

# REQUEST FOR LEGAL SERVICES

**Date:** December 15, 2025  
**From:** Alice L. Lee, Chair  
Special Committee on Real Property Tax Reform

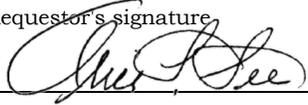
TRANSMITTAL

**Memo to:** DEPARTMENT OF THE CORPORATION COUNSEL  
Attention: Kristie M. Wigglesworth, Esq.

**Subject:** BILL 168 (2025), TO ESTABLISH A REAL PROPERTY TAX EXEMPTION TO INCREASE AND MAINTAIN ACCESS TO AFFORDABLE HOUSING (RPTR-16)

**Background Data:** Please see Bill 168, CD1 (2025), attached. Please submit your response to rpтр.committee@mauicounty.us, referencing RPTR-16.

**Work Requested:**  FOR APPROVAL AS TO FORM AND LEGALITY  
 OTHER:

Requestor's signature  Alice L. Lee, Chair	Contact Person <u>Kirsten Szabo or Peter Hanano</u> (Telephone Extension: 7662 or 8007, respectively)
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ROUTINE (WITHIN 15 WORKING DAYS)       RUSH (WITHIN 5 WORKING DAYS)  
 PRIORITY (WITHIN 10 WORKING DAYS)       URGENT (WITHIN 3 WORKING DAYS)

SPECIFY DUE DATE (IF IMPOSED BY SPECIFIC CIRCUMSTANCES): December 31, 2025  
REASON: For posting on the January 9, 2026, Council agenda.

### FOR CORPORATION COUNSEL'S RESPONSE

ASSIGNED TO: <u>KMW</u>	ASSIGNMENT NO. <u>2025-1351</u>	BY: <u>jap for alh</u>
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TO REQUESTOR:  APPROVED  DISAPPROVED  OTHER (SEE COMMENTS BELOW)  
 RETURNING--PLEASE EXPAND AND PROVIDE DETAILS REGARDING ITEMS AS NOTED

COMMENTS (NOTE - THIS SECTION NOT TO BE USED FOR LEGAL ADVICE): See attached revised approved ordinance; emailed to RPTR Committee on 12/26/2025.

Date 12/26/2025

DEPARTMENT OF THE CORPORATION COUNSEL  
  
By \_\_\_\_\_

(Rev. 7/03)

rpтр:ltr:016acc01:kes

Attachment

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

BILL NO. **168, CD1** (2025)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48, MAUI COUNTY CODE, TO ESTABLISH A REAL PROPERTY TAX EXEMPTION TO INCREASE AND MAINTAIN ACCESS TO AFFORDABLE HOUSING

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

SECTION 1. The Council seeks to further the following Countywide Policy Plan objective: “Explore taxation mechanisms to increase and maintain access to affordable housing.”

To that end, this Ordinance establishes a Real Property Tax exemption to encourage property owners to rent their residential properties at no more than 70 percent of Fair Market Rents, also known as FMRs, as established and updated each year by the United States Department of Housing and Urban Development.

SECTION 2. Chapter 3.48, Maui County Code, is amended by adding a new section to be appropriately designated and to read as follows:

**“3.48.467 Affordable long-term rentals—standards for valuation.** A. Dwelling units occupied as an affordable long-term rental—with rent no more than 70 percent of fair market rents as established and updated each year by the United States Department of Housing and Urban development and under a signed contract to lease for 12 consecutive months or more to the same tenant, as of the date of assessment, by a natural person with no other place of residence—will be exempt, only to the following extent, from property taxes:

1. For tax years beginning on or after July 1, 2027:

a. The property will be totally exempt where the value of the property is not in excess of \$400,000; or

b. If the value of the property is in excess of \$400,000, the exemption will be in the amount of \$400,000.

B. The provisions of subsection A are subject to the following conditions:

1. Long-term rental exemptions under section 3.48.466 and affordable long-term rental exemptions under this section may be allowed on more than one home for any one taxpayer if the homes are located on different parcels.

2. If the property where a homeowner resides qualifies for a home exemption under section 3.48.450 and an affordable long-term rental exemption, for tax years beginning on or after July 1, 2027;

a. The property is totally exempt if the value of the property is not in excess of \$500,000; or

b. If the value of the property is in excess of \$500,000, the exemption will be in the amount of the home exemption amount provided under Section 3.48.450, plus an additional \$100,000.

3. If a portion of the structure is used for commercial purposes, that portion of the structure will not be entitled to an exemption.

4. The exemption will not be allowed for any real property that is classified as “commercialized residential” or as a “TVR-STRH.”

5. If the term of the lease is greater than one year, one year of exemption will be granted. After the initial year of the exemption, no exemption will be allowed unless the lease terminates after September 30 of any later assessment year.

6. If the lease is granted to any of the following lessees, the exemption must not be allowed for:

a. A natural person who has an ownership interest in the property, including natural persons who are considered as owners under section 3.48.150.

b. An officer or member of a corporation that has an ownership interest in the property.

c. A partner in a partnership that has an ownership interest in the property.

d. A business, corporation, partnership, or any entity other than a natural person.

7. If the tenant maintains a permanent place of abode in addition to the dwelling unit, the exemption must not be allowed.”

SECTION 3. New material is underscored. In printing this bill, the County Clerk need not include the underscoring.

SECTION 4. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND  
LEGALITY:



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Kristie M. Wigglesworth  
Department of the Corporation  
Counsel

County of Maui  
2025-12-26 Bill 168 CD1  
LF2025-1351

INTRODUCED BY:

*Keani Rawlins-Fernandez*  

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KEANI N. W. RAWLINS-FERNANDEZ

## RPTR Committee

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**From:** Kristie M. Wigglesworth <Kristie.Wigglesworth@co.maui.hi.us>  
**Sent:** Friday, December 26, 2025 2:01 PM  
**To:** RPTR Committee  
**Cc:** Alice L. Hale; Kirsten E. Szabo  
**Subject:** RPTR-16: Bill 168 (2025) cd1 2025 (2025-1351) Closing  
**Attachments:** RUSH RFLS\_ RPTR-16 Bill 168 CD1 FINAL REVISED Completed Closing.PDF

Aloha RPTR Committee,

See the attached completed RFLS form and approved ordinance.

Mahalo,  
Kristie

**\*\*\*Department of the Corporation Counsel emails may contain attorney-client privilege information and should not be forwarded without approval.**

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