

Budget, Finance, and Economic Development Committee (2023-2025) on 2023-04-06 9:00 AM

Meeting Time: 04-06-23 09:00

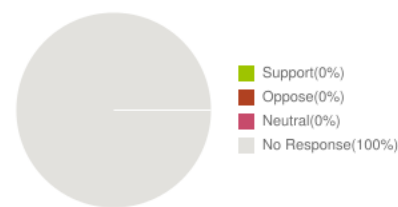
eComments Report

Meetings	Meeting Time	Agenda Items	Comments	Support	Oppose	Neutral
Budget, Finance, and Economic Development Committee (2023-2025) on 2023-04-06 9:00 AM	04-06-23 09:00	3	2	0	0	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

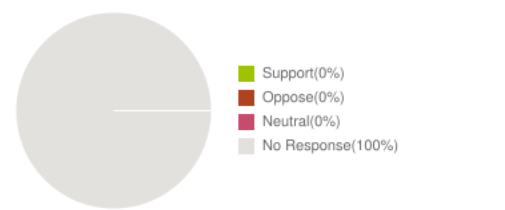


Agenda Name	Comments	Support	Oppose	Neutral
A G E N D A	1	0	0	0
BFED-1 FY 2024 PROPOSED FISCAL YEAR 2024 BUDGET FOR THE COUNTY OF MAUI (BFED-1)	1	0	0	0

Sentiments for All Agenda Items

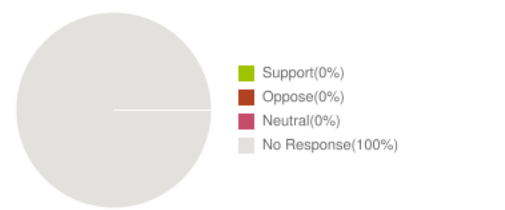
The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

Overall Sentiment



Agenda Item: eComments for A G E N D A

Overall Sentiment

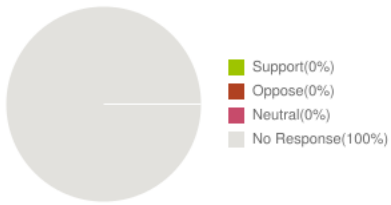


Guest User

Location:
Submitted At: 8:57pm 04-05-23

My name is Darlene Brothers and I am the President of the Kuau Bayview at Paia Homeowners' Association. Please allocate approximately \$6000 of the Parks budget toward erecting a 6' chain link fence along the east boundary of the Paia Community Center to address the urgent public safety issue that currently exists there. We are very concerned that children could fall down the steep slope, and possibly drown in the basin after rainstorms. Kuau Bayview's Retention Basin is adjacent to the PCC park and playground. The fence has fallen down in places and no longer provides protection. I met with Angus Peters III and Shane Dudoit in January and had the fence repair man explain to him that the fence could not be repaired because there was nowhere to stand on the steep slope. I asked if Parks would allow us to erect the fence at the top of the slope, and he said no. As it is not possible for us to repair the fence on HOA property on the slope, I told Shane that Parks would have to erect their own fence at the top of the hill. So far Parks has done nothing. I don't want a child to get injured before they address this dangerous situation. Mahalo.

Overall Sentiment



BFED Committee

Location:

Submitted At: 4:28pm 04-05-23

Written testimony for 04-06-2023

BFED Committee

From: Maui_County Council_mailbox
Sent: Wednesday, April 5, 2023 8:27 AM
To: BFED Committee
Cc: jhelton@grassrootinstitute.org
Subject: FW: Written testimony
Attachments: 4-6-23 GRIH testimony.pdf

This email is being forwarded from the county.council@mauicounty.us email for your attention.

From: Jonathan Helton <jhelton@grassrootinstitute.org>
Sent: Wednesday, April 5, 2023 7:08 AM
To: Maui_County Council_mailbox <county.council@mauicounty.us>
Subject: Written testimony

You don't often get email from jhelton@grassrootinstitute.org. [Learn why this is important](#)

Aloha!

Jonathan with the Grassroot Institute of Hawaii here.

I'm sending in written testimony for tomorrow's 9 a.m. budget meeting on behalf of Joe Kent, our executive vice president.

Would you be able to make sure all the councilmembers receive it?

Mahalo,

Jonathan

--

Jonathan Helton
Policy Researcher
Grassroot Institute of Hawaii
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April 6, 2023

9 a.m.

Maui County Council Chamber

To: Maui County Council Budget, Finance and Economic Development Committee

Yuki Lei K. Sugimura, Chair

Tasha Kama, Vice Chair

From: Grassroot Institute of Hawaii

Joe Kent, Executive vice president

RE: PROPOSED FISCAL YEAR 2024 BUDGET FOR THE COUNTY OF MAUI (BFED-1)

Comments Only

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on the [proposed fiscal year 2024 budget](#).

In general, we appreciate Mayor Richard Bissen's intent to use a fiscally responsible approach in formulating this year's budget. The proposals to pay down unfunded liabilities, reduce reliance on debt financing and beef up the reserve fund are all prudent.¹

We also appreciate his proposal to lower the tax rate on the first two owner-occupied home tiers. In tandem with a higher homeowner exemption that will apply starting fiscal year 2024, these rate reductions would provide Maui homeowners relief from soaring property assessments.

On the property tax front, we want to offer some suggestions that might assist the Council in looking at further ways to reduce Maui resident's tax burden.

Higher property values have not been limited to houses. Nearly all property classes have experienced higher property assessments this year, so virtually all property owners throughout

¹ Melissa Tanji, "[Mayor's \\$1B budget request calls for a slight increase](#)," The Maui News, March 25, 2023.

the county are looking at higher tax bills for the upcoming year, even though most rates are projected to remain the same. In total, Mayor Bissen's proposed budget projects property taxes to increase by 24% this year compared to fiscal 2023, to \$100 million.

Scenario 1: Extend the 10 cent-per-\$1,000 rate cut

Our first scenario shows the effect of extending the mayor's proposed 10 cent-per-\$1,000 cut to apartment, long-term rentals (tier 1 and 2), agricultural, conservation, commercial, industrial and commercialized residential properties. Such a cut would provide these properties a total of \$993,532 in tax relief.

Scenario 1

Class	Net valuation	Rate ²	Revenue
<i>Owner-occupied</i>			
Owner-occupied, tier 1	\$14,407,927,854.00	0.0019	\$27,375,063
Owner-occupied, tier 2	\$1,800,183,863.00	0.002	\$3,600,368
Owner-occupied, tier 3	\$602,168,408.00	0.00275	\$1,655,963
<i>Non-owner-occupied</i>			
Non-owner-occupied, tier 1	\$10,732,572,451.00	0.00585	\$62,785,549
Non-owner-occupied, tier 2	\$4,879,820,606.00	0.008	\$39,038,565
Non-owner-occupied, tier 3	\$2,136,435,447.00	0.0125	\$26,705,443
Apartment	\$542,370,800.00	0.0034	\$1,844,061
Hotel and Resort	\$4,578,078,300.00	0.01175	\$53,792,420
Time Share	\$3,643,482,434.00	0.0146	\$53,194,844
TVR-STVR	\$17,930,342,132.00	0.01185	\$212,474,554
<i>Long-term rentals</i>			
Long-term rental, tier 1	\$1,681,170,346.00	0.0029	\$4,875,394
Long-term rental, tier 2	\$175,038,962.00	0.0049	\$857,691
Long-term rental, tier 3	\$66,696,300.00	0.008	\$533,570
Agricultural	\$1,644,549,489.00	0.00564	\$9,275,259
Conservation	\$313,911,249.00	0.00633	\$1,987,058
Commercial	\$2,978,210,708.00	0.00595	\$17,720,354
Industrial	\$2,318,002,247.00	0.00695	\$16,110,116
Commercialized residential	\$282,065,137.00	0.0043	\$1,212,880

² Rates rounded to the nearest thousandth.

Scenario 2: Revenue freeze

Our second scenario considers what would happen if the county froze revenues at fiscal 2023 levels for owner-occupied (tier 1 and tier 2), apartment, long-term rentals (tier 1 and 2), agricultural, conservation, commercial, industrial and commercialized residential properties.

This freeze would result in automatic rate reductions for each of these property classes, resulting in a tax reduction of about \$10.2 million.

Scenario 2

Class	Net valuation	Rate ³	Revenue
<i>Owner-occupied</i>			
Owner-occupied, tier 1	\$14,407,927,854.00	0.00186	\$26,839,693
Owner-occupied, tier 2	\$1,800,183,863.00	0.00152	\$2,734,420
Owner-occupied, tier 3	\$602,168,408.00	0.00275	\$1,655,963
<i>Non-owner-occupied</i>			
Non-owner-occupied, tier 1	\$10,732,572,451.00	0.00585	\$62,785,549
Non-owner-occupied, tier 2	\$4,879,820,606.00	0.008	\$39,038,565
Non-owner-occupied, tier 3	\$2,136,435,447.00	0.0125	\$26,705,443
Apartment	\$542,370,800.00	0.00244	\$1,322,376
Hotel and Resort	\$4,578,078,300.00	0.01175	\$53,792,420
Time Share	\$3,643,482,434.00	0.0146	\$53,194,844
TVR-STVR	\$17,930,342,132.00	0.01185	\$212,474,554
<i>Long-term rentals</i>			
Long-term rental, tier 1	\$1,681,170,346.00	0.00176	\$2,957,531
Long-term rental, tier 2	\$175,038,962.00	0.00270	\$471,910
Long-term rental, tier 3	\$66,696,300.00	0.008	\$533,570
Agricultural	\$1,644,549,489.00	0.00457	\$7,520,499
Conservation	\$313,911,249.00	0.00643	\$2,018,449
Commercial	\$2,978,210,708.00	0.00542	\$16,148,181
Industrial	\$2,318,002,247.00	0.00631	\$14,626,431
Commercialized residential	\$282,065,137.00	0.00361	\$1,018,316

³ Rates rounded to the nearest thousandth.

Scenario 3: 50 cent-per-\$1,000 rate cut

Finally, we consider the effects of a 50 cents-per-\$1,000 rate cut for owner-occupied (tier 1 and tier 2). In addition to a 10 cent-per-\$1,000 rate cut for apartment, long-term rentals (tier 1 and tier 2), agricultural, conservation, commercial, industrial and commercialized residential properties, this reduction would save the owners of these properties about \$11.45 million in the upcoming year.

Scenario 3

Class	Net valuation	Rate ⁴	Revenue
<i>Owner-occupied</i>			
Owner-occupied, tier 1	\$14,407,927,854.00	0.0015	\$21,611,892
Owner-occupied, tier 2	\$1,800,183,863.00	0.0016	\$2,880,294
Owner-occupied, tier 3	\$602,168,408.00	0.00275	\$1,655,963
<i>Non-owner-occupied</i>			
Non-owner-occupied, tier 1	\$10,732,572,451.00	0.00585	\$62,785,549
Non-owner-occupied, tier 2	\$4,879,820,606.00	0.008	\$39,038,565
Non-owner-occupied, tier 3	\$2,136,435,447.00	0.0125	\$26,705,443
Apartment	\$542,370,800.00	0.003	\$1,627,112
Hotel and Resort	\$4,578,078,300.00	0.01175	\$53,792,420
Time Share	\$3,643,482,434.00	0.0146	\$53,194,844
TVR-STVR	\$17,930,342,132.00	0.01185	\$212,474,554
<i>Long-term rentals</i>			
Long-term rental, tier 1	\$1,681,170,346.00	0.0025	\$4,202,926
Long-term rental, tier 2	\$175,038,962.00	0.0045	\$787,675
Long-term rental, tier 3	\$66,696,300.00	0.008	\$533,570
Agricultural	\$1,644,549,489.00	0.00524	\$8,617,439
Conservation	\$313,911,249.00	0.00593	\$1,861,494
Commercial	\$2,978,210,708.00	0.00555	\$16,529,069
Industrial	\$2,318,002,247.00	0.00655	\$15,182,915
Commercialized residential	\$282,065,137.00	0.0039	\$1,100,054

⁴ Rates rounded to the nearest thousandth.

The scenarios outlined above are just a few suggestions for how the Council could provide tax relief.

The point of all of this is to say that the tax reductions proposed in the mayor's budget are a good first step, but they should be supplemented with at least some relief to businesses, farmers and landlords.

Apartment and rental property owners faced with higher taxes can either take the hit themselves — which would reduce their spending on their other economic goals — or shift the burden to their tenants in the form of higher rents, which would increase the cost of housing for Maui renters

Maui businesses and farmers — caught between high inflation, workforce shortages, and high prices for materials, energy and transportation — could either increase their prices to their customers, if their customers will be willing to pay the higher prices, or reduce their spending on wages, repairs, equipment or any other of the many costs of doing business.

No matter how you slice it, adding to the tax burden of these various property owners would have a depressing effect on Maui County residents.

In an upcoming report, the Grassroot Institute of Hawaii will present other ways Maui and our other counties in Hawaii can provide tax relief, from exemptions to tax credits to programs designed to benefit small businesses.

We would be happy to discuss these and any other out-of-the box tax ideas with the Council, and look forward to continued dialogue with you on this important issue.

Thank you for the opportunity to testify.

Sincerely,

Joe Kent
Executive vice president
Grassroot Institute of Hawaii