax increase. 60 % increase is unimaginable. All we would do is raise the rental rates which would discourage tourists from coming to Maui. Which in turn would hurt the economy of the entire Island. Please vote no on this increase. Dick Hannah...

Sent from my iPhone

EDB Committee

From: Kelly King
Sent: Thursday, May 02, 2019 8:28 AM
To: EDB Committee
Subject: Fw: Maui County Budget Hearings - I support fair tax rates

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: donscondo@aol.com <donscondo@aol.com>
Sent: Wednesday, May 1, 2019 3:49 AM
To: DonsCondo@aol.com
Subject: Maui County Budget Hearings - I support fair tax rates

Dear Committee Chair Keani N. W. Rawlins-Fernandez and the Economic Development and Budget Committee Members. My wife and I have owned a condo in Kahana 21 years now. We moved to Maui and lived in Napili several years. We had to move back to the mainland due to family health issues but those health issues have thankfully become less of a burden so now we can come back to live part time in our Kahana condo. When we are not there we rent it short term to vacationers.

The tax increase you are considering scares me. Adding another 66% tax increase is an unfair burden on us, and puts the entire short term rental industry in jeopardy. Such moves are very likely to reduce the value of these very properties which then reduces the tax revenues received.

Please understand, this is not property used as a hotel or time share, it is our second home. We love Maui and wish it to prosper for everyone, but this is placing an excessive burden on a select group of people. Short Term Rental property already comprises 25% of real property tax revenue.

We have a healthy vacation rental industry on Maui which allows for varied accommodations and experiences to visitors, which in turn increases return visits and benefits all of the small businesses on Maui as well as supporting thousands of jobs but I fear an increase is going to kill the goose that laid the golden egg.

Please choose *not to further burden* the Short Term Rental industry with such an aggressive and unfair tax increase. We already pay more than our fair share of property taxes simply because we choose to share our home when we are not on island. Home sharing such as this only makes sense and maximizes both the usefulness of the space and the positive economic impact on Maui. Please do not further discourage Short Term Vacation Rentals. Mahalo for your time and efforts.

Respectfully, Don Brattin

EDB Committee

From: Kelly King
Sent: Thursday, May 02, 2019 5:00 PM
To: EDB Committee
Subject: Fw: Oppose Hotel Property Tax Increase

From: donna domingo <noreply@jotform.com>
Sent: Thursday, May 2, 2019 4:25 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: Oppose Hotel Property Tax Increase

Aloha Councilmembers:

As a Maui resident and voter, I appreciate the efforts made to the proposed 2020 budget but still have concerns regarding the suggested real property tax increases – particularly the hotel & resort increase which could potentially lead to unintended consequences for many Maui hotel workers.

While I applaud the Council for listening to our early concerns regarding a massive 60 percent tax increase, I still cannot in good conscience support the suggested large property tax increase to the hotel industry. As many of you know, a significant number of Maui residents work in the visitor/hospitality industry which consists of a substantial percentage of the entire private sector workforce on Maui. In fact, the private sector workforce on Maui accounts for nearly 25,000 jobs in accommodation, hospitality, and food services according to the Department of Labor and Industrial Relations – and these jobs rely heavily on the tourism industry – directly and indirectly.

Further, with the loss of sugar and pineapple jobs on Maui including other agricultural jobs, more and more Maui residents are relying on jobs that rely vastly on tourism spending. With such a large property tax increase, hotels may be forced to either lay off workers who rely on these jobs or pass along the tax increase to visitors who will reach a breaking point and stop visiting Maui altogether or reduce spending. Additional revenue may be generated by the increased hotel property tax rate, but a loss of revenue will occur as visitor arrivals decline and workers are laid off resulting in less consumer spending and ultimately less tax revenue.

While I understand the need to generate revenue for a successful operating budget it should however be done in a fair and reasonable manner – the current proposed 2020 budget will likely have negative consequences that could potentially result in job losses and less revenue generated defeating the purpose of raising the rate in the first place. Until Maui's economy expands to other sectors that provide good paying jobs – attacking the one sector that does is ill-advised.

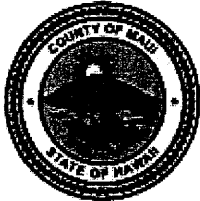
I strongly urge the Council to support the Mayor's proposal for the real property tax rates which won't result in unintended consequences.

Mahalo.

EDB Committee

From: Kelly King
Sent: Thursday, May 02, 2019 8:46 AM
To: EDB Committee
Subject: Fw: Oppose Hotel 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: Emmanuel Baltazar <noreply@jotform.com>
Sent: Wednesday, May 1, 2019 4:53 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: Oppose Hotel Property Tax Increase

Aloha Councilmembers:

As a Maui resident and voter, I appreciate the efforts made to the proposed 2020 budget but still have concerns regarding the suggested real property tax increases – particularly the hotel & resort increase which could potentially lead to unintended consequences for many Maui hotel workers.

While I applaud the Council for listening to our early concerns regarding a massive 60 percent tax increase, I still cannot in good conscience support the suggested large property tax increase to the hotel industry. As many of you know, a significant number of Maui residents work in the visitor/hospitality industry which consists of a substantial percentage of the entire private sector workforce on Maui. In fact, the private sector workforce on Maui accounts for nearly 25,000 jobs in accommodation, hospitality, and food services according to the Department of Labor and Industrial Relations – and these jobs rely heavily on the tourism industry – directly and indirectly.

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place. Until Maui's economy expands to other sectors that provide good paying jobs – attacking the one sector that does is ill-advised.

I strongly urge the Council to support the Mayor's proposal for the real property tax rates which won't result in unintended consequences.

Mahalo.

EDB Committee

From: Michelle Del Rosario
Sent: Thursday, May 02, 2019 6:14 PM
To: EDB Committee
Cc: Kelly King; Kate Griffiths
Subject: Testimony Re: Biodiesel Tax

Testimony received from Hana Steel. Please see below.

--M

From: "Hana Steel Enterprizes." <hanasteel@yahoo.com>
Date: Monday, April 29, 2019 at 8:57 PM
To: Beth Mathias <bmathias@biodiesel.com>
Subject: Plese get this to Kelly asap

sent to Erik shayne, tamara, Scott, Cecile

To All:

I have grave concerns about the proposed bio-diesel tax that I am taking the liberty to bring to your attention.

1. At most the County will gain about \$44,000, but may only get about half of that \$20,000 since the tax may drive customers away.
2. If this tax goes through, the Kings may be forced to reduce their services for financial reasons.
3. If the Kings pull out of pumping grease traps, VIP and Suck-Um-Up will take over the grease trap business. There has been a history of skimming off the top, leaving the bacteria to fester in the bottom of the tanks.
4. The pumping companies will be bringing everything to the wastewater treatment plants. Are the facilities prepared to handle tons of this stuff? Do we want tons of stuff at our facilities? I remember something about an EPA consent decree.
5. We cleaned up the sewer clogs with the grease trap law and a lot of hard work by Wastewater.
6. Pac Bio, to the best of my knowledge, is the only licensed grease trap processor in the State of Hawaii. Where does that leave the County if they reduce their services? Will we be going backwards?
7. What about the EKO contract? Where does that leave EKO if Pac-Bio is unable to sub-contract with them?

You may wonder why I'm interested in this, but proper grease management is something I worked on for years in the 90's. I had a problem to solve and the King's stepped up to the plate and helped me solve it. I know the history, benefits to the County, and a little about the financial situation of Pac-Bio's business on Maui.

Just saying maybe we should re-think this proposed tax in terms of what this may cost the County in the long run. Wastewater would know much about future costs than I.

No need to respond, I know how busy you all are. Thanks for letting me express my concerns.

See you all the end of May,

hana

EDB Committee

From: Kelly King
Sent: Thursday, May 02, 2019 8:45 AM
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: Roger and Hazel Finato <rfinato@me.com>
Sent: Wednesday, May 1, 2019 3:40 PM
To: Kelly King
Subject: Proposed Property Tax Increase

It has been brought to our attention that the Maui City Council is proposing to increase tax rates for hotels/resorts classification from \$9.37 per thousand to \$15.41 per thousand, an increase of 64-1/2%. I have yet to see any justification for any increase, much less a mafia style hit. An increase of this amount borders on criminal, and I would fully expect to be bombarded with lawsuits.

By increasing property taxes to this outrageous level, you will negatively affect many property owners in Maui. Placing such a burden on individuals that support our beautiful island by renting their units to vacationers every day, may force them to sell at drastic reductions and reduce overall assessment values to properties throughout Maui. Another option for many of us, may be to take our properties out of rental entirely and thereby change our tax classification and reduce your income.

It would be interesting to know what basis you have to increase taxes for people by a rate of 64-66%? Is this taxation without representation because you know these people are predominately mainland owners? At the same time you propose to reduce rates for homeowners and residents, the people that vote for you, from their already very low levels. You should be ashamed of yourselves for even considering such a plan.

You'd better find a large venue to hold your meeting. It is likely to be chaos.

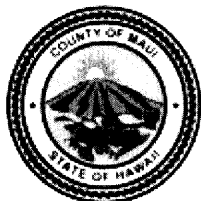
Hazel and Roger Finato

Sent from my iPad

EDB Committee

From: Kelly King
Sent: Thursday, May 02, 2019 8:55 AM
To: EDB Committee
Subject: Fw: Real Estate Taxes for Maui County 2020

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: Jacqueline Kramer <jdkskymanagement@gmail.com>
Sent: Thursday, May 2, 2019 8:46 AM
To: Kelly King
Cc: Keani N. Rawlins; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura; Mom
Subject: Real Estate Taxes for Maui County 2020

Hello Ms. King,

In the last year we purchased a condo at the Whaler on Kaanapali Beach in Maui. We love this area and the location is absolutely beautiful. We purchased the condo to use for ourselves, however we do rent it out for short term rental when we are not using it. As it is a popular location, the unit does rent well, however we purchased the unit with specific costs in mind. Although the unit rents well, we can only demand the going market rate for rental. What we are currently earning does offset the operation costs of the unit, however, if the Real Estate Tax rates are increased, this would put a definite strain on our budget.

We recently were informed that the County of Maui is voting to increase the Real Estate Tax rate and the decision will be made by June, 2019. We are hoping you are able to use your influence to retain the current rate for the Real Estate Taxes. We appreciate your input on this matter and hope that you are able to grant our request.

Thank you in advance for you help.

Jacqueline Kramer
JDK Sky Management, Inc.

EDB Committee

From: Josh Jerman R <josh@hawaiilife.com>
Sent: Thursday, May 02, 2019 8:23 AM
To: EDB Committee
Subject: Budget Hearing Testimony for Short Term Home Rental Tax Hike
Attachments: Tax Rate Hike for COM Budget Committee.pdf

Aloha,

Attached you will find my testimony for the upcoming Budget Hearing. Please pass on to Committee Chair Keani Rawlins-Fernandez and members of the committee.

Best regards,

Josh Jerman
ph. 808.283.2222
36 Laa Kea Place,
Haiku, HI 96708

Josh Jerman

May 1, 2019

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

RE: Maui County Budget Hearings

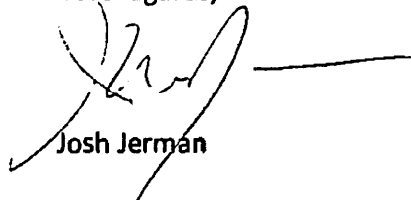
Dear Committee Chair Keani N. W. Rawlins-Fernandez and Members of the
Economic Development and Budget Committee:

I am writing to you as a local resident who lives on Maui full time with my family. I was raised on Maui and own a home in Hana as well. We go out to stay in Hana as much as we can as our family loves the area, Hamoa Beach and its community. We have worked hard to afford this home and don't feel the current tax rate hike is fair as we pay local taxes as well. When we are not there we do rent it out as a permitted short-term home rental to offset the mortgage we pay.

I would like to express my disapproval of the proposed tax hike for short-term rentals. Currently the Short Term Rental Tax Rates are \$9.28/\$1000, the third highest rate only exceeded by Hotel and Time Share rates.

Short Term Rental property comprises of 25% of real property tax revenue. We have a healthy vacation rental industry on Maui that allows for varied accommodations and experiences to visitors, helping with return visits, small businesses on Maui as well as supporting hundreds of jobs. We hope that you hear us in expressing our concerns over the aggressive tax increase for the Short Term Rental industry. Thank you for your time and considering my opinion.

Best regards,

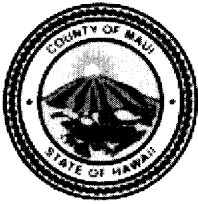


Josh Jerman

EDB Committee

From: Kelly King
Sent: Thursday, May 02, 2019 8:56 AM
To: EDB Committee
Subject: Fw: Budget hearings for property tax
Attachments: Tax increase.docx

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
maucounty.us

From: Maui-Rich <polyshores@yahoo.com>
Sent: Tuesday, April 30, 2019 10:15 AM
To: Kelly King; Riki Hokama; Tasha A. Kama; Mike J. Molina; Tamara A. Paltin; shane.sinenci@maucounti.us; Yukilei Sugimura; Alice L. Lee
Cc: polyshores@yahoo.com
Subject: Budget hearings for property tax

Rich

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

As you are aware, current Short Term Rental Tax Rates are \$9.28/\$1000, the third highest rate only exceeded by Hotel and Time Share rates. These already high rates are exacerbated by escalating property values that are in many cases in excess of what the property can bring on the open market. So, not only are the current tax rates very high, but they are being applied on an unreasonable value. Please don't put so much extra burden on us. We love the island and want to continue to enjoy it but you are taxing us away.

In the past several years tax valuations have greatly increased. Adding another 66% increase for this segment is an unfair burden on us, and puts the entire short term rental industry in jeopardy. Such moves are very likely to reduce the value of these very properties which then reduces the tax revenues received.

Please understand, this is not property used as a hotel or time share, it is our second home. We live on Maui 2 months each year, have created many new friendships, and participate in fundraising and other community benefit activities. We love Maui and wish it to prosper for everyone, but this is placing an excessive burden on a select group of people. Short Term Rental property already comprises 25% of real property tax revenue.

We have a healthy vacation rental industry on Maui which allows for varied accommodations and experiences to visitors, which in turn increases return visits and benefits all of the small businesses on Maui as well as supporting thousands of jobs.

Please choose not to further burden the Short Term Rental industry with such an aggressive and unfair tax increase. We already pay more than our fair share of property taxes simply because we choose to share our home when we are not on island. Home sharing such as this is only makes sense and maximizes both the usefulness

of the space and the positive economic impact on Maui. Please do not further discourage Short Term Vacation Rentals.

Please add your own personal touch with your own unique story here. Please talk about at the positive benefits and experiences you and your family have had owning a second home, being a part of the community and renting to guests who contribute to Maui's economy.

Alternate Talking Points:

1. We are retired with a fixed income and worked out the finances to buy our Maui home based on what has been a stable property tax index never anticipating such a dramatic increase; this amount exceeds (X) months of the rental income we rely on to pay all the bills.
2. We spend several months a year living on Maui and plan to increase the time over the years thus our property is a home several months a year. Is there an allowance to reduce our property tax based on actual time used as a vacation rental?

Thank you for your attention to this – taxes are inevitable, however, this Council proposal is entirely excessive in our opinion!

EDB Committee

From: Michael Mostov <shop@mostov.com>
Sent: Thursday, May 02, 2019 7:20 AM
To: EDB Committee
Cc: Keani N. Rawlins; Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Re: Concerns about alleged proposition to raise property tax rates

P.S. I've been corrected about the rumor, apparently the name of the category allegedly subject to tax increase is "Short Term Rental". This is actually what I had in mind, and actual name of the category doesn't change the nature of my arguments.

On Wed, May 1, 2019 at 9:34 PM Michael Mostov <shop@mostov.com> wrote:

Dear members of the Council,

A petition is circulating around the island alleging that "*Maui County Council may plan on raising the short term rental category 66% to \$15.41 for the 2019/2020 tax year which commences July 1, 2019*". Petition is encouraging owners of Maui properties to write to council expressing their opinion.

Usually, I stay away from politics, but this particular proposal, if true, carries a very large risk for me personally, and to the economy of Maui county as a whole. I feel it's not the right time for me to stay silent.

Let me explain, in economic terms the proposal, regardless how it's verbalized, is equivalent to increasing tax incentive (tax credit) given to owners of "Hotel and Resort" properties for converting their properties to a less taxed property type, i.e. an Apartment. Apartments are taxed at \$6.32 per \$1000 of valuation, and if rumors are correct proposed rate for "Hotel and Resort" is going to be 15.41. It's about \$9 difference per 1000 of valuation.

For a mid-range condo valued at \$400k, it's about \$3,600 incentive per year to stop deny renting of such condo to short-term Maui visitors, a.k.a tourists. This is a huge tax credit! I.e. during low season I rent my condo for \$100/night (after R/E commissions), and during high season for about \$180. Considering the vacancy rates in low season, it will take me close to 2 months(!) of renting in low season to collect enough revenue (not even talking profit!) to pay proposed **extra** tax.

My concern is that many Maui condo owners, including myself, might happily accept tax rebate offered by the Council, and switch their properties to Apartment type, removing them from the pool of rooms available to tourists.

Such switch will have 2 effects, first of which will be immediate drop in overall County tax revenue compared to current levels, because current tax rates for Apartments are less than current rate for "Hotel and Resort" type. Secondly County would stop receiving Transient Accommodation Tax. I wonder if County budget will be able to sustain these losses without major cuts in provided services.

The second impact, will become apparent during high season, it will be a reduction in the peak number of tourists, which is capped by the number of available accommodations. Both as a visitor and as an owner of the rented property, I can testify that Maui accommodations during the high season are filled to the brim - there are no vacancies. If the brim is lowered by converting some of

the "The Hotel and Resort" types of properties to "Apartment" type which don't allow short term rentals, the excess visitors would be **forced** to go someplace else - other Maui counties, Caribbean, Los Cabos or SE Asia. The reduction in the number of visitors can have reverberating and devastating effect on Maui economy, destroying the livelihoods of many Maui residents who rely on income received during the peak tourist season.

Lastly, as condo properties become less attractive to investors due to higher tax rates, there is a possibility of negative impact on real estate valuations across similar properties, which will be another threat to county's tax revenues, which are proportional to valuations.

Based on above considerations, if council is indeed considering raising property taxes on short term rentals, I implore you not to take this decision lightly, but to hire a respectable consulting company which can do a comprehensive analysis of economic risks and financial impacts resulting from disincentivizing short term renting. It's quite possible that reverse action, incentivizing short term rentals with tax credits, will bring more money into county's coffers.

To finish my letter, I'd mention the personal impact increase in tax will have on me and my family. I used to come to Maui as a visitor for years and always had difficulty in finding suitable accommodations during high season. Eventually decided to purchase a second home here, precisely because Maui runs out of available properties in Dec-Feb. Accepting the tax credit and converting my property type to Apartment, i.e. switching to long-term leases is incompatible with the reasons I've purchased the property: with a long term lease contract, I won't be able to use my property as a second home for impromptu family visits. However, I am also not super-affluent to not care about money, and keep the condo vacant. I must rely on VRBO income to partially offset the cost of the year-around condo maintenance and upkeep. I assure you that there is no profit in this business, I have bought a condo in 2012 and have 6 years of tax return to prove that I've been operating at loss every single year. My reasons for keeping property on Maui are rather sentimental than economic - I was hoping to retire here some day, in a long term perspective. However, financially, keeping property on Maui is already unjustifiable as is. If property taxes are to increase further, so will my annual losses - and very regrettably, I calculated that I'd have to throw in the towel and sell my condo. And from this point on, I'll be spending my family vacation Caribbean. I will be sad to give up on Maui and on my beautiful second home, but until I win the lottery, I have to make financially sound decisions.

Thanks,

Michael

EDB Committee

From: Phil Mazzaferro <phil@absoluteloans.com>
Sent: Thursday, May 02, 2019 6:29 AM
To: EDB Committee
Cc: ann_jean@msn.com
Subject: RE Property tax proposal

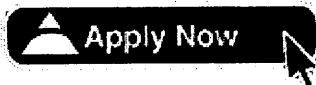
Hello

I am curious how we are calculating the tax? We are currently paying \$9.28 and it is going to \$15.41, how do we calculate what are taxes will be. Is that per \$1000 of the accessed value?

Thank you for your time

Sincerely,

Phil Mazzaferro
MLO-45204
Senior Mortgage Advisor
Absolute Mortgage
phil@absoluteloans.com | www.eastsideabsolute.com
Cell: (206)947.9020 | Fax: (425) 313-9858
1180 NW Maple Street Suite 300
Issaquah, WA 98027




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Phil Mazzaferro

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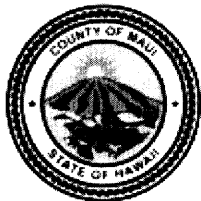
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EDB Committee

From: Kelly King
Sent: Thursday, May 02, 2019 8:45 AM
To: EDB Committee
Subject: Fw: Proposed Taxes

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
maucounty.us

From: Rene Fuog <fwrinc@sbcglobal.net>
Sent: Wednesday, May 1, 2019 4:10 PM
To: Kelly King
Subject: Proposed Taxes

Council member,

I am opposed to the committees proposed property tax distribution. I am the owner of a condominium and on a short term rental program. This proposed increase of 60+% for Hotels and Condominium is absolutely ridiculous. It takes advantage of a group that you think simply can transfer these costs to the visitors. How about when these visitors are simply going to other islands because of costs? On the other hand you are protecting the owners of million dollar homes, because they would come, or send their lawyer to your meeting and protest.

The proposed increase by the Major is more realistic and meets his budget. I suggest you support his proposal.

Thank you
Rene Fuog
Lahaina Shores 417

EDB Committee

From: Richard Cook <rcook.bc@gmail.com>
Sent: Thursday, May 02, 2019 6:40 PM
To: EDB Committee
Subject: proposed increase to property taxes

May 1, 2019

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

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

We are writing to you to indicate our concern with the proposal to raise our tax rate by 66% in one year. While we understand the need to raise money for the government, it is our feeling that an increase of this magnitude in one year is excessive.

As you are aware, current Short Term Rental Tax Rates are \$9.28/\$1000, and are already the third highest rate only exceeded by Hotel and Time Share rates. These high rates are exacerbated by escalating property values that are in many cases in excess of what the property can bring on the open market. So, not only are the current tax rates very high, but they are being applied on an unreasonable value.

Adding another 66% increase for this segment is an unfair burden on us, and puts the entire short term rental industry in jeopardy. Such moves are very likely to reduce the value of these very properties which then reduces the tax revenues received.

Please understand, this is not property used as a hotel or time share, it is our second home. We live on Maui several weeks each year, have created many new friendships, and participate in fundraising and other community benefit activities. We love Maui and wish it to prosper for everyone, but this is placing an excessive burden on a select group of people. Short Term Rental property already comprises 25% of real property tax revenue.

We have a healthy vacation rental industry on Maui which allows for varied accommodations and experiences to visitors, which in turn increases return visits and benefits all of the small businesses on Maui as well as supporting thousands of jobs. The jobs supported are not just those directly related to tourism, but also to building and maintaining our homes, such as carpenters, electricians, plumbers, and air conditioning experts, all of whom we have personally hired in the past year.

Please choose not to further burden the Short Term Rental industry with such an aggressive and unfair tax increase. We already pay more than our fair share of property taxes simply because we choose to share our home when we are not on island. Home sharing such as this is only makes sense and maximizes both the usefulness of the space and the positive economic impact on Maui. Please do not further discourage Short Term Vacation Rentals.

Sincerely,

Richard and Lucy Cook

EDB Committee

From: Bob Stanley <bobstanley@comcast.net>
Sent: Thursday, May 02, 2019 7:51 AM
To: edb.committee@mauicounty.us
Subject: Opposed to RPT Rate proposal for Short Term Rentals

Dear Maui County Council,

I am an owner of a condominium in the Kaanapali Alii. I want to express my opposition to the extravagant 66% increase in the Short Term Rentals Property Tax Rates proposed in April, in the strongest possible terms. I love being an owner of a property on Maui, but it is an expensive proposition and we have to do vacation rentals to make it viable. I have been an owner in Maui for 35 years and this proposal will put an overbearing hardship on our ability to continue. If many owners are forced to sell their properties it will put downward pressure on the condominium values which will lower your tax base.

Please drop this proposal for the Real Property Tax Rate for Short-term Rental: From \$9.28 increase to \$15.41 (66% increase).

This is totally not necessary and cannot be justified.

Thank you very much for taking my concerns seriously.

Sincerely Yours,

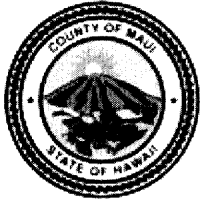
Robert Stanley, 248-794-6147

Kaanapali Alii Owner, #4111

EDB Committee

From: Kelly King
Sent: Thursday, May 02, 2019 8:49 AM
To: EDB Committee
Subject: Fw: Opposed to RPT Rate proposal for Short Term Rentals

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 Stanley <bobstanley@comcast.net>
Sent: Thursday, May 2, 2019 8:09 AM
To: Kelly King
Subject: Opposed to RPT Rate proposal for Short Term Rentals

Dear Kelly King:
Maui County Council, Vice-Chair

I am an owner of a condominium in the Kaanapali Alii. I want to express my opposition to the extravagant 66% increase in the Short Term Rentals Property Tax Rates proposed in April, in the strongest possible terms. I love being an owner of a property on Maui, but it is an expensive proposition and we have to do vacation rentals to make it viable. I have been an owner in Maui for 35 years and this proposal will put an overbearing hardship on our ability to continue. If many owners are forced to sell their properties it will put downward pressure on the condominium values which will lower your tax base.

Please drop this proposal for the Real Property Tax Rate for Short-term Rental: From \$9.28 increase to \$15.41 (66% increase).

This is totally not necessary and cannot be justified.

Thank you very much for taking my concerns seriously.

Sincerely Yours,
Robert Stanley, 248-794-6147
Kaanapali Alii Owner, #4111

EDB Committee

From: Kelly King
Sent: Thursday, May 02, 2019 8:44 AM
To: EDB Committee
Subject: Fw: Oppose Hotel 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 Lee <noreply@jotform.com>
Sent: Wednesday, May 1, 2019 3:25 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: Oppose Hotel Property Tax Increase

Aloha Councilmembers:

As a Maui resident and voter, I appreciate the efforts made to the proposed 2020 budget but still have concerns regarding the suggested real property tax increases – particularly the hotel & resort increase which could potentially lead to unintended consequences for many Maui hotel workers.

While I applaud the Council for listening to our early concerns regarding a massive 60 percent tax increase, I still cannot in good conscience support the suggested large property tax increase to the hotel industry. As many of you know, a significant number of Maui residents work in the visitor/hospitality industry which consists of a substantial percentage of the entire private sector workforce on Maui. In fact, the private sector workforce on Maui accounts for nearly 25,000 jobs in accommodation, hospitality, and food services according to the Department of Labor and Industrial Relations – and these jobs rely heavily on the tourism industry – directly and indirectly.

Further, with the loss of sugar and pineapple jobs on Maui including other agricultural jobs, more and more Maui residents are relying on jobs that rely vastly on tourism spending. With such a large property tax increase, hotels may be forced to either lay off workers who rely on these jobs or pass along the tax increase to visitors who will reach a breaking point and stop visiting Maui altogether or reduce spending. Additional revenue may be generated by the increased hotel property tax rate, but a loss of revenue will occur as visitor arrivals decline and workers are laid off resulting in less consumer spending and ultimately less tax revenue.

While I understand the need to generate revenue for a successful operating budget it should however be done in a fair and reasonable manner – the current proposed 2020 budget will likely have negative consequences that could potentially result in job losses and less revenue generated defeating the purpose of raising the rate in the first

place. Until Maui's economy expands to other sectors that provide good paying jobs – attacking the one sector that does is ill-advised.

I strongly urge the Council to support the Mayor's proposal for the real property tax rates which won't result in unintended consequences.

Mahalo.

EDB Committee

From: Kelly King
Sent: Thursday, May 02, 2019 5:01 PM
To: EDB Committee
Subject: Fw: Oppose Hotel 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: sylvester domingo <noreply@jotform.com>
Sent: Thursday, May 2, 2019 4:27:41 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: Oppose Hotel Property Tax Increase

Aloha Councilmembers:

As a Maui resident and voter, I appreciate the efforts made to the proposed 2020 budget but still have concerns regarding the suggested real property tax increases – particularly the hotel & resort increase which could potentially lead to unintended consequences for many Maui hotel workers.

While I applaud the Council for listening to our early concerns regarding a massive 60 percent tax increase, I still cannot in good conscience support the suggested large property tax increase to the hotel industry. As many of you know, a significant number of Maui residents work in the visitor/hospitality industry which consists of a substantial percentage of the entire private sector workforce on Maui. In fact, the private sector workforce on Maui accounts for nearly 25,000 jobs in accommodation, hospitality, and food services according to the Department of Labor and Industrial Relations – and these jobs rely heavily on the tourism industry – directly and indirectly.

Further, with the loss of sugar and pineapple jobs on Maui including other agricultural jobs, more and more Maui residents are relying on jobs that rely vastly on tourism spending. With such a large property tax increase, hotels may be forced to either lay off workers who rely on these jobs or pass along the tax increase to visitors who will reach a breaking point and stop visiting Maui altogether or reduce spending. Additional revenue may be generated by the increased hotel property tax rate, but a loss of revenue will occur as visitor arrivals decline and workers are laid off resulting in less consumer spending and ultimately less tax revenue.

While I understand the need to generate revenue for a successful operating budget it should however be done in a fair and reasonable manner – the current proposed 2020 budget will likely have negative consequences that could potentially result in job losses and less revenue generated defeating the purpose of raising the rate in the first

place. Until Maui's economy expands to other sectors that provide good paying jobs – attacking the one sector that does is ill-advised.

I strongly urge the Council to support the Mayor's proposal for the real property tax rates which won't result in unintended consequences.

Mahalo.

EDB Committee

From: Tanya Erlach <tanyaerlach@gmail.com>
Sent: Thursday, May 02, 2019 9:33 AM
To: EDB Committee
Cc: Keani N. Rawlins; Yukilei Sugimura; Shane M. Sinenci; Tamara A. Paltin; Mike J. Molina; Alice L. Lee; Tasha A. Kama; Riki Hokama; Kelly King
Subject: Maui County Budget Hearings - I Support Fair Tax Rates

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

I am writing in favor of fair and reasonable tax rates for the vacation rental industry. Our unit is a second home on Maui — it is not a timeshare nor a hotel. My family and I use this property regularly every year, and this increased tax burden would significantly effect our family's finances.

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 \$79,500,00 in direct taxable revenue, and has created thousands of jobs for our island as well.

Unfortunately, we have also been faced with beach erosion, loss of a cabana and pool deck in addition to significant beach front property due to raising seas. The value of the property has gone down, not up, and increasing the current tax rate by 66% would not reflect the value of the unit.

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

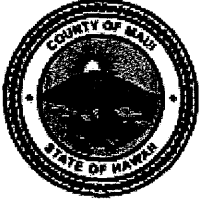
With best wishes,

Tanya Erlach
Royal Kahana, Unit 1211
tel: 917-224-4864

EDB Committee

From: Kelly King
Sent: Thursday, May 02, 2019 8:29 AM
To: EDB Committee
Subject: Fw: Proposed 60% Increase in Property 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: Thomas Fliss <tfliss@vrwesson.com>
Sent: Wednesday, May 1, 2019 7:50 AM
To: Kelly King
Subject: Proposed 60% Increase in Property Tax

We/I strongly reject the proposal of the City Council Chair to increase the tax rate for Short Term Rental properties to more than Hotels. To rationalize the increase by stating that Short Term Rentals don't create jobs is completely false. 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*

A property tax increase of approximately 60% would have a significant impact to an owner. As an owner of the Short Term Rental I would have pass along that significant increase to my guests which in turn will have a negative impact on the many visitors that would otherwise stay in short term rentals. If short term rental rates increase visitors that choice to stay in short term rentals will be priced out of the market. They will choose to stay on other islands and or visit other places then Maui. Therefore having a significantly negative impact to the visitor revenue that contributes to the thriving Maui economy.

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

Sincerely,

Concerned Short Term Rental Owner, Thomas and Linda Fliss