

# Special Committee on Real Property Tax Reform on 2025-12-09 1:30 PM

Meeting Time: 12-09-25 13:30

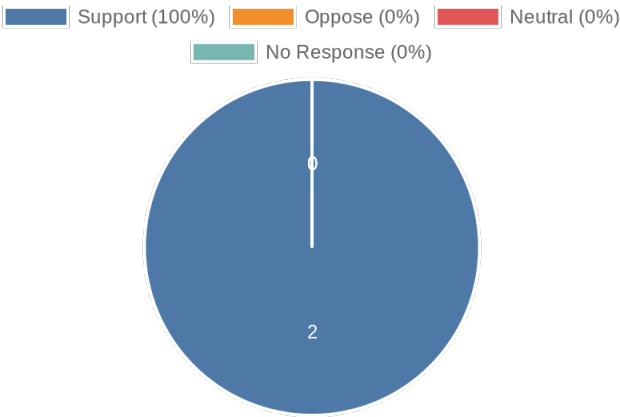
## eComments Report

| Meetings                                                            | Meeting Time   | Agenda Items | Comments | Support | Oppose | Neutral |
|---------------------------------------------------------------------|----------------|--------------|----------|---------|--------|---------|
| Special Committee on Real Property Tax Reform on 2025-12-09 1:30 PM | 12-09-25 13:30 | 5            | 2        | 2       | 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



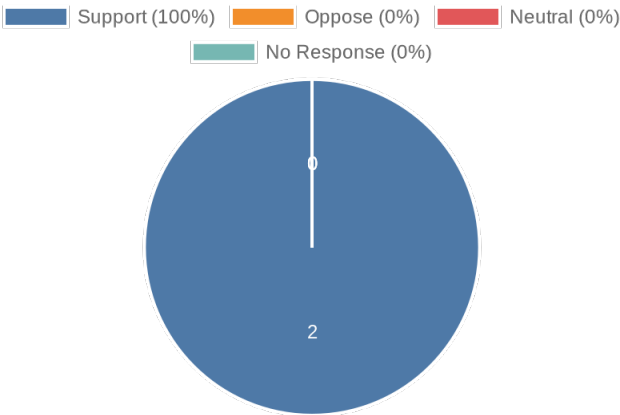
Special Committee on Real Property Tax Reform on 2025-12-09 1:30 PM  
12-09-25 13:30

| Agenda Name                                                                                                                                 | Comments | Support | Oppose | Neutral |
|---------------------------------------------------------------------------------------------------------------------------------------------|----------|---------|--------|---------|
| RPTR-11 Bill 146 (2025) BILL 146 (2025), ON PRINCIPAL HOME EXEMPTION APPLICATION DEADLINES (RPTR-11)                                        | 1        | 1       | 0      | 0       |
| RPTR-17 Bill 181 (2025) BILL 181 (2025), INCREASING THE AMOUNT OF THE HOME AND LONG-TERM RENTAL EXEMPTIONS FROM REAL PROPERTY TAX (RPTR-17) | 1        | 1       | 0      | 0       |

Sentiments for All Agenda Items

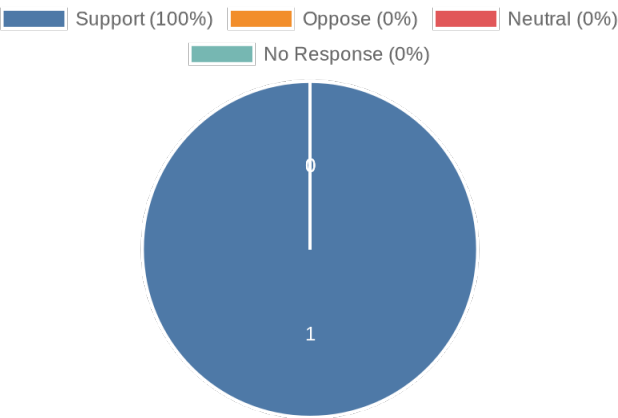
The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

Overall Sentiment



Agenda Item: eComments for RPTR-11 Bill 146 (2025) BILL 146 (2025), ON PRINCIPAL HOME EXEMPTION APPLICATION DEADLINES (RPTR-11)

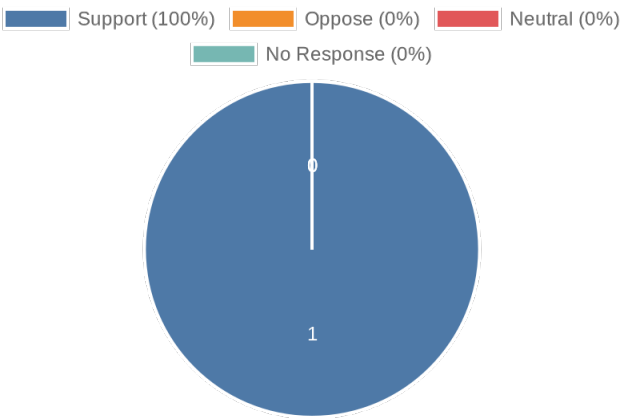
Overall Sentiment



**Jonathan Helton**  
Location:  
Submitted At: 12:15pm 12-08-25  
Please see attached

Agenda Item: eComments for RPTR-17 Bill 181 (2025) BILL 181 (2025), INCREASING THE AMOUNT OF THE HOME AND LONG-TERM RENTAL EXEMPTIONS FROM REAL PROPERTY TAX (RPTR-17)

Overall Sentiment



**Jonathan Helton**

Location:  
Submitted At: 12:16pm 12-08-25  
Please see attached!

Dec. 9, 2025, 1:30 p.m.  
Kalana O Maui Building

**To: Maui County Council, Special Committee on Real Property Tax Reform**

**Alice Lee, Chair**

**Keani Rawlins-Fernandez, Vice Chair**

**From: Grassroot Institute of Hawaii**

**Jonathan Helton, Policy Analyst**

Re: Bill 146 (2025) — A BILL ON THE PRINCIPAL HOME EXEMPTION'S APPLICATION DEADLINES

Aloha Chair Lee, Vice Chair Rawlins-Fernandez and other members of the Committee,

The Grassroot Institute of Hawaii **supports** [Bill 146 \(2025\)](#), which would amend how home exemption applications are processed.

Currently, a Maui homeowner who files for a home exemption cannot receive the exemption until the next tax year. For example, a homeowner who files for a home exemption before Dec. 31, 2025, will not receive the exemption or be moved into the owner-occupied tax class until the tax year beginning July 1, 2026.

This creates a burden for folks who purchase homes that were not occupied by the previous owner. If a Maui resident were to purchase a home valued at \$1 million that was classified as a short-term rental, could pay as much as \$10,000 more in property taxes compared to what they would pay if the home was classified as owner-occupied, depending on when during the year they bought the house.<sup>1</sup>

Bill 146 (2025) would allow exemptions to go into effect for the tax year in which the application was filed. So if a Maui homeowner filed for a home exemption after Dec. 31, 2025, they could receive at least half of the tax benefits of the exemption for the tax year that began July 1, 2025.

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<sup>1</sup> ["Real Property Tax Rates for Tax Year July 1, 2025 to June 30, 2026,"](#) Real Property Assessment Division, Honolulu Department of Budget and Fiscal Services, July 2025.

A proposed [amendment](#) to this bill would limit the situations in which this new filing system would apply. Specifically, it would only allow for this amended application process in situations where someone purchased a property that had been classified as a short-term rental within the past five years.

Grassroot prefers the current draft, since it allows all homeowners — regardless of what sort of property they are purchasing — to receive tax relief.

Thank you for the opportunity to testify.

Jonathan Helton  
Policy Analyst  
Grassroot Institute of Hawaii

Dec. 9, 2025, 1:30 p.m.  
Kalana O Maui Building

**To: Maui County Council, Special Committee on Real Property Tax Reform**

**Alice Lee, Chair**

**Keani Rawlins-Fernandez, Vice Chair**

**From: Grassroot Institute of Hawaii**

**Jonathan Helton, Policy Analyst**

Re: Bill 181 (2025) — INCREASING THE AMOUNT OF THE HOME AND LONG-TERM RENTAL EXEMPTIONS

Aloha Chair Lee, Vice Chair Rawlins-Fernandez and other members of the Committee,

The Grassroot Institute of Hawaii **supports** [Bill 181 \(2025\)](#), which would increase Maui County's property tax home exemption from \$300,000 to \$400,000 and its long-term rental exemption from \$200,000 to \$300,000.

Bill 181 (2025) would also increase the home exemption for owner-occupied properties where a rental, such as an accessory dwelling, is also on the property, from \$400,000 to \$500,000.

This is a good bill because it provides tax relief to homeowners and owners of long-term rentals who have seen their property values increase dramatically in recent years.

The values of the home and long-term rental exemptions have not been increased to offset high property assessments. The home exemption was last increased in 2022, and the long-term rental exemption has not been changed since it was created in 2021.<sup>1</sup>

Meanwhile, the average gross assessed value of properties in the owner-occupied tax class has increased by 28% since fiscal 2024, and the average gross assessed value of properties in the long-term rental class has increased by 56% since fiscal 2023.<sup>2</sup>

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<sup>1</sup> [Ordinance 5404](#), Maui County Council, signed into law by Mayor Richard Bissen on Aug. 9, 2022; and "[New Long-Term Rental Exemption and Classification in Effect Jan. 1](#)," Maui Now, July 14, 2021.

<sup>2</sup> "[County of Maui Real Property Tax Valuation for Fiscal Year 2025 - 2026](#)" and "[County of Maui Real Property Tax Valuation for Fiscal Year 2022 - 2023](#)," Real Property Assessment Division, Honolulu Department of Budget and Fiscal Services, July 2025.

Increasing these exemptions by \$100,000 each would help offset the higher assessments caused in part by Maui County's housing crisis, and provide valuable tax relief to local families.

Furthermore, this bill would not cost the county treasury much at current tax rates. Increasing the home exemption by \$100,000 would save Maui residents approximately \$5 million,<sup>3</sup> and increasing the long-term rental exemption by \$100,000 would save Maui rental owners approximately \$1.23 million.<sup>4</sup>

This totals less than 1% of the \$660 million in property tax revenue the county expects to collect in fiscal 2026.

In earlier testimony, Grassroot outlined a further step that the Council could take to provide tax relief: Index the value of these exemptions to changes in the average assessed values of properties in the classes.

This would ensure that exemptions would increase when assessments spike, helping mitigate the burden that higher property taxes can place on county residents.

Thank you for the opportunity to testify.

Jonathan Helton  
Policy Analyst  
Grassroot Institute of Hawaii

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<sup>3</sup> This estimate is calculated by multiplying \$100,000 by the 0.0018 rate for Tier 2 owner-occupied properties and then multiplying the result by 27,792 — the number of properties in the owner-occupied class. The actual cost would likely be lower than this because the average assessed value of the class is \$1.16 million — below the current \$1.3 million breakpoint for Tier 2.

<sup>4</sup> This is a back-of-the-envelope estimate calculated by multiplying \$295 by 4,163.