

ORDINANCE NO. _____

BILL NO. 58 (2019)

A BILL FOR AN ORDINANCE RELATING TO
TIERS OF REAL PROPERTY TAX RATES

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

SECTION 1. Article X, Chapter 3.48, Maui County Code, is amended to
read as follows:

“Article X

Determination of Rates and Tiers

3.48.560 Definitions. Unless a different meaning is clearly indicated by the context, as used in this article:

A. [“Net taxable lands” means all other real property exclusive of buildings.

B.] “Net taxable real property[,]” [“net taxable buildings” or “net taxable lands”] means[, as indicated by the context,] the percentage of the fair market value of property determined under section 3.48.180, which the director of finance certifies as the tax base as provided by ordinance, less exemptions as provided by ordinance, and[, in all cases which appeals from the director's assessment are then unsettled,] less [fifty per cent] 50 percent of the value in dispute[.] for all cases in which appeals from the director's assessments are unsettled.

B. “Tax rate” means the dollar amount of tax levied under this chapter per \$1,000.00 of net taxable real property, computed to the nearest cent.

3.48.561 Tax rate tiers. A. Classifications are established in section 3.48.305.

B. To establish progressive property taxes and notwithstanding any provisions to the contrary, three equivalent or ascending tiers of tax rates for properties classified as owner-occupied, non-owner-occupied, short-term rental, commercial, and industrial must be established. The tiered rates apply to three corresponding ascending or equal ranges of property

values. The rates, tiers, and value ranges are set forth in the annual budget. Any reference to "tiers" in this chapter incorporates value ranges.

3.48.565 Increase or decrease. The council may increase or decrease the tax rate, and tiers, if applicable, for [buildings and for all other real property, exclusive of buildings for net taxable land and net taxable buildings of] each class of net taxable real property established in accordance with section 3.48.305. A resolution setting the tax rates and tiers [shall] should be adopted on or before June 20 preceding the tax year for which property tax revenues are to be raised according to the following procedures:

A. The council [shall] must advertise its intention to increase or decrease tax rates and tiers and the date, time, and place of a public hearing in a newspaper of general circulation. The date of the public hearing [shall] should be not less than ten days after the advertisement is first published and [shall] must set forth the tax rates and tiers to be considered by the council.

B. After the public hearing provided for in subsection A [of this section], the council [shall] should readvertise and reconvene within three weeks to adopt a resolution fixing the tax rates and tiers for the tax year for which property tax revenues are to be raised. The advertisement [shall] must state the new rates and tiers to be fixed and the date, time, and place of the meeting scheduled for fixing [such] the rates[.] and tiers. The date, time, and place of the meeting [shall] must also be announced at the public hearing required by subsection A [of this section]. If the resolution fixing the tax rates and tiers is not adopted within three weeks from the public hearing required by subsection A [of this section], the council [shall] must again advertise and meet as required by subsection A.

C. [If adopting] During adoption of an increase or decrease in the tax rates and tiers as provided by subsections A and B [of this section], if the council determines that it requires a further increase or decrease in tax rates and tiers, or fails to act in any specified period, the council [shall] must readvertise and follow the requirements of subsections A and B.

D. The council's failure to act by the dates suggested in this section is not a basis to invalidate any tax rate, any tax tier, or the provisions of any ordinance or resolution.

3.48.575 Use of increased or decreased rates[.] and tiers. If the tax rates and tiers for the tax year are increased or decreased, the council [shall] must notify the director of finance of

the increased or decreased rates[,] and tiers, and the director [shall] must employ [such] those rates and tiers in the levying of property taxes as provided by this chapter.

3.48.580 Calculations submitted by director. A. [The director of finance shall, on] On or before April 19 preceding the tax year, the director of finance should furnish the council with a calculation certified [by him] as being as nearly accurate as [may be,] possible, of the estimated revenues derived using the rates and tiers set forth in the proposed budget, separately stated for each [category] classification established in accordance with section 3.48.305, for net taxable [lands and for net taxable buildings.] real property.

B. [The director of finance shall, on] On or before May 1 preceding the tax year, the director of finance should furnish the council with a calculation certified [by him] as being as nearly accurate as [may be,] possible, of the net taxable real property within the County, separately stated for each [category] classification established in accordance with section 3.48.305 [for net taxable lands and for net taxable buildings] plus such additional data relating to the property tax base as may be necessary.

C. The director's failure to provide notice by the dates suggested in this section is not a basis to invalidate any tax rate, any tax tier, or the provisions of any ordinance or resolution.

[3.48.585 Validity. Insofar as the validity of any tax rate is concerned, the provisions of sections 3.48.565 and 3.48.580, as to dates, shall be deemed directory; provided, that all other provisions of sections 3.48.565 and 3.48.580, and all provisions of section 3.48.570 and 3.48.575 shall be deemed mandatory.]

3.48.590 Minimum real property tax. Notwithstanding any provision to the contrary, [there shall be levied upon] each individual parcel of real property taxable under this chapter is subject to a minimum real property tax as set forth in the annual budget, except[:] for the following:

[1)] A. Those tracts leased under section 207 of the Hawaiian Homes Commission Act, 1920, as amended[:].

[2)] B. Any parcel used for farming taro where the assessed value times the current agricultural class tax rate is less than the minimum real property tax[:].

[3)] C. Portions of real property designated as kuleana land and granted an exemption as provided for in section 3.48.554[:].

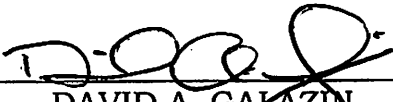
[4)] D. Homes[,] or portions [thereof,] of homes granted an exemption under section 3.48.475 to be levied a real property tax of \$150 per year[; and].

[5)] E. Remnant parcels granted an exemption under section 3.48.552 to be levied a real property tax of \$150 per year."

SECTION 2. 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 3. This ordinance takes effect upon its approval.

APPROVED AS TO FORM AND
LEGALITY:



DAVID A. GALAZIN
Department of the Corporation Counsel
County of Maui
2019-0098
EDB-37 2019-11-7 Ordinance Chap. 3.48 Article X

DIGEST

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BILL NO. 58 (2019)

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TIERS OF REAL PROPERTY TAX RATES

This bill proposes to amend Article X, Chapter 3.48, Maui County Code, to further principles of County property tax reform, including through the establishment of tiers of real property tax rates.

I, JOSIAH K. NISHITA, County Clerk of the County of Maui, State of Hawaii, DO
HEREBY CERTIFY that the foregoing BILL NO. 58 (2019) was passed on First Reading
by the Council of the County of Maui, State of Hawaii, on the 8th day of November, 2019,
by the following vote:

AYES: Councilmembers Natalie A. Kama, Alice L. Lee, Michael J. Molina,
Tamara A. M. Paltin, Shane M. Sinenci, and Vice-Chair Keani N. W.
Rawlins-Fernandez.

NOES: Councilmember Yuki Lei K. Sugimura.

EXCUSED: Councilmember G. Riki Hokama and Chair Kelly T. King.

DATED at Wailuku, Maui, Hawaii, this 15th of November, 2019.



JOSIAH K. NISHITA, COUNTY CLERK
COUNTY OF MAUI, STATE OF HAWAII

Copies of the foregoing Bill, in full, are on file in the Office of the County Clerk,
County of Maui, for use and examination by the public.