

**COUNCIL OF THE COUNTY OF MAUI**  
**PLANNING COMMITTEE**

November 7, 2014

**Committee**  
**Report No.** \_\_\_\_\_

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Planning Committee, having met on October 16, 2014, makes reference to County Communication 14-250, from Council Chair Gladys C. Baisa, relating to the matter of illegal vacation rental accommodations.

Your Committee noted an apparent recent increase in illegal vacation rental accommodations in the County, as evidenced by the large number of illegal rental property advertisements on various vacation rental accommodation websites.

Your Committee expressed concerns about the impacts of the growth in illegal vacation rentals on the availability of long-term rental housing in the County. The Planning Director stated limits on vacation rental accommodations were planned to minimize housing impacts, but the large number of illegal vacation rentals has reduced long-term rental housing availability.

A representative from the Department of Planning, Zoning and Enforcement Division, informed your Committee about departmental staffing, the enforcement process, and recent complaints and enforcement activity.

He noted the Department's zoning inspectors are responsible for enforcement of all parts of Title 19, Maui County Code. There are six positions for zoning inspection and enforcement, and the staff currently includes one supervisor, two inspectors, and two inspector trainees. One of the inspector positions is vacant.

The representative described the steps of the enforcement process. Upon receipt of a complaint, the Department conducts an investigation. If the Department notes a violation, it issues a Notice of Warning. If the violation does not cease within a certain time period of at least 30 days, the Department issues a Notice of Violation and imposes fines. Initial and subsequent daily fines are up to \$1,000 each.

The representative stated there are over 1,300 open complaints about vacation rentals. The Department has issued 193 Notices of Warning related to these complaints.

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He informed your Committee complaint processing could be quicker if additional staff support was available. Additional support would be particularly useful for conducting initial investigations, including determination of property addresses.

Your Committee considered whether the permitting and enforcement processes could be made easier to administer. As an example of a potential enforcement process improvement, Section 19.65.080, Maui County Code, requires short-term rental home operators to post permit numbers in advertising, and states advertising is prima facie evidence of the operation of a rental business. The representative stated the application of these provisions to other short-term rental accommodations would be helpful. Your Committee expressed interest in revising this and other Code provisions to streamline processes.

Your Committee discussed ways to encourage compliance by illegal operators, such as changing the real property tax classification of illegal rental properties. Basing tax classification on actual, illegal use may increase the rate charged and reduce the exemptions granted, and may result in a higher tax amount. Your Committee expressed interest in this approach, but was informed the Department of Finance classifies properties based on legal uses, and is not able to classify based on illegal uses. Your Committee noted a desire to investigate this matter.

Your Committee voted 5-0 to recommend filing of the communication. Committee Chair Couch and members Cochran, Crivello, Guzman, and White voted "aye". Committee Vice-Chair Victorino and member Baisa were excused.

Your Planning Committee **RECOMMENDS** that County Communication 14-250 be FILED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.

  
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DONALD G. COUCH, JR., Chair