

# Budget, Finance, and Economic Development Committee on 2021-09-15 1:30 PM

Meeting Time: 09-15-21 13:30

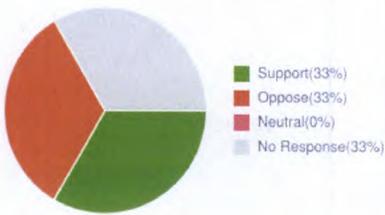
## eComments Report

Meetings	Meeting Time	Agenda Items	Comments	Support	Oppose	Neutral
Budget, Finance, and Economic Development Committee on 2021-09-15 1:30 PM	09-15-21 13:30	7	3	1	1	0

### Sentiments for All Meetings

The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

### Overall Sentiment



# Budget, Finance, and Economic Development Committee on 2021-09-15 1:30 PM

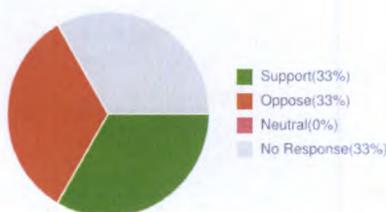
09-15-21 13:30

Agenda Name	Comments	Support	Oppose	Neutral
BFED-54(2) AMENDMENTS TO APPENDIX A, GRANTS AND RESTRICTED USE REVENUES - SCHEDULE OF GRANTS AND RESTRICTED USE REVENUES BY DEPARTMENTS AND PROGRAMS FOR FISCAL YEAR 2022 (DEPARTMENT OF HOUSING AND HUMAN CONCERNS (DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD), EMERGENCY HOUSING VOUCHERS)) (BFED-54(2))	1	1	0	0
BFED-78 CC 21-29 COUNTY PROPERTY TAX REFORM (BFED-78)	1	0	1	0
BFED-85 CC 20-207 LEGISLATION AND DISCUSSION ON THE EFFECT OF THE CORONAVIRUS PANDEMIC, RULES, CARES ACT, AND RELATED ISSUES (BFED-85)	1	0	0	0

## Sentiments for All Agenda Items

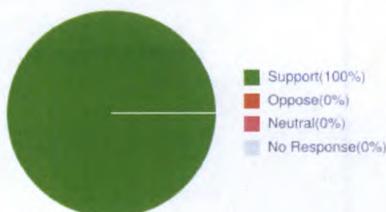
The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

### Overall Sentiment



Agenda Item: eComments for BFED-54(2) AMENDMENTS TO APPENDIX A, GRANTS AND RESTRICTED USE REVENUES - SCHEDULE OF GRANTS AND RESTRICTED USE REVENUES BY DEPARTMENTS AND PROGRAMS FOR FISCAL YEAR 2022 (DEPARTMENT OF HOUSING AND HUMAN CONCERNS (DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD), EMERGENCY HOUSING VOUCHERS)) (BFED-54(2))

### Overall Sentiment



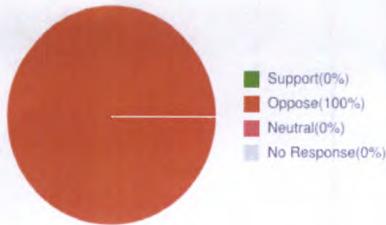
### Guest User

Location:

Submitted At: 2:09pm 09-15-21

[https://home.treasury.gov/system/files/136/Treasury\\_Fact\\_Sheet\\_6-24-21.pdf](https://home.treasury.gov/system/files/136/Treasury_Fact_Sheet_6-24-21.pdf)

## Overall Sentiment



## Jason Economou

Location:

Submitted At: 12:23pm 09-14-21

Aloha Committee Chair Rawlins-Fernandez and Committee Members,

I am submitting this testimony on behalf of the REALTORS Association of Maui (RAM) and our 1,800+ REALTOR members and affiliates in opposition to BFED-78 and the legislative proposal to establish a vacancy tax. Not only does this proposal seek to abridge basic property rights by instituting a punitive tax structure, but it is also impractical and impossible to administer and enforce.

Property rights are often discussed as a "bundle of rights," which includes the right of possession, the right of control, the right of enjoyment, the right of exclusion, and the right of disposition. The imposition of a vacancy tax is a direct affront on this "bundle of rights," because it creates a penalty against a lawful use of property, simply because that use is not precisely as the County Council desires at this time. Property owners have a long recognized right to exclude others from their property, a right to refuse title permanently or temporarily to another if they so choose, a right to use their property in a lawful manner without undue scrutiny or burden imposed on them from government, as well as a right to occupy or not occupy their property at any given time. Imposing a penalty on property owners simply for using their property in a lawful manner that is not precisely as this Council desires is a fundamental violation of property rights, and an exercise in government overreach. What will the Council do next, impose a penalty for having an unoccupied accessory dwelling? Impose a penalty for having an unoccupied room in their homes? Impose a penalty for going on a trip or being hospitalized for too long? If you will impose a penalty on people who aren't occupying their properties for more than 50 days in a year, the rest of these penalties are plausible and foreseeable from this Council as well.

Aside from the affront on property rights this legislation represents, it is also written in a manner that makes it overly subjective and impossible to practically administer in a reasonable manner. What does it mean that a property "could easily be used for long-residential use?" Does that include properties that need renovations or improvements? To what extent or cost? Who will be responsible for checking that the property is being used for residential purposes for more or less than 50 days? Who will have the burden of proof? What will be permissible evidence of residential use? Has the Council or Department of Finance considered any of these questions? I simply do not see how this law could be implemented and administered in an equitable manner, and I question if equitable enforcement is even the intent of this bill.

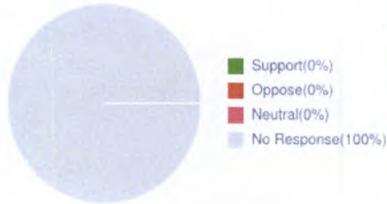
This bill seems designed to punish certain property owners for not using their properties precisely in the manner that this Council deems appropriate, and that should not be the role of government. In the period of a year, this Council's tax policy has shifted from taxation based on actual use, to taxation based on "highest and best use," to taxation based on the attitude of the Council toward the use. If a residential property is not conducting short term rentals, and is not permitted to conduct short term rentals by zoning or license, the Council should not just arbitrarily categorize them as such for the sake of punishing the property owner. If you want a proliferation of illegal short term rentals, along with a slew of other unintended consequences, pass this bill. However, RAM and our members would strongly prefer if you leave property rights intact and leave property taxes as they are.

Mahalo,

Jason A. Economou  
Government Affairs Director  
REALTORS Association of Maui

Agenda Item: eComments for BFED-85 CC 20-207 LEGISLATION AND DISCUSSION ON THE EFFECT OF THE CORONAVIRUS PANDEMIC, RULES, CARES ACT, AND RELATED ISSUES (BFED-85)

#### Overall Sentiment



#### Guest User

Location:

Submitted At: 2:44pm 09-15-21

Good Afternoon Maui County Council members,

I offer the following questions and comments in regards to BFED-85:

1. Why has it been more than 7 months since this item was included on the agenda?
2. Why is the current bid for expanded free community testing open 31 days? Residents have needed expanded testing since at least the beginning of August. Last year when more testing was needed, the bid was open for 5 days.  
  
Earlier this year when Mayor Victorino wanted a new mandatory post arrival COVID test for transpacific travelers the bid was open for just 5 days and the program was up and running within a week.
3. Why has the County continued to allow mass commercial events, including dozens of events in excess of the 200 person maximum in the Public Health Emergency Rules, to operate amidst the delta variant surge? MMMC is strained, non-essential surgeries have been postponed and yet tourists are gathering by the hundreds at luaus and other commercial events every day at multiple locations across the island.
4. Why are the details regarding large commercial events not posted on the County website? Within days of Governor Ige's July 8, 2021 Executive Order requiring mitigation plans for all gatherings in excess of 50 people, Honolulu County had a tab on its website that allowed the public to view all planned large events and their mitigation plans. I recently submitted a public records request for this information for Maui County and have been charged \$391 in order to access these records. I am being charged for estimated time spent to respond to the records request. This is not transparent policy and flies in the face of open government best practices.
5. Why is Maui's new Health Pass program that starts today less stringent than the O'ahu program? Are you concerned that the more reckless, risk tasking tourists will divert their plans from O'ahu to Maui to avoid the stricter rules for restaurants, bars etc on O'ahu? Are you concerned that allowing people who are not vaccinated or tested to eat outside at restaurants still poses a health risk to other patrons and restaurant staff?
6. On 5.26.2020 and 6.5.2020, when you approved the Mayor's request to add the \$66.7 million in CARES Act funds as a supplemental appropriation to the FY 2020 Budget, you approved the appropriation with non-

substantive changes! The spending plan provided to the Governor and the Council was as follows:

Public Safety - 18.769%  
Community Needs - 12.687%  
Public Health - 31.75%  
Economic Support - 36.78%

On the June 9, 2021 Cover Letter for the County's Monthly CARES Act Report, Finance Director Teruya reported that all of Maui County's CARES money had been EXPENDED. The final allocations reported are radically and SUBSTANTIVELY different from what the County Council approved back in May/June 2020.

On the June 9, 2021 Cover Letter, Mr. Teruya reports the following breakdown:

Public Safety - 10.21%  
Community Needs - 15.67%  
Public Health - 16.2%  
Economic Support - 57.9%

Why didn't you speak up and question this?

The June 9, 2021 Letter reports Maui County over spent on Economic Support by \$10,353,185.53 and under spent on Public Health by \$14,064,268.08.

8. What are the planned uses for the County's \$30,000,000+ in ARPA funds? How much is the County receiving? Where is a copy of the Interim Report that was due to the U.S. Treasury by 8.31.2021? When did Maui County receive its first installment of the ARPA funds?

9. Why has there been no public discussion of the planned use of Maui County's ARPA funds? A 8.31.2021 Civil Beat article noted that Mayor Blangiardi and the Honolulu County Council have been discussing ARPA funding expenditures at Council meetings for months. Why have there not been similar discussions at Maui County Council meetings?

10. Kauai and the Big Island County Councils had Senator Schatz attend Council meetings to discuss their County's COVID federal relief funds. Did Maui County invite Senator Schatz to speak to this issue?

11. Why did the Maui County Council approve a \$66.7 million supplemental appropriation, via Bill 61 on Second and final reading on 6.5.2020, for a FY budget that was ending 25 days later. There is no way Maui County could spend that much money in 25 days. Furthermore, the County was never going to receive the entirety of its CARES Act funds by 6.30.2020. The rules regarding the distribution of the funds were outlined by Governor Ige in a 6.3.2020 letter which noted that prior to the disbursement of the 2nd installment of CARES Act funds, the County needed to provide proof that it had EXPENDED the first half in full. Maui County clearly did not do that!

On his 8.11.2020 Cover Letter, Director Teruya reports, as of 8.10.2020, Maui County had only expended \$2,814,298.91.

Also, Charter Section 9-9 requires the Mayor to certify the availability of funds prior to Council approval of any supplemental appropriations to a FY Budget. How and when did Mayor Victorino certify the availability of \$66.7 million in CARES Act funds for the FY Budget ending 6.30.2020? As of the date Mayor Victorino requested Council approval of the supplemental appropriation, 5.14.2020, the County had not even received the guidelines/rules for applying for the CARES Act sub award from the State. And Mayor Victorino did not submit the completed application for the County's CARES Act funds until June 9, 2020. There was no guarantee that even the first half of the CARES Act funds would be received by 6.30.2020 let alone expended.

12. If Maui County expended only \$2,814,298.91 by 8.10.2020, what happened to the other \$60,000,000+ in CARES Act funds? The area in the Budget, Exhibit A - Grant Revenues, that reports the County's COVID related federal funds, does not list any CARES Act funds for the FY21 Budget beginning 7.1.2020.

The entirety of the County's \$66.7 million in CARES Act funds is listed on Exhibit A - Grant Revenues for the FY20 Budget that ended 6.30.2020.

13. Why are the Monthly Reports for November and December 2020 and January and February 2021 not included in BFED-85 Board Packet (Meeting Details)?

14. Did any of the Council members ever receive a final report for the expenditure of the initial \$2,000,000 for the HELP program?

Finance Department officials promised to provide this report by June 2020 but it does not appear to be included in the BFED-85 Board Packet.

15. Did any of the Council members ever receive a final accounting report for the Emergency Funds appropriation that expired back in June 2020?

In March 2020, the Council approved a \$4,000,000 Emergency Funds appropriation for COVID-related expenses.

The Finance Office provided an EF Expenditure Report thru 5.31.2020 but it does not appear a final EF Report was ever provided that included the June 2020 expenditures.



Jason A. Economou  
Government Affairs Director

441 Ala Makani Pl • Kahului, HI 96732  
phone 808-243-8585 • fax 808-873-8585  
Jason@RAMaui.com • www.ramaui.com

---

September 14, 2021

**Council Vice Chair Keani Rawlins-Fernandez**  
**Chair of the Budget, Finance, and Economic Development Committee**  
Council of the County of Maui  
200 South High Street, 8<sup>th</sup> Floor  
Wailuku, Hawaii 96793

**RE: (BFED-78) Legislative Proposal to Establish a Vacancy Tax**

Aloha Committee Chair Rawlins-Fernandez and Committee Members,

I am submitting this testimony on behalf of the REALTORS Association of Maui (RAM) and our 1,800+ REALTOR members and affiliates in **opposition** to BFED-78 and the legislative proposal to establish a vacancy tax. Not only does this proposal seek to abridge basic property rights by instituting a punitive tax structure, but it is also impractical and impossible to administer and enforce.

Property rights are often discussed as a “bundle of rights,” which includes the right of possession, the right of control, the right of enjoyment, the right of exclusion, and the right of disposition. The imposition of a vacancy tax is a direct affront on this “bundle of rights,” because it creates a penalty against a lawful use of property, simply because that use is not precisely as the County Council desires at this time. Property owners have a long recognized right to exclude others from their property, a right to refuse title permanently or temporarily to another if they so choose, a right to use their property in a lawful manner without undue scrutiny or burden imposed on them from government, as well as a right to occupy or not occupy their property at any given time. Imposing a penalty on property owners simply for using their property in a lawful manner that is not precisely as this Council desires is a fundamental violation of property rights, and an exercise in government overreach. What will the Council do next, impose a penalty for having an unoccupied accessory dwelling? Impose a penalty for having an unoccupied room in their homes? Impose a penalty for going on a trip or being hospitalized for too long? If you will impose a penalty on people who aren’t occupying their properties for more than 50 days in a year, the rest of these penalties are plausible and foreseeable from this Council as well.

Aside from the affront on property rights this legislation represents, it is also written in a manner that makes it overly subjective and impossible to practically administer in a reasonable manner. What does it mean that a property “could easily be used for long-residential use?” Does that include properties that need renovations or improvements? To what extent or cost? Who will be responsible for checking that the property is being used for residential purposes for more or less than 50 days? Who will have the burden of proof? What will be permissible evidence of

residential use? Has the Council or Department of Finance considered any of these questions? I simply do not see how this law could be implemented and administered in an equitable manner, and I question if equitable enforcement is even the intent of this bill.

This bill seems designed to punish certain property owners for not using their properties precisely in the manner that this Council deems appropriate, and that should not be the role of government. In the period of a year, this Council's tax policy has shifted from taxation based on actual use, to taxation based on "highest and best use," to taxation based on the attitude of the Council toward the use. If a residential property is not conducting short term rentals, and is not permitted to conduct short term rentals by zoning or license, the Council should not simply just arbitrarily categorize them as such for the sake of punishing the property owner. If you want a proliferation of illegal short term rentals, along with a slew of other unintended consequences, pass this bill. However, RAM and our members would strongly prefer if you leave property rights intact and leave property taxes as they are.

Mahalo,



Jason A. Economou  
Government Affairs Director  
REALTORS Association of Maui