

COUNCIL OF THE COUNTY OF MAUI

# SPECIAL COMMITTEE ON REAL PROPERTY TAX REFORM

December 5, 2025

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

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

Chair and Members:

Your Special Committee on Real Property Tax Reform, having met on November 13, 2025, makes reference to Bill 171 (2025), entitled “A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48, MAUI COUNTY CODE, EXTENDING MAUI WILDFIRES REAL PROPERTY TAX RELIEF.”

Bill 171’s purpose is to extend temporary real property tax relief for Lahaina properties that remain unoccupiable or under active rebuild after the August 2023 wildfires. This bill would:

1. Extend the real property tax exemption through June 30, 2028, for properties that meet the required location and status criteria.
2. Remove the exemption when the bill’s conditions are no longer met.
3. Continue the tax year 2024 exemptions through December 31, 2028, for properties whose improvements were destroyed, damaged, or made inaccessible by the August 2023 wildfires.

Your Committee notes that the Council previously passed Ordinances 5561 (2023), 5582 (2023), and 5727 (2024) to provide temporary RPT relief for properties affected by the August 2023 Maui wildfires. Those ordinances included exemptions for the 2024 tax year for properties whose improvements were destroyed, damaged, or inaccessible.

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A representative from the Department of Finance said the RPT Division tracks parcels that received 2024 wildfire tax exemptions and parcels within the Lahaina wildfire reentry zones but does not maintain separate data for the Lahaina Historic Districts, Special Management Area, or shoreline area parcels. The representative recommended using the reentry maps as a geographic reference because they match available data and are easier to administer.

The Director of Finance expressed concern that Bill 171's proposed proration language could cause confusion, require retroactive adjustments, and result in wildfire-affected properties being treated differently than other properties that experience change during a tax year. The Director said that it is important to retain the County's standard January 1 assessment date for determining each tax year's liability.

Your Committee discussed the rationale to allow more time for properties that cannot be used because of destruction, incomplete rebuilding, or ongoing public infrastructure work related to the August 2023 Maui wildfires.

Your Committee discussed that limiting relief to parcels in the Lahaina Historic Districts, Special Management Area, or along the shoreline could exclude similarly situated properties in the same wildfire area and be difficult to administer.

Your Committee agreed that using the Lahaina wildfire reentry maps as the primary geographic reference and extending relief to qualifying properties within those reentry zones would be administratively efficient.

Your Committee amended Bill 171 to:

- Broaden the geographic scope of extended tax relief by using the Lahaina wildfire reentry zones identified on the County's reentry maps instead of limiting relief to properties in the Lahaina

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Historic Districts, Special Management Area, or along the shoreline; and

- Delete language that would have prorated RPT in the year a rebuilt home regains occupancy to avoid retroactive adjustments and to keep the standard January 1 assessment date for all properties.

Your Committee finds that, as amended, Bill 171 would provide time-limited and targeted relief that recognizes the extraordinary conditions facing wildfire-affected properties while preserving a clear and administrable RPT framework.

Your Committee voted 3-0 to recommend passage of Bill 171, CD1 (2025), on first reading. Committee Chair Lee and members Johnson and Sugimura voted “aye.” Committee Vice-Chair Rawlins-Fernandez was excused.

Your Committee is in receipt of Bill 171, CD1 (2025), approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee’s recommended revisions and nonsubstantive revisions.

Your Special Committee on Real Property Tax Reform **RECOMMENDS** that Bill 171, CD1 (2025), attached, entitled “A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48, MAUI COUNTY CODE, EXTENDING MAUI WILDFIRES REAL PROPERTY TAX RELIEF,” be **PASSED ON FIRST READING** and be **ORDERED TO PRINT**.

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This report is submitted in accordance with Rule 3 of the Rules of the Council.



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ALICE L. LEE, Chair

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ORDINANCE NO. \_\_\_\_\_

BILL NO. **171, CD1** (2025)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48, MAUI COUNTY CODE, EXTENDING MAUI WILDFIRES REAL PROPERTY TAX RELIEF

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. More than two years after the August 2023 Maui wildfires, recovery has not progressed at a rapid pace. As of October 2025, 515 building permits have been issued, 290 homes are under construction, and 83 homes have been rebuilt in Lahaina and Upcountry, but no commercial properties have been rebuilt and occupied. Property owners continue to face ongoing hardship with recovery. This Ordinance's purpose is to extend real property tax relief for property owners still impacted by the August 2023 Maui wildfires.

SECTION 2. Section 3.48.230, Maui County Code, is amended to read as follows:

**“3.48.230 Damage or destruction by disaster.** A. When real property is damaged or destroyed because of a tidal wave, earthquake, volcanic eruption, hurricane, fire, or other disaster as defined in section 127A-2, Hawai‘i Revised Statutes, or because of floodwaters overflowing the banks or walls of a river or stream, the director may remit taxes due on the property[, to the extent and] in the following manner [set forth as follows]:

1. The director must determine [whether] if the property was either: a) wholly destroyed[,]; or [was] b) partially destroyed or damaged[,]; and in the latter event must determine what percentage of the value of the whole property was destroyed or otherwise lost by [reason of] the disaster[.] or floodwaters overflowing.

2. If the property was wholly destroyed, the amount remitted must be the portion of the total tax on the property

for the tax year in which the destruction occurred constituting the portion of the tax year remaining after the destruction.

3. If the property was partially destroyed or [was] damaged, the percentage of the value destroyed or otherwise lost[, determined as provided in subsection A,] must be applied to the total tax on the property, and of the amount of tax so determined there must be remitted the portion constituting the portion of the tax year remaining after the partial destruction or damage.

4. An application for a remission of taxes under this section must be filed with the director on or before June [30<sup>th</sup>] 30 of the tax year involved, or within [sixty] 60 days after the occurrence of the disaster, whichever is later. Any amount of taxes authorized to be remitted by this section[, which] that has been paid[, ] must be refunded upon proper application out of real property tax collections.

B. Real property that was completely destroyed by the August 2023 Maui wildfires, as determined by the director, is exempt from real property taxes, including the minimum real property tax, through June 30, 2026.

C. Real property that is located in a red or yellow reentry zone in Lahaina, as established by the County following the August 2023 Maui wildfires in its reentry map of impacted areas, or for which access was restricted to certain hours by the government as of November 15, 2023, is exempt from real property taxes, including the minimum real property tax, for the period July 1, 2023, through June 30, 2024.

D. Real property that was located in a red or yellow reentry zone in Lahaina, as established by the County following the August 2023 Maui wildfires in its reentry map of impacted areas, or for which access was restricted to certain hours by the government, as determined by the director as of January 1, 2024, is exempt from real property taxes, including the minimum real property tax, for the period July 1, 2024, through June 30, 2026.

E. Real property that was located in a Lahaina reentry zone, as established by the County following the August 2023 Maui wildfires in its reentry map of impacted areas, is exempt from real property taxes, including the minimum real property tax, for the period July 1, 2026, through June 30, 2028; if the real property is not occupied and:

1. Is located where occupancy is prevented because of the status of public infrastructure or utilities;

2. Was completely destroyed by the August 2023 Maui wildfires and the property remains vacant; or

3. Was issued a building permit to repair or rebuild improvements after August 8, 2023, but has not received a final inspection approval.”

SECTION 3. Section 3.48.415, Maui County Code, is amended by amending Subsection B to read as follows:

“B. Exemptions that were in effect for tax year 2024, where improvements were destroyed, damaged, or made inaccessible by the August 2023 Maui wildfires, must remain in effect through December 31, [2026,] 2028, under the following circumstances:

1. The parcel does not sell in an arm’s length transaction.

2. The applicant for an exemption under section 3.48.450 does not apply for another exemption on any principal home.

3. The applicant for an exemption under section 3.48.475 does not apply for another exemption for a home, as defined in that section.

4. The parcel qualified for the exemption between January 1, 2023, and August 8, 2023.

5. The exemption is not subject to disallowance under section 3.48.430[; except that a].

A qualifying exemption under section 3.48.450 or 3.48.475 is transferable to another property in the County that is acquired by a deed recorded before January 1, 2025, for the 2025 tax year only, if the applicant makes a request for the transfer by December 31, 2024.”

SECTION 4. Material to be repealed is bracketed. New material is underscored. In printing this bill, the County Clerk need not include the brackets, the bracketed material, or the underscoring.

SECTION 5. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND LEGALITY:



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KRISTIE M. WRIGGLESWORTH FOR  
KRISTINA C. TOSHIKIYO  
Department of the Corporation Counsel  
County of Maui

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INTRODUCED BY:

Yuki Lei K. Sugimura  
YUKI LEI K. SUGIMURA