

SPECIAL COMMITTEE ON REAL PROPERTY TAX REFORM

Council of the County of Maui

MINUTES

September 17, 2025

Online Only via Teams

RECONVENE: 1:34 p.m.

PRESENT: VOTING MEMBERS:

Councilmember Alice L. Lee, Chair
Councilmember Keani Rawlins-Fernandez, Vice-Chair
Councilmember Gabe Johnson, Member (Out 2:00 p.m.; In 3:01 p.m.)
Councilmember Tasha Kama, Member

NON-VOTING MEMBERS:

Councilmember Tamara Paltin, Member

EXCUSED: VOTING MEMBERS:

Councilmember Yuki Lei K. Sugimura, Member

STAFF:

Kirsten Szabo, Legislative Analyst
James Krueger, Senior Legislative Analyst
Peter Hanano, Legislative Attorney
Maria Leon, Committee Secretary
Lei Dinneen, Council Services Assistant Clerk
Ryan Martins, Council Ambassador

Residency Area Offices

Roxanne Morita, Council Aide, Lānaʻi Residency Area Office
Mavis Oliveira, Council Aide, East Maui Residency Area Office

ADMIN.:

Marcy Martin, Director, Department of Finance (All)
Kari Stockwell, Real Property Tax Administrator, Department of Finance (All)
Kristie Wrigglesworth, Deputy Corporation Counsel, Department of the
Corporation Counsel (All)

OTHERS:

Tom Croly (All)

Testifiers

Testifier 1 – The Royal House of Hawaiʻi (All)
Alycee Madison (RPTR-1(1) and -2)
Karen S. (RPTR-5)
Jasee Law (RPTR-1(1) and -2)

(10+) additional attendees

PRESS:

Akakū: Maui Community Television, Inc.

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CHAIR LEE: . . .*(gavel)*. . . Members, will the recessed Special Committee on Real Property Tax Reform meeting of September 16th, 2025, please reconvene. Today's date is September 17th, 2025, and it is 1:34 p.m. This online meeting is being conducted in accordance with the Sunshine Law. As a reminder, when your name is called, if you are not in the Council Chamber, please identify by name who, if anyone, is in the room, vehicle, or workspace with you today. Minors do not need to be identified. Committee Vice-Chair Keani Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Aloha 'auinalā kākou, mai Molokai Nui a Hina. I'm at my private...I'm at my private residence alone, right now, until my minor-aged children come home from school. And there are currently no testifiers at the Molokai District office. Mahalo, Chair. . . .*(audio interference)*. . . --

CHAIR LEE: Oh, thank you. Councilmember Gabe Johnson.

COUNCILMEMBER JOHNSON: Aloha, Chair, Councilmembers, community members. There's no testifiers here at the Lāna'i District office. I'm alone in...in the office as well. And I just want to let you guys know that I have to leave at 2:00 for the...for the event at our library...50th anniversary, finally. Yay.

CHAIR LEE: Very good. Thank you. And Pro Tem Kama.

COUNCILMEMBER KAMA: Aloha kaka...no, aloha 'auinalā, Chair. I'm in my home office, and I am alone, and there is no one else here. Thank you.

CHAIR LEE: Thank you. And Councilmember Yuki Lei Sugimura is excused today. She is in Japan. All right. Please see the last page of the agenda for information on meeting connectivity. Thank you, Members, for attending today's reconvening RPTR Special Committee meeting. We have five items on the agenda this afternoon. Let's continue with public testimony. Staff?

MR. KRUEGER: Chair. The next person we have signed up to testify is The Royal House of Hawai'i. They're currently the only individual we have signed up to testify at this time.

CHAIR LEE: Hello.

MR. KRUEGER: Chair, we've made The Royal House --

TESTIFIER 1: Aloha.

MR. KRUEGER: Oh, perfect.

CHAIR LEE: Aloha.

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. . . OPEN PUBLIC TESTIMONY AT BEGINNING OF MEETING . . .

TESTIFIER 1: Oh, yeah, I just got unmuted. Mahalo. I'll...yeah, I'll like...I'll be testifying on all five items. And with me in the room today is me and the . . .(*audio interference*). . . --

CHAIR LEE: Can...can you speak a little bit louder? Please.

TESTIFIER 1: Okay. You can hear me better?

CHAIR LEE: Little louder.

TESTIFIER 1: Oh, you...oh, hello. Can you hear...can you guys hear better? Sorry.

CHAIR LEE: Okay.

TESTIFIER 1: You can...you can hear better? Okay. So, I'm a Royal Patent heir and...wait. Sorry. . .(*inaudible*). . .okay. I stand before you all today as an allodial land tenant and Royal Patent heir under Hewahewa helu 3237 'āpana 2 and asserting that any attempts to pass bills, titles, permits related to the land in Hawai'i are fundamental...flawed and potentially illegal. For example, it's simple. Every parcel of land in Hawai'i is held and is under allodial title patented by the government of...the Royal government of Hawai'i. And this title lasts forever. And it says it in the TMK paperwork under legal info., giving you the Royal Patent who are the rightful owner of that land and the house...any building...sits on. And for example, like...even...it says it in the parcel histories, it says it in the parcel history sheets that...and it gives you the families that were living on the...that land and who already had filed real properties, which is supposed to be Royal Patent but it illegally got changed. Even though it got sold I'm pretty sure all those old owners from way back then maybe perished and it's supposed to go back to the original families of those real properties, Royal Patents, allodial titles made by Kamehameha III...Kamehameha III, Kauikeaouli. And I recognize that it's...or not recognize. I see that it's like getting erased from the legal info. on the TMK paperwork...everyone's house paperwork. And I'm pretty sure it's supposed to be shown because those are the original metes and bounds of this archipelagic nation. And those Royal Patents, real properties, are the titles of those original metes and bounds forever. It can never be changed. And it's being manipulated. So how does that work? Like, I'm just wondering if there will ever be like...if any of the descendants will ever be contacted. But anyway since...yeah, and the...since the State is manipulating our boundaries to create their own boundaries on a TMK, which is literally fraud . . .(*timer sounds*). . . and it can be very much proven. Okay, next topic. And then, like, which is again highly...a violation on an international level, frauding [*sic*] real properties. As such, any efforts to create new land trust bills, revising or schemes that contradict the existing Royal Patent allodial titles, will be...or would be a crime on an international level. This is because the titles are rooted in the Constitution of Kamehameha III and the laws of the Kingdom of Hawai'i which supersede any subsequent attempts to alter or undermine them. Aren't Royal Patent allodial titles meeting for...meaning forever. Even though the ohana might have sold the land, I guarantee you the non-Native who bought the land guarantee...guaranteed past, which is supposed to be back to descendants again. Oh, yeah, I said that. And just like...how

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would that feel, though? Imagine being in a...from a place, your 'ohana has thrived over 50,000 years and for someone else to tell you and force you to live...live life a certain way. It's perplexing to hear testimonies about creating invalid land trusts for regular people when in fact the land is already held in perpetuity under...under Royal Patent allodial title for specific 'ohana. But...and there's also crown land for all people, no matter what kind people, to take care the land and you can go over there, crown land. But DHHL, like, always likes to build on crown land and they're frauding [sic] the entire ahupua'a of crown lands around. Like, Waiohuli Ahupua'a...what is that called...Waiohuli, get Kēōkea. And Ka'ono'ulu, my grandfather's ahupua'a, supposed to be government land, which is supposed to be everyone's land too...also but we...with the...with our authorization...with our authorization. And we never got . . . (*audio interference*). . . and we never let any authorization none...not at...none of them at all. And given the historical context and existing legal framework, it's evident that the Native Hawaiian people, with their Royal Patent allodial titles will be the best suited to govern and decide what happens on their ancestral lands. From all that they have lived through, from the challenges and effects of land mismanagement, and will likely prioritize sustainable and community-driven solutions avoiding their rightful...their right to massive evictions because everyone that's on a TMK is illegally squatting on their lands if they're not on the Royal Patented land. But...so, I demand and urge you to find each descendant and beneficiary of each Palapala Sila Nui, and . . . (*timer sounds*). . . known as Royal Patent which....it's already supposed to be done, to call the descendants of the Royal Patent, Palapala Sila Nui, by right, by law. And because I'm pretty sure the descendants are very much alive and haven't been contacted or maybe just don't even know from the brainwashing injustices, continuing still till this very second, from being taught in school, businessmen ended the Royals for the land ownership when actuality those lands were already signed off in 1840's...1830's from Kamehameha III, and he gave his rights to the people. And we're all are...are our own kings and queens. And that's what it...it is, sovereign unto yourself forever. That's why there's...it's...everybody is making decision on Hawai'i but it's...it's invalid. And literally, like, we are the walking royals with...who are supposed to be making these decisions and the Royal Patent allodial title lands descendants and heirs that last forever; no matter what. We...why are you guys erasing the Royal Patent and the LCAs from everyone's legal info because that's a crime on an international level? And everyone who are on a TMK are leasehold grantors and legal...illegal landowners whose houses don't even last in their ownership forever because the RP, Royal Patent real property own them forever. So why are the Royal Patents being ignored and forgotten? Because I'm pretty sure the Kingdom of Hawai'i still exists. And with...like for example, like, in England or...yeah, over there, they have...they recognize the Royal Patents. Like...like how the king...how he has so much of these lands, it's because they're Royal Patent, it's allodial title. Like...I mean I don't know why it's not getting recognized and it's being changed. Like how can you change a Royal Patent? Like, that's...that doesn't add up at all. It developed on sacred lands that will never be seen again, also built on many of our 'ohanas' burials, built...built above many of my grandmother's caves that provide for all...everyone's water, built on cultural sites that will never be brought again, illegally evicted many Kānaka at gunpoint after our Māhele and overthrow...and overthrow. They overthrew my aunty, they illegally jailed Kānaka, shipping them across the world like cattle, created historical and generational traumas. And no more development

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because it is all, in fact, illegal and invalid with all the. . .*(inaudible)*. . .change of titles and frauded chains of titles proven...and proven to be a war crime and a violation on an international . . .*(timer sounds)*. . . level because the Royal Patents never will be...could be beaten. And also, like with all the businesses and corporations with many big plans, they all are . . .*(inaudible)*. . . --

CHAIR LEE: Hello. Can you...can you conclude your testimony in 30 seconds?

TESTIFIER 1: Was that time for all five topics?

CHAIR LEE: Are you...you're talking on all five?

TESTIFIER 1: *(audio interference)* --

CHAIR LEE: Okay. So you've done--two or three, Staff? Three. So, you have two more --

TESTIFIER 1: Okay.

CHAIR LEE: -- three-minute --

TESTIFIER 1: Yeah. Okay.

CHAIR LEE: -- testimony times.

TESTIFIER 1: Okay. With all businesses, corporations with big plans they all need to hire. Many large landowners and development target many Native Hawaiian men, using them as puppets to think that it is easy money. They continue on business as usual, allowing the corrupt government to mismanage our home, participating in the endless natural resource removal and this desecration that is real estate development. Knowing that, they continue to lie to themselves by indulging in the benefits of said business through the invasive alcohol, drugs, social media, and infatuation with material items that distract them from the reality that these issues cannot be ignored for much longer or we are sacrificing our. . .*(inaudible)*. . .culture, lifestyle, and subjecting our children to a disconnection from 'āina, bringing more jobs that don't even help or benefit the community or either overall help other people, which is corporate slavery that lead to greater reliance on imports which will only lead to illness and disease. Imagine knowing this will be the reality for your children if nothing is done and then choosing to not to do anything to prevent any of it, participating of genocide happening to my papa's kingdom. How dare there be development all over these places and for people that are not the descendants of that area. What if you guys, like, go build on the...the burials, and stuff like that? And they using our rights to develop and have many exemptions, and there's no discussion with any of the heirs and the descendants of the Royal Patent. And I urge the Senate or the...oh, sorry, the County Council to respect the existing legal framework and to recognize the rights of the Native Hawaiians. The rights now, not privileges, nothing like that, through their lands and as established by the Royal Patented allodial titles. And any attempts to altermind [*sic*] these rights would be a continuation of the injustices that plagued our islands since and before 1893. Please

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follow Kamehameha III's laws and...and contact the descendants of the Royal Patents as needed because I'm very sure all the descendants are still alive everywhere and haven't been contacted in regards of this development. And...and the Royal Patent, aka Palapala Sila Nui descendants the land, it...it belongs to them. And I request a legal opinion from the State and international resources because . . .(timer sounds). . . there are clear violations happening on an international level being done to the Kingdom of Hawai'i, and the people of Hawai'i, and the royal of...and royals of Hawai'i.

CHAIR LEE: Okay. Can you...can you complete your testimony on number five?

TESTIFIER 1: Number five, please...oh. Oh, number five. I...I don't know if you guys...okay, if you guys got that last part of it, though. But I urge the Senate Committee to respect the existing legal framework and recognize the rights of Native Hawaiians to the lands as established by the Royal Patent allodial titles. Any attempts to undermine these rights will be a continuation of the injustices that have plagued our islands since and before 1893. Please follow Kamehameha III's laws and contact the descendants of the Royal Patents as needed because I'm pretty sure none of the descendants have been contacted in regards of any of this. And...and, yeah...and any of the topics. And...and I request legal opinion from the State and international resources because there are clear violations happening on an international level being done to the Kingdom of Hawai'i and the heirs of the Royal Patents...the people of Hawai'i and the Royals of Hawai'i that are supposed to be making these decisions. Mahalo.

CHAIR LEE: Thank you. Questions, Members? If not, thank you very much. Staff?

MR. KRUEGER: Chair, the next person signed up to testify is the individual logged in as The Royal Descendant of Keaweamahi, to be followed by Karen S.

CHAIR LEE: Hello, you can start your testimony.

MS. MADISON: Aloha, Members of the Board. My name is Alycee Madison. I come here today before you, not only as an individual, but as a descendant of the Royal House of Hawai'i and Royal Patent heir of Keaweamahi. I do not speak only for myself but for my lāhui, for our house as brothers and sisters for our kūpuna and our keiki, for all the descendants who continue to be denied what is rightfully theirs both under the law and under the truth of our history. I stand before this Committee with a reminder, a reminder that too often has been left out of legislation, left out of public hearings, and left out of decisions that shape our future. That reminder is all land in Hawai'i is already under Royal Patented allodial title. These titles were established during the time of Kamehameha III and the Great Māhele of 1848. They are perpetual and they do not expire. They cannot be diminished or encumbered. They are not leases. They are not revokable licenses. They are not subject to the whims of the State. They are allodial titles. They are the highest form of title known to law. The meeting...the meaning of allodial titles...let us pause here to clear about what that means. An allodial title is a absolute ownership. It is land held free and clear of any superior landlord. It is not conditioned on taxes, or rents, or leases. In every other part of the world the sovereign, the king, the government, the crown holds the allodial title, and the people are only

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tenants. But in Hawai'i, under the wisdom of Kamehameha III, the allodial title was shared. Through the Māhele, land was awarded to the ali'i, the konohiki, and the maka'āinana. These lands...awards were confirmed and perfected through the Land Commission Awards and Royal Patents. The system...that system did something revolutionary. It made the maka'āinana, the common people, sovereign in their own right. It made their title...it made their title allodial equal in dignity through the land to that of the ali'i. This was not a temporary gift; it was a perpetual right. Sorry. It was a perpetual right meant to last for all generations so...and so it remains. Royal Patents cannot be erased. They cannot be nullified, and they cannot be alienated from the heirs. This is not just history; it is also the law of the State of Hawai'i today. Hawai'i Revised Statutes 172-11 says clearly, every land patent issued upon an award of the Board of Commissioners to quiet land titles shall be in the name of the person to whom the original award was made even though the person is deceased or the title to the real estate thereby granted has been alienated, and all land patents so issued shall endure. . .*(inaudible)*. . .to the benefit of the heirs and the signs of the holder of the . . .*(timer sounds)*. . . original award. The meaning is. . .*(inaudible)*. . .even if the original awardee has long since passed away, the patent still remains.

CHAIR LEE: Excuse me, are you going onto your second item?

MS. MADISON: This is a continuation of the first.

CHAIR LEE: Okay. Could you just...would you be able to conclude in 30 seconds?

MS. MADISON: I can try.

CHAIR LEE: Okay. Thank you.

MS. MADISON: And...then...and then after the 30 seconds I can continue onto the next, correct? Okay.

CHAIR LEE: Well, no, I'm asking if you're...how many items are you planning to speak on?

MS. MADISON: On three agendas.

CHAIR LEE: Three. Did you say three?

MS. MADISON: Yes.

CHAIR LEE: Okay. So you finished with the --

MS. MADISON: Actually...go ahead.

CHAIR LEE: You have three minutes per item.

MS. MADISON: Okay. All right.

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CHAIR LEE: So you have six minutes left.

MS. MADISON: Okay. That's fine. That's fine.

CHAIR LEE: Okay.

MS. MADISON: Okay. So today, when people look for land and records in Hawai'i they are sent to TMKs. And TMKs divide land into parcels for taxation purposes. They are convenient for country [sic] assessors, for banks, for the developers but they do not show the truth. TMKs do not show original Royal Patents. TMKs do not show Land Commission Awards correctly. And they do not show the names of the kūpuna who first received the land. Instead, TMKs reduce everything to a number on a map. They have buried the history, and they have buried the heirs. This is not transparency, this is obstruction. It has made it nearly impossible for many descendants to trace their connection to the land because of the...TMK system acts as if the story of land begins only when taxes were assessed, instead of when the Kingdom confirmed the title. The State benefits from this erasure because TMKs turn all land into taxable property, treating native people as tenants instead of recognizing that Royal Patents created titles all along. Those rights were not taxable, not conditional, not alienable. But I also must remind you guys of something deeper, something beyond paperwork. Sovereignty is not something that's granted by the government. Sovereignty is something we are born with. Every Native Hawaiian carries that within them and the sovereignty of their kūpuna. It cannot be legislated away; it cannot be signed away. Hello. Am I...can you guys still hear me?

CHAIR LEE: Yes.

MS. MADISON: Okay. And that the Kingdom of Hawai'i was never lawfully extinguished. And because of that the royal patents remain in law and so do the rights of the heirs. The person before me who testified can be resourceful...is...it is a resourceful...in person. So...and the...they state the facts that have...they state the facts that have...our Kingdom have been going through recently and what...the crimes that continue to have been placed forth, basically. And, yeah, that is all for the...all for my testimony today. Just to make a knowledge and awareness [sic] of the wrongful actions of the United States and the Government, itself, and the continuation...and the...and the oppression of our people with...with our patents being withheld from us.

CHAIR LEE: Okay. Thank you. Members, do you have any questions? Seeing none. Thank you very much. May we have the next testifier?

MR. KRUEGER: Chair, the last person we have signed up to testify is Karen S. Karen S., you are unmuted on our end. You'll need to unmute on your end, then you can proceed with your testimony.

CHAIR LEE: Again.

MR. KRUEGER: Last call for Karen S.

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MS. S: Okay.

MR. KRUEGER: Oh, there we go.

MS. S.: Yeah, can you hear me?

CHAIR LEE: Yes.

MS. S.: Can you...okay. All right. Aloha, Chair and Councilmembers. This is regarding Bill 113. The main problem with the current Maui property tax system is the delayed change in property tax rate after a change in property tax use. So I just want to just bring a couple points to your attention in case it already hasn't been...been presented before. But the property tax rates do not adjust until the next year, up to 12 months or later, even if a property's use or ownership changes immediately. This delay creates financial hardship for new local buyers and owners. Example, a local buyer purchases a former STR condo for owner occupancy, must pay a \$1,000 a month in property taxes for up to a year before qualifying for the lower homeowner exemption rate. This is going to cause a major struggle for anyone trying to buy and pay those rates. STR owners who wish to convert to long-term rentals are deterred because they must pay the STR tax rate for a year even while collecting much less rental income and under the long-term change. The system also creates an unfair tax loophole for out of...for out-of-town buyers...out of state. A buyer who acquires a property currently taxed as owner-occupied but intends to use it as an STR or a second home effectively gets a free ride for a year at a lower tax rate, costing the County significant revenue. This can also be changed if...if...when change in property tax use correlates with a delayed change in property tax rate immediately, not...not waiting all that time. The impacts local homebuyers face and unnecessary barriers to affordability, STR to long-term conversions are financially unworkable under the current system, limiting Maui's potential for more affordable housing supply. County revenue loss occurs when nonresident, or STR buyers, pay artificially low taxes during the grace year. Immediate adjustment of property tax classification should change as soon as property use or ownership changes. You can require a proof of a long-term rental agreement, owner-occupant exception filing, or a STR license application, implement a sale transfer of deed, the buyer must declare intended use with penalties for failure to report accurately. Limit frequency, allow...you can allow classification change only once per year per property to prevent abuse. Enforcement, you can tie the change to the County's real property records, closing documents, and rental agreements. Here's an example that I just pulled up from California. They...it looks like they use a supplemental assessment system where property tax exemptions can be applied immediately upon a change of ownership or occupancy. Homeowners can file within 30 days of receiving their supplemental tax bill to receive the full . . .*(timer sounds)*. . . exemption and late...late filing . . .*(inaudible)*. . .80 percent. So those are my recommendations. I just...you know, why do we have this delayed check...change in property tax use rate anyway; it needs to change. I'm bringing up those points. I'm sure other people are going to kind of piggyback on that, but that's it for me. Have a wonderful day.

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CHAIR LEE: Thank you. Members, do you have any questions? If not, thank you very much. And by the way, Members, we are --

MS. S.: Okay.

CHAIR LEE: -- at a bare quorum. Just three...three of us chickadees are left. Any more testifiers?

MR. KRUEGER: Chair, we currently have no other individuals signed up to testify, so we'll do a last call. Oh, Chair, there's an individual in the gallery indicating they'd like to testify.

CHAIR LEE: Okay.

MR. LAW: Aloha awakea. Aloha, kākou. Aloha Akakū. Aloha ka ‘aha o ke Kalana o Maui. Konnichiwa. ‘O wau Jasee Law noho uka Waiakoa ahupua‘a. Ho‘omaika‘i, Chair Lee, for...I guess it...it was your idea with this...I give you the credit to convene this special komi...kōmike on real property tax reform. And mahalo to Councilmember Rawlins-Fernandez for taking the copilot seat because I'd like to hear the people of Molokai and the Kānaka ‘ōiwi, and Lāna‘i...thank you--oh, Mr. Johnson, you left--think about property. I looked in the Pukui Elbert Dictionary and it guided me to...it said look up heaven. And I looking up property, it didn't really have an explanation for that in ‘ōlelo Hawai‘i definition. And it says “he honua i lalo,” of one owning his property or security. And that brings me to think about Uncle Henry. I learned a lot about when the...there's certain lands that are marked by--and thank you, Royal House of Hawai‘i, for keeping us grounded on that and the other testifiers. The other day with the MEO case there...and I forget what the name of that was...with Uncle Henry saying that it's...that he's in control of that land. And then there was a lot of really interesting ‘ike, knowledge, about how some of the land titles have conditions attached to them and they're not allowed to...it's hard for me to explain this stuff without being a lawyer but that the...the land has a condition attached to it, that it's for the community. It's not allowed to be sold just for individual profits. So I really appreciate the...the Council educating me on all that good stuff. And...and just to be clear for the...the limahana James over there, thanks for helping me and Kirstin, and the other Director of Finance. She don't have her name on her picture down in the lobby, so I don't know what her name is. This...this could go under...oh shoot, I don't have the...the...the first one on the agenda and the fourth one, and the fifth one, but I'm not...trying not to talk on all of them. So I did go to the...I did a little bit of homework on this one. I had some trouble with...I'm not sure which office I'd have to go to look at the County Code. I went to the Clerk's Office and met with the same old obfuscation over there, even got threatened to have the police called on me for harassment. So, that's...that's...I'm going to have to start doing things legally and I'd hate to . . .(timer sounds). . . start recording all my...yeah, I heard the timer. I got a couple minutes left. I'll try to wrap it up in three minutes but it's...it's funny, I said that, right, about the Clerk's Office because they're actually slowing down the process here amongst us. Yeah, I had a little bit of trouble. They...they...I wanted to get the...look at the County Code and they don't seem to have a County Code in the Clerk's Office, which is very odd. And I don't have access to a computer or any other that kind of electronic device to look at it. But I did go to the

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Property Tax Office over there by the DMV. And they have this nice little short form if anybody doesn't really want to know the whole extent of the County Code. It says Understanding Property Taxes, and they were very nice about letting me know. And I was especially interested in Article 9, County Code 3.48.495, nonprofit and other uses, specifically. And you knew this was coming, Chair Lee. B(3), Churches. And even more specifically, the Salvation Army...I'm still at war with them. I just have to disclaimer that. And as I was looking in there I noticed--and thank you ambassador over there for helping me for covering the Clerk's Department because I'll be kind of upset if I couldn't get any information. But I found something interesting about...in there and I heard you all talking about it. I'm not sure when it got in...put into the County Code but I think it's since the Lahaina fire...was Chapter 3.38, Hawaiian Cultural Restoration Revolving Fund. And how that got to do with the Salvation Army is I'm wondering how, did they acquire the...the land title there at...to Moku'ula? Why are the kitchen and office trailers still sitting vacant in Kahului? And why are they getting exemption where they don't use the land to help the poor sheep of Maui? Thank you for working for the County. Aloha...oh shoot.

CHAIR LEE: Okay.

MR. LAW: I...I got Pō'alua but I...I forgot what Wednesday is. Pō'alua is Tuesday. Aloha . . . *(inaudible)* . . .

COUNCILMEMBER PALTIN: Pō'akahi.

MR. LAW: Akahi *[sic]*, that's the one. Thank you --

COUNCILMEMBER PALTIN: I mean, kolu.

VICE-CHAIR RAWLINS-FERNANDEZ: Kolu. Pō'akolu.

MR. LAW: Okay. So, I got to practice my Hawaiian days still. But thank you guys for working for the County. Mahalo.

CHAIR LEE: Well, we may have a question. Member Rawlins-Fernandez?

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. It...it's Pō'akolu, Mr. Law. Three.

MR. LAW: Okay, thank you.

VICE-CHAIR RAWLINS-FERNANDEZ: But it's...it's...it's not really, you know, 'ike Hawai'i. That's just what it is.

MR. LAW: Right.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. So, I wanted...I...I just texted our Clerks to...to confirm what you just said in testimony, but I wanted to clarify. So, you went to the Clerk's Office asking to see the County Code...a hard copy of it in...in the binder that we

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used to have it and they didn't have it?

MR. LAW: Yeah. I talked with Chris Minford, the new guy, and he's...he...I actually wrote down the County Code for him to look at. I'm pretty sure it was that 3.48.495. And he came back and said, no. He...he said, they said, no. I don't know who they was. Thank you.

VICE-CHAIR RAWLINS-FERNANDEZ: Oh, okay.

MR. LAW: Thanks for the question.

VICE-CHAIR RAWLINS-FERNANDEZ: All right. I...I'll follow up on that because I...I...I believe that it's...County Clerk is, like, the office of record where we're supposed to have all of our legislation hard copy.

MR. LAW: Right.

VICE-CHAIR RAWLINS-FERNANDEZ: So, I'll follow up with our Clerk and Deputy Clerk about that.

MR. LAW: Okay.

VICE-CHAIR RAWLINS-FERNANDEZ: And also, if hard copies are not held and, you know, for the...for public to display or, you know, like look at, then I'll...I'll...I'll see about getting like an iPad, or something. And then --

MR. LAW: Okay. I appreciate that.

VICE-CHAIR RAWLINS-FERNANDEZ: -- that way the public will see that.

MR. LAW: Yeah. I gave him slack because the ambassadors always throws it in your lap. He says, Keani's the one who wanted the paperless system.

CHAIR LEE: . . .*(laughing)*. . .

VICE-CHAIR RAWLINS-FERNANDEZ: Save the trees.

CHAIR LEE: Any other questions?

VICE-CHAIR RAWLINS-FERNANDEZ: . . .*(audio interference)*. . . -- . . .*(laughing)*. . .

CHAIR LEE: Yeah. Thank you. Any more testifiers?

MR. KRUEGER: Chair, there's currently no one else signed up to testify, so we'll do a last call. If there's anybody else who'd like to testify at the beginning of the meeting, please identify yourself now. On Teams, you can do that by using the raise-hand function. We'll do a brief countdown; three, two--oh, Chair...oh. Chair, this individual has already

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testified. So if there's anybody else who hasn't testified already, please identify yourself now. The countdown is three, two--oh.

CHAIR LEE: Member Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. Sometimes there's multiple people in...in the house that may use the same computer to testify. I know that the participant that just used the raise-the-hand function already testified, but I...I think it would be good practice to just confirm that it is the individual who testified before and not someone else using the computer.

CHAIR LEE: You want to check, James?

MR. KRUEGER: Sure, we've unmuted the --

TESTIFIER 1: Aloha.

MR. KRUEGER: -- individual logged in as The Royal House. If there's another individual with you who's wishing to testify, if they could please identify themselves. Or if not, we can put them down as anonymous.

TESTIFIER 1: It's just me but I was going to say I can be a resource person. I forgot to tell you...let you guys know. Mahalo.

CHAIR LEE: Thank you.

MR. KRUEGER: So Chair, we'll proceed with the countdown, then. We still don't see any other individuals wishing to testify. So here's the countdown; three, two, one. Chair, no one else has identified themselves as wishing to testify.

CHAIR LEE: Members, any objections to closing public testimony and accepting written testimony at the beginning of the meeting?

COUNCILMEMBERS: No objections.

CHAIR LEE: No objections. So ordered.

. . . CLOSE PUBLIC TESTIMONY AT BEGINNING OF MEETING . . .

CHAIR LEE: All right. Before we proceed, I just want to recognize a few other people. We have here Deputy Corporation Counsel Kristie Wrigglesworth. Hi. And from the Department of Finance, the Director, Marcy Martin. Thank you, Marcy, for coming. And Kari Stockwell, Real Property Tax Administrator. And also, I neglected to recognize our Staff, Maria Leon, Senior Committee Secretary; along with James Krueger, Senior Legislative Analyst; and Kristen [sic] Szabo, Legislative Analyst; Peter Hanano, Legislative Attorney; and Jean Pokipala, Council Services Assistant Clerk. Staff, did I overlook anyone? No?

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Yeah, okay. So that's your Staff for today. Oh, I'm sorry. We have a guest in the audience who's kind of anonymous...half anonymous and half not, and this is Councilmember Tamara Paltin. She's a Non-Voting Member.

COUNCILMEMBER PALTIN: Aloha 'auinalā, kākou.

CHAIR LEE: Okay. Thank you for joining us. All right. So let's get started before anything else happens. All right. Moving on to item number one. Are you going to ask for testimony?

MR. KRUEGER: Yes, Chair, well, we can...if there's no opening comments from the Department or...or from yourself, Chair, we can just...shall we just proceed with testimony?

CHAIR LEE: No. I'll do the opening comments from the...for myself.

ITEM 1(1): DISCUSSION ON COMMITTEE RULES, PROCEDURES, AND GOALS (Rule 7(B))

CHAIR LEE: And the best thing to do is to refer to the--what am I going to say? The...where is it? The resolution. The resolution that created this...this Special Committee. And as...as most of you would remember, this Committee was established in July...July 25th. And so, here we are, our...our second meeting. And that the Special Committee's primary purpose is to develop recommendations for amendments to Chapter 3.48, Maui County Code, on the assessment, classification, exemption, valuation, collection of real property taxes including tax tiers and tax rates. So this is our main purpose for being here. And to...to look at where we are and where we can be with regard to the items I just mentioned. But along with that, we also have some other Administration amendments that were transmitted to us that's not exactly a part of the overall RPTR purpose. But since it's related to real property taxes, you know, it was sent to our Committee. And so, before we proceed I would like to invite--is it Marcy? Are you going to speak to all the various bills? Marcy?

VICE-CHAIR RAWLINS-FERNANDEZ: Chair.

CHAIR LEE: Or are we going to take one-by-one? Yes, Member Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. So, if we are on the first item, discussion on community rules, procedures, and goals, then I have...I have questions on that before we --

CHAIR LEE: Sure.

VICE-CHAIR RAWLINS-FERNANDEZ: -- go onto the bill.

CHAIR LEE: Okay.

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VICE-CHAIR RAWLINS-FERNANDEZ: Also, are we going to...so we took testimony in the beginning of the meeting. And then we have to take testimony after we take up each item?

CHAIR LEE: Yes. Well, the --

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. So --

CHAIR LEE: -- next testimony would be after we...I did the introduction and we're going to have the Finance Director talk about the bills one by one.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. Because if we're...okay. So, we're going to take the first item, which is the procedures of the first...of...of...of the...of this Special Committee. And then we have to open public testimony?

CHAIR LEE: Yes.

VICE-CHAIR RAWLINS-FERNANDEZ: And then we're going to take up the first bill, which is the second agenda item. And then we would open public testimony?

CHAIR LEE: Yes.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. So I have questions on the first item, but I think we have to open and close public testimony before we...we discuss.

CHAIR LEE: Okay. Yes, and we can do that. But I also wanted to mention as part of the opening of the...well, the discussion of the Committee rules, procedures, and goals, I was going to kind of review what the TIG did before. So do you want to hear that now or later?

VICE-CHAIR RAWLINS-FERNANDEZ: So, you know, on the agenda --

CHAIR LEE: Uh-huh.

VICE-CHAIR RAWLINS-FERNANDEZ: -- it...it didn't have hyperlinks to the bills or any of the meeting materials. And so, I...I wasn't sure if the TIG that I created in 2019 was part of the first item. So if it is part of the first item, then...then I do have questions, comments about...about that after we close public testimony.

CHAIR LEE: Okay. And that final TIG report is item number one on Granicus. Okay. So as far as...do you have any more questions, Members, on the purpose and the goals? We're following Committee rules as well as Rosenberg rules for this ...*(audio interference)*. . . --

VICE-CHAIR RAWLINS-FERNANDEZ: I...I knew but I just...I think we're supposed to close public testimony before we discuss.

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CHAIR LEE: Oh. Okay. I...I did ask for public testimony, but you can ask again.

MR. KRUEGER: Yes, Chair. So, proceeding with testimony on...just on RPTR-1(1). If there...there's currently no one is signed up to testify but if there...if there are any individuals who would like to testify on this item but haven't testified already on it, please identify yourself now. On Teams, you can do that by the raise-hand function. We'll do a brief countdown; three, two, one. Chair, no one has identified themselves as wishing to testify on this item.

CHAIR LEE: Members, any objections to closing public testimony on item number one and accepting written testimony?

COUNCILMEMBERS: No objections.

CHAIR LEE: No objections. So ordered.

. . . CLOSE PUBLIC TESTIMONY ON ITEM 1(1) . . .

CHAIR LEE: All right. Now, we...Members, let's time...let's discuss if you have any questions on what I mentioned earlier on the purpose of this Special Committee, which is stated in the resolution. And the rules that we're going to follow, which is the standard rules for any standing committee and procedures. And the goals are in the...in the resolution that I mentioned. And then we also have what I was going to kind of review with you is the TIG that was formed several years ago under the chairmanship of the...the...on the...under the leadership of Member Rawlins-Fernandez. And if you would like to review that first, I mean, would you be...we'll be happy to hear from you first.

VICE-CHAIR RAWLINS-FERNANDEZ: Oh. Sure. So, this is done with...in 2019. I was the Chair. I...oh, I...I think you or Committee...or...or Member Paltin was the Vice-Chair.

CHAIR LEE: I was the Vice-Chair.

VICE-CHAIR RAWLINS-FERNANDEZ: And then...you were the Vice-Chair.

CHAIR LEE: Uh-huh.

VICE-CHAIR RAWLINS-FERNANDEZ: Member Paltin and Member Kama were Members. And that was our very first TIG. And we had a lot of support and help from then-Finance Director Scott Teruya and RPT Administrator Marcy Martin, who is now our Finance Director. Definitely could not have made the progress that we did without both of your help. So mahalo Ms. Martin and Mr. Teruya. So, we listed in our scope of investigation...oh, I don't know how many those are--1, 2, 3, 4, 5, 6, 7, 8, 9, 10...or 11...I might have miscounted--items. And I believe we took up all but, maybe, like three. And then we were going to have a subsequent TIG, but I wanted to congratulate everyone because even though we didn't have a subsequent TIG, we did do all but the last one. And so, I'll quickly go over through all of them. Simplifying Chapter 3.48, Maui County

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Code, relating to real property tax and streamlining classification and asset...assessment methods. Then (b)...(b)...or two...I'll just two so that I can keep count. Reviewing tax classifications, generally, and I believe we did that. Yeah. And then Finance Director is nodding her head. And then three, considering the possibility of merging valuations or rates for land and buildings; and we did that, yay. And then four, considering the possible repeal of/or amendment to subsection 3.48.0305(c), Maui County Code, relating to the property subdivided into condominium property regimes and I...and so, I believe that we did repeal Subsection C. And I...they're not...and Finance is nodding their head, so yes. And five, creating a long-term rental home exemption, and I'll add on there, bonus classification. That wasn't part of the initial plan but that's something that we added on there, so good job for being ambitious. Oh, seven...I think seven, identifying and amending potential loopholes and tax classifications. And we did look at areas that we could tighten up. I know the Finance Department preferred that I didn't call them loopholes, and so I stopped referring to them as loopholes. Eight, considering a tiered real property tax rate and plan for implementation, check and check, very good. And nine, considering amendments to the minimum tax, which we did. We did...we did this...consider it. I...I don't think we made any amendments because it's determined at every budget session what it'll be. But, you know, if...if I missed something, I'll welcome the Finance Department to add anything that I may have missed. I think...oh, we're on ten, reviewing the kuleana tax exemption, which we did, and we made amendments to it, which is more than what we said we would do in the investigation. So, good job, us. And then reviewing the Hawaiian Homestead tax exemption. And that is the one that I think we did not do but I see that it is...we do have a bill, Bill 14 [sic], to...to look at that. And I don't know if that specifically was the item that this number 11 referred to or if it was something else. But I'm glad we'll be tackling that today. And then what's not on here that we also did was create a 'Āina Kūpuna dedication. And that wasn't something that we discussed in the...in that TIG but it was...it was done in our later work. So, good job to...to everyone for accomplishing all of that. I'll stop there and you back the mic, Chair. And then I'll have questions on the procedures after.

CHAIR LEE: Does it--yes, Member Paltin.

COUNCILMEMBER PALTIN: Oh, I...I did want to also mention Ms. Stockwell helped us back then as well, and we couldn't have done it without her. And we did make one minor change to the tax situation for the homesteads where if they were delinquent, they could still get the owner-occupied tax classification. Whereas previously they were booted to the nonowner-occupied tax classification. And then for even non-homestead people, if they had a designated way where they were going to pay down their delinquency and a plan, that they could also return to the owner-occupied classification.

CHAIR LEE: Yes.

VICE-CHAIR RAWLINS-FERNANDEZ: Good memory, Member Paltin.

CHAIR LEE: Yeah, very good.

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VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo for that addition. And mahalo, Ms. Stockwell, for your help in 2019's TIG as well. E kala mai.

CHAIR LEE: And also, you may remember that Marcy Martin was also at most of our meetings. Thank you, Marcy. You don't remember her. I remember her.

COUNCILMEMBER PALTIN: No, I said Keani did mention that --

CHAIR LEE: Oh, I...I see. Okay.

COUNCILMEMBER PALTIN: -- Ms. Marcy Martin was there.

CHAIR LEE: All right.

COUNCILMEMBER PALTIN: She didn't forget Marcy.

CHAIR LEE: Anybody else want to add to the discussion on the accomplishments or highlights of the TIG? Or do you have any questions? Really, there's only four of us. And so, no more --

VICE-CHAIR RAWLINS-FERNANDEZ: And is the four of us --

CHAIR LEE: Pardon.

VICE-CHAIR RAWLINS-FERNANDEZ: -- that are here right now.

CHAIR LEE: Yeah.

VICE-CHAIR RAWLINS-FERNANDEZ: It's the four of us that are here right now.

CHAIR LEE: Oh, class reunion. . . .*(laughing)*. . .

COUNCILMEMBER PALTIN: History repeats itself in odd ways.

VICE-CHAIR RAWLINS-FERNANDEZ: . . .*(laughing)*. . . TIG reunion.

CHAIR LEE: Yeah. . . .*(laughing)*. . . Okay. Now...now, moving onto more substantive...well, not more substantive but substantive issues that we want to accomplish. Now, we're...we're going to go over almost everything that was done previously because it has to do with tiers, and classifications, and so forth. All the important aspects of taxes, the tax system. But we...and so I want to remind you that the next Committee meeting...double Committee meetings, October 14th and 15th. Okay. It's important because that's when we want to go over your proposals, any proposals you may have, so those would be the next time, those dates. For now, now that we know what our plan is with this Committee and what we've done in the past, we do have before us some bills that Finance wanted us to consider. Okay. So...yes, Member Rawlins-Fernandez.

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VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. Okay, perfect. That was the question that I was going to ask because on number six of the resolution it says that the Council Chair may introduce legislation arising from the Special Committee's deliberations and recommendations. I don't fully understand what that means. Like, is it that you would refer it to this Committee? Or that you would introduce things that come out of our Special Committee? What is that section?

CHAIR LEE: Well, it...it means that whatever comes up in terms of proposals will come to this Committee from any one of you, any Councilmember and...and the public. Anybody who's participating with us can send in a proposal. We don't have proposals now, but we do know from what we've done in the past, and the comments we've been getting from testimony, and from our own experience working on taxes this past session, this past budget session, we know that we need changes in the system. So from what we've already learned, we need to come up with our own proposals. So if you have a suggestion or an idea, I would recommend that you do a PAF and that the Staff help you come up with draft legislation that we can take up in October.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. So when we have our ideas, do we just bring them up under this Committee or do we introduce a bill and have it go through full Council for it to be referred to this Committee?

CHAIR LEE: It'll be...we are just like a standing Committee, so the bills would be referred directly to this Committee. It won't be going to BFED. It...it just...it comes to this Committee and then it goes to the Council.

VICE-CHAIR RAWLINS-FERNANDEZ: Oh, I under...I understand that part, I just mean if...if we introduce bills, does it go to the full Council and then referred to RPTR? Or do we introduce a bill to the --

CHAIR LEE: You --

VICE-CHAIR RAWLINS-FERNANDEZ: -- or do we --

CHAIR LEE: Yeah.

VICE-CHAIR RAWLINS-FERNANDEZ: -- just have it directly referred?

CHAIR LEE: You introduce bills to us. You introduce bills to this Committee. We make a recommendation --

VICE-CHAIR RAWLINS-FERNANDEZ: Not full (*audio interference*) --

CHAIR LEE: -- and it goes straight to the Council for a vote.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. So we don't need to send it, transmit it through the full Council for referral to RPTR?

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CHAIR LEE: No.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. Sounds good.

CHAIR LEE: Yeah. Okay. I know what you're going to be asking, Pro Tem Kama. We did distribute your bill, your proposal, yesterday. We never got to it --

COUNCILMEMBER KAMA: Okay.

CHAIR LEE: -- yeah but --

COUNCILMEMBER KAMA: Yeah.

CHAIR LEE: -- we...we have it.

COUNCILMEMBER KAMA: Yeah. Okay. That's fine.

CHAIR LEE: And I hope --

COUNCILMEMBER KAMA: Okay.

CHAIR LEE: -- all the Members take time to read through your proposal. Do you have any more by any chance?

COUNCILMEMBER KAMA: No. I...I thought what I had was cherry so --

CHAIR LEE: . . .*(laughing)*. . .

COUNCILMEMBER KAMA: -- I didn't want to inundate our TIG --

CHAIR LEE: Yeah.

COUNCILMEMBER KAMA: -- with too much.

CHAIR LEE: Yeah. Okay.

COUNCILMEMBER KAMA: Because I know you all are going to come up with really good stuff too.

CHAIR LEE: I'm sure all of us...we've learned a lot from the past, and just from experience. And I want to make sure that...that we just don't do things out of habit. That we are very aware when we need to raise taxes, when we don't need to raise taxes, you know, so those...those things are important. And those taxes, the reason why we raise taxes is to implement our projects and programs in the budget. And if those projects and programs are not being implemented, we have an issue, yeah. My understanding is we've had, what, about 60 or 70 amendments, budget amendments. Sixty to 70 budget amendments, that's a lot of budget amendments in this past year. And you know what?

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They all involve Carryover/Savings. I think we must have the most Carryover/Savings in the world. That's a lot of Carryover/Savings. So we have to look at those kinds of things very closely and that's why this Committee was formed. Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. Okay. So, you know, I...I didn't see Member Kama's bills that she proposed. When...okay. So my first question is, is there a reason that there...on the agenda posted that the...that there isn't a bill hyperlinked under each of the agenda items this time?

CHAIR LEE: They're not hyperlinked?

VICE-CHAIR RAWLINS-FERNANDEZ: No.

CHAIR LEE: Kirsten?

MS. SZABO: Chair, they are...sorry, Chair, they are not hyperlinked in the agenda that we upload for the 'ōlelo, the bilingual agenda. It...we do not have the function to hyperlink. The...the English-only version does hyperlink. So should we need to go into the meeting details and they...the information will be available that way.

VICE-CHAIR RAWLINS-FERNANDEZ: That's strange because during Committee the bilingual agendas have hyperlinked bills.

CHAIR LEE: Is that correct, James?

MR. KRUEGER: Chair, apologies. As...as far as we're aware, the...the bilingual agendas were unable to have this hyperlink capability. But...just only on the English-only agendas that are generated through Granicus we are able to include those hyperlinks. But...but the...the information is included under meeting details for the meeting, so it --

VICE-CHAIR RAWLINS-FERNANDEZ: Okay.

MR. KRUEGER: -- is accessible.

VICE-CHAIR RAWLINS-FERNANDEZ: I went to my KA'Ā Committee and I see that there...there weren't hyperlink. So, I...I wasn't correct. Granicus needs to offer a separate module, or whatever it is, and step up their game. Okay. And then my second question is when bills are proposed, would they be considered...they...they would need to be posted on the agenda for...to comply with the notice requirement under Sunshine Law so that the public would have an opportunity to review those. And I don't...I don't see Member Kama's bills. But in the future when we...when...when we introduce other bills, that we would...it would also need to be included on Granicus following Sunshine Law requirements, right?

CHAIR LEE: Staff?

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MR. HANANO: Chair.

CHAIR LEE: Oh, I'm sorry, Peter.

MR. HANANO: Yes, that's correct. As Chair stated earlier, bills would be direct referred and will be placed on the agenda for the Committee and basically following the same process that we do for other Committees as well.

CHAIR LEE: Okay. I think she was talking in reference to the bill that was presented to us by Pro Tem Kama. Now, we received it...I received mine...we all received ours yesterday. And she was asking whether or not that should have been posted, I believe.

MR. HANANO: Is that...I don't know if I got that. Is that...is there a number for the bill or...

CHAIR LEE: It's...well, it's in...it's Granicus number six.

MR. KRUEGER: Chair.

CHAIR LEE: Yes, James.

MR. KRUEGER: So what...what the Committee has received from Councilmember Kama, it's a...it's a...it's a memo basically outlining her proposal, her proposal relating to an RPT rebate program. I...I believe she's...it's couched as sort of like a goal for the...for the Committee to consider, not necessarily a bill that the Committee would be able to consider today or take any action on today under this item. It's just an informational piece for the Committee to consider that would...you know since it is a discussion about the Committee's rules, procedures, and goals. So it's couched in that goal --

CHAIR LEE: I see. Okay.

MR. KRUEGER: -- kind of area of the Committee.

CHAIR LEE: Okay. Did you get that? Okay. All right. Thanks.

VICE-CHAIR RAWLINS-FERNANDEZ: I understand...I understand that for...for today. So would the preferred method to be...for our ideas to be introduced, the way that Member Kama did, as a memo just kind of outlining the idea? Or is that because it's adding to the resolution's goals of ideas that we would be considering as a Special Committee? And then...or would we, as you suggested earlier, work with Staff through a PAF to draft up bills. And then those bills would be posted to the agenda in compliance with Sunshine Law ahead of time so that folks can testify on it?

CHAIR LEE: Okay. Pro Tem Kama, did...do you have an answer to her question? Or --

COUNCILMEMBER KAMA: No. No, I just...I just...I...I think maybe I was thinking about one thing, and I think maybe Member Rawlins-Fernandez was thinking about another thing. But the intent was...I didn't have any direction as to how we were going to give our

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mana'ō, right? So I do it...one of the ways is the PAF. The other thing is...my understanding is also that we're all putting together the scope of services that we want in this, right? So some of the scopes I'd like to see and their goals is what is in my proposal. And I thought everybody was going to put, you know, their scopes in their proposals and say, yeah, I like that. Let's keep that. Let's use that as a goal. Yeah, let's use that as a scope. And just keep...and then once we've developed that scope, we know where we going, and then we go. That's what my thoughts were, the way I did it like that.

CHAIR LEE: Okay. All right. Let me...let me answer that first.

COUNCILMEMBER KAMA: Okay.

CHAIR LEE: My thinking, James and Kirsten, is that I understand what Pro Tem Kama just said. And, of course, it makes sense where nothing...no system was set up, you know, initially. So now that we are...this is our...actually first meeting of substance, maybe we need to decide whether we would continue that way or we...we move to...to having it posted since we have so much time for the next meeting, almost a month. What do you folks say?

MR. KRUEGER: Yes, Chair.

VICE-CHAIR RAWLINS-FERNANDEZ: Chair.

MR. KRUEGER: Oh, apologies.

CHAIR LEE: Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Chair. Mahalo, Chair. What I understood Member Kama saying is that there wasn't a system before and so she just did it one of the ways. And now that we're going to get direction from you, then we can do it however you're recommending. And I...and I'm happy to follow that as well.

CHAIR LEE: Okay.

VICE-CHAIR RAWLINS-FERNANDEZ: But...but I...I do...I do think that whatever the...the full Council approved as the scope of investigation cannot be amended by the Special Committee.

CHAIR LEE: Right, but it's very broad. It's really broad. It covers anything, practically. So going forward if everybody is leaving it up to me, I...I'll say let's post it so it'll be easier for the public to see. And we'll...we'll take your memo...I mean...yeah, your memo as more informational, at this point, and if you want to post it for the next meeting, we'll...we'll be happy to do...do that for you. Okay, just let our Staff know. Now...now, that you know that there...the...the rules are not typed here. There...there are many issues that are important, and we want to address the issues. And it...it would be nice and orderly for all of us to...to propose amendment...not amendments but bills or drafts

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on the same subject matter, on the same component, but nine times out of ten we don't even think that way. So rather than try and...and narrow the scope, you folks already know from what I said earlier and what's in the reso what we...what we want to cover. And my concern, I just mentioned to you, is that...that we...that there is a definite connection between what we raise in revenues and what we actually spend. Yeah. And so...and then...and then to the other part of it is if we have to still be concerned about the disaster recovery, and how that's going, and how we can support that effort with our real property tax revenues.

ACTION: DEFER pending further discussion.

ITEM 2: BILL 110 (2025), ON REAL PROPERTY DEDICATED AS 'ĀINA KŪPUNA

CHAIR LEE: So are you ready to hear the first...you folks finished with this part? You want to hear the first bill? Okay, moving on. And do we have to ask for testimony again? Go ahead.

MR. KRUEGER: Yes, Chair. If the...the Committee could receive opening comments from yourself or from the Department and then we could open up testimony again. Of if you want to skip the opening comments part, we can just open up testimony.

CHAIR LEE: We better have comments first so that people understand what the bill is about, yeah. Okay. Comments first. Marcy...Ms. Martin, Director of Finance, could you just give a short summary of...of the first bill?

MS. MARTIN: Yes. So the first bill, Bill 110, is on real property dedicated as 'Āina Kūpuna. The program has been very successful up to this point. And it's...it's kind of stalled, in terms of new people coming into the program. And so, we felt that we could sunset this program so that everybody who qualifies as of the end of this year would still qualify. So we could still accept applications under the current code but the date would be frozen. And then instead, we could replace this with a more targeted tax relief for people who have owned for a while, maybe make an additional circuit breaker, or something. And I thought that would be something that the...this Committee could look at and we can help. So that would be this...this bill.

CHAIR LEE: Okay. So, questions? Member Paltin?

COUNCILMEMBER PALTIN: Could a possibly more targeted tax relief be like if a Lahaina survivor purchases a home from a mainland owner, that they could get a rebate on that mainland tax prices?

MR. KRUEGER: Apologies --

VICE-CHAIR RAWLINS-FERNANDEZ: Chair.

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MR. KRUEGER: Chair, apologies to interject. But before we get into discussion we may need to open and close . . .(audio interference). . . --

COUNCILMEMBER PALTIN: Oh.

CHAIR LEE: Oh, I see. I see. I'm sorry. Yeah, I'm sorry. Reverse. Okay. Are you...are you finished with your presentation?

MS. MARTIN: Yes. Yes.

CHAIR LEE: Okay.

MS. MARTIN: Yeah.

CHAIR LEE: Now you can ask for testimony.

MR. KRUEGER: Okay. Chair, proceeding with testimony on RPTR-2. Oh, apologies, Chair. Perhaps, just for the record, could the body clarify if it's deferred our first item, RPTR-1(1).

CHAIR LEE: Okay.

VICE-CHAIR RAWLINS-FERNANDEZ: No, second item. The first bill, Bill 110.

MR. KRUEGER: Oh, yes, we're...we're on the second item but I don't think the body formally deferred the first item.

VICE-CHAIR RAWLINS-FERNANDEZ: Oh. No objections, Chair.

CHAIR LEE: Okay. I...I just thought there might be further discussion on number...number one. But Staff is asking, you want to defer this item? Shall we defer this item?

COUNCILMEMBERS: No objections.

CHAIR LEE: Okay. No objections. So ordered. Okay. Let's continue on testimony for item number two.

MR. KRUEGER: Yes, Chair, proceeding with testimony on item number two. Chair, there's one individual signed up to testify, that would be Tom Croly.

CHAIR LEE: Hello, Tom.

. . . OPEN PUBLIC TESTIMONY ON ITEM 2 . . .

MR. CROLY: Aloha, Chair. Here as a resource as...as you may need. My comments on this first bill is it's ending the ability to get into this program and continuing this program

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for the 33 folks who are already in it, which sounds fine. But Ms. Martin kind of opened up the door to they might replace it with some type of a circuit breaker that doesn't require an owner to live on site but has other requirements and so forth. So...so that opens up a whole new ball game. But the only thing I would ask you to discuss here in this is has this program met its goal? When it was created, I know that it was targeted to specific folks. And if it has met its goal then, yeah, let's close the door on it so that it doesn't get abused because that's one of the problems with any of these programs is that down the road people figure out a way to get in that you really didn't intend this to...to have. So, I'm supportive of this measure, but I'm very curious about the idea of creating something new that...that...that might replace it, and...and that's a whole nother discussion for another day. So, thank you for the opportunity to do my mana'ō on this.

CHAIR LEE: Thank you. We'll raise that question during discussion. Any questions for the testifier? Member Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. Question for you. Yesterday we had public testimony and we asked Mr. Croly to serve as a resource person for the Committee and I...I would assume that continues to today.

CHAIR LEE: Yes, it does.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. And then second question is so any testimony...testimony on any of the items that was given yesterday would not be allowed again today because we're...it's a recessed meeting, yeah?

CHAIR LEE: Yes.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. I don't...I don't remember if Mr. Croly . . .(audio interference). . . --

MR. CROLY: Yeah, just to be clear, I...I only testified on the first item yesterday.

CHAIR LEE: Yeah.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo for that.

CHAIR LEE: Yeah, he...he didn't bring this one up.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR LEE: Thank you. Next testifier.

MR. KRUEGER: Chair, there's currently no other individual signed up to testify on the RPTR-2. So, we'll do a last call. If there is anybody else who would like to testify on this item, please identify yourself now. On Teams, you can do that by using the raise-hand function. We'll do a countdown; three, two, one. Chair, no one has identified themselves

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as wishing to testify.

CHAIR LEE: Any objections closing public testimony, accepting written testimony on this item?

COUNCILMEMBERS: No objections.

CHAIR LEE: No objections. So ordered.

. . . CLOSE PUBLIC TESTIMONY ON ITEM 2 . . .

CHAIR LEE: So now we're open for discussion. Members, you have questions? Yes --

VICE-CHAIR RAWLINS-FERNANDEZ: Chair.

CHAIR LEE: -- Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. Okay. So what's posted is to sunset this...oh shoot, I can't find it now. I think...what...what year is it...sunset...2020...January 1st, 2026?

CHAIR LEE: Marcy.

MS. MARTIN: Thank you. So, I'm not sure if I use that word sunset. I...it's probably not the right word. The program will remain open so people can continue to apply as long as they meet the criteria. They've owned it 80 years prior to January 1, 2026 --

VICE-CHAIR RAWLINS-FERNANDEZ: Then...then . . .(audio interference). . . the...any new applications would need to be received by January 1st...before January 1st, 2026.

MS. MARTIN: No, they could continue to apply, but they needed to meet the requirement as of this date. So --

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. Thank you for that clarification. Mahalo.

MS. MARTIN: -- say someone had owned it for 100 years, but they, for some reason, haven't applied yet. And in five...and a good example might be a property that doesn't have good title. For example, say someone clears their title, right? And now they can apply, it'll still be open for them, but it's just, you know, limiting it to 80 years from the January 1, 2020...sorry, December 31st, 1945. For their ownership, they would have had to acquire it on that day or before. And...yeah, they can continue to apply.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. I'm supportive. And then, I guess, I wanted to...I know that you've alluded to something separate that we consider, but I wanted to limit our discussion, in accordance with Sunshine Law, to what's been posted, and that's what's been posted and not an idea of something that would replace that. So I just...I know that it was alluded to but, you know, just to narrow our discussion to what has

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been posted on the agenda. Mahalo, Chair.

CHAIR LEE: Any comments, Director? Any further comments?

MS. MARTIN: I would like to state that the question was asked, you know, do we think that the program has fulfilled its goal. And I would say, yes, I feel the program has, and I feel it's...it's been successful and that it's worthwhile to keep it going in this new form.

CHAIR LEE: Member Paltin.

COUNCILMEMBER PALTIN: Did you get feedback from Corp. Counsel that what you were proposing would pass their legal review?

CHAIR LEE: Director?

MS. MARTIN: The bill has been approved as to form and legality. And in the Section 1 of the bill, we...we've stated our reasoning...our...for choosing this date, and as well in the correspondence that I answered...the Department answered last week.

COUNCILMEMBER PALTIN: So, it...they signed off on it?

MS. MARTIN: The bill is signed off as to form and legality.

COUNCILMEMBER PALTIN: Okay. And then it was also brought up by a testifier about that...how their part about when you determine if they're owner-occupied or nonowner-occupied, when would be able to follow up on that testimony?

CHAIR LEE: When we get to that item.

COUNCILMEMBER PALTIN: Oh. Okay.

MS. MARTIN: I...I think that we'll talk about that when we talk about the...Bill 113.

COUNCILMEMBER PALTIN: Okay.

CHAIR LEE: Any more questions on this Bill 110, Members? Well, anybody want to move to approve, recommend approval? There's three of us chickens here, that's...that's majority. Or do you want to defer? Quick. You want to think about it?

COUNCILMEMBER KAMA: Defer.

VICE-CHAIR RAWLINS-FERNANDEZ: Defer.

CHAIR LEE: Okay. Sorry, Director, this item is deferred.

COUNCILMEMBERS VOICED NO OBJECTIONS. (Excused: GJ and YLS)

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ACTION: DEFER pending further discussion.

CHAIR LEE: Okay, next item, testimony.

MR. KRUEGER: Chair, so the next item would be RPTR-3. But before we proceed with testimony, did you want to request opening comments from the Director?

CHAIR LEE: Okay. Wait one second, let me get to it.

ITEM 3: BILL 111 (2025), ON THE CIRCUIT BREAKER TAX CREDIT

CHAIR LEE: Director, would you like to provide comments on the next proposed bill?

MS. MARTIN: Yes, thank you. The next proposed bill is regarding the circuit breaker tax credit.

CHAIR LEE: Excuse me, Director. And if there's any kind of time sensitivity to any of the bills, could you let us know, okay?

MS. MARTIN: Yes, thank you. So I'll make a pitch right now. Circuit breaker applications are being accepted right now through the end of the year for the following Fiscal Year. So, this bill is just easing the requirement to provide a transcript if you've been in the program for a few years and you've met a certain age requirement. And this is taken from feedback from the public that we've received...the applicants. So, we're just trying to make it easier for people who've already been in the program.

CHAIR LEE: Testimony.

MR. KRUEGER: Chair, proceeding with testimony on RPTR-3. If there are any individuals who'd like to sign up to testify on this item, please let us know. There's no one signed up right now. Oh, Chair, we do have an individual who's indicated they'd like to testify, that's Tom Croly.

CHAIR LEE: Mr. Croly. Our resource person. . . .*(laughing)* . . .

. . . OPEN PUBLIC TESTIMONY ON ITEM 3 . . .

MR. CROLY: . . .*(laughing)* . . . Thank you, Chair. Yes. I...I love the circuit breaker part of our Code. It helps ensure that our residents are not going to be forced out of their homes because they can't afford their...their tax burden. However, I have observed in my many, many years of...of paying attention to Maui real property tax, more than 20 years, that there are some folks that like to manipulate their income levels so that one year they qualify and the next year they don't, and so forth. I don't know how many but I...I seen

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it happen, and I know some folks that have done that. And that's not what this particular program is designed for, for someone who has the means but in a given year they're able to show that they qualify because they can show a lower income for that year, and so forth. However, we have overburdened some folks because we're guarding against those, and I think that that's what this measure is about. We have some folks who...they don't even file a tax return because they don't make enough money to file a tax return, yet we ask for a transcript from them and that's...that's very difficult for...for those folks to...to do. I see from the Department's report that 405 circuit breakers were granted last year. And so...so the program, you know, has its use. All...most of those were for less than \$1,000, that's how much credit there was. But there were 18 that were...were more than \$2,000. So something that I would suggest adding to this particular bill is if the person is over 80...80 is...whatever it is, 77 years old, whatever is being proposed, and they've been getting the circuit breaker for a while, and they're circuit breaker credit is less...is...is less than \$2,000, then they would qualify for this streamlined procedure. But if the credit that they're getting is more than \$2,000 and there's only, like I say, at this moment, 18, then I think that deserves a full scrutiny to make sure that the person receiving this credit truly is...you know they're not just signing a document saying, yeah, I don't make any money when...when maybe they are. That would reduce the burden on the Department but still make sure that...that there's not somebody out there who's abusing the system. So I would recommend a small amendment to what's being proposed to add a requirement that if this...if these...the amount...the circuit breaker they're going to get is more than \$2,000, the credit they're going to get is more the \$2,000, then they wouldn't qualify for this expedited program; if you will. I hope I've made that clear.

CHAIR LEE: Thank you. Any comments, Director?

VICE-CHAIR RAWLINS-FERNANDEZ: Chair, we're in public testimony.

CHAIR LEE: Oh, yeah, that's right. That wasn't a question, that was a comment. Yeah, testimony. Okay. We'll...we'll ask you that question later, okay? Any more testifiers?

MR. KRUEGER: Chair, there's currently no one else signed up to testify, so we'll do a last call. If there is anyone who'd like to testify on this item, please identify yourself now. On Teams, you can do that by using the raise-hand function. We'll do a countdown; three, two, one. Chair, no one else has identified themselves as wishing to testify.

CHAIR LEE: Members, any objections to closing public testimony and accepting written testimony on this item?

COUNCILMEMBERS: No objections.

CHAIR LEE: No objections. So ordered.

. . . CLOSE PUBLIC TESTIMONY ON ITEM 3 . . .

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CHAIR LEE: All right. Now, we're in discussion. Members, you had questions? Vice-Chair Sugimura...Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: . . .*(laughing)*. . . Mahalo, Chair.

CHAIR LEE: Yeah. You --

VICE-CHAIR RAWLINS-FERNANDEZ: . . .*(laughing)*. . . She must be thinking -- she must be thinking of you.

CHAIR LEE: No, you look alike. . . .*(laughing)*. . .

VICE-CHAIR RAWLINS-FERNANDEZ: I know. We're almost indistinguishable.

CHAIR LEE: . . .*(laughing)*. . .

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. So...oh, I wanted to hear the response to Chair Lee's question, which was Mr. Croly's question. And then I was hoping you could also explain why 78 years old was chosen. So those two questions.

CHAIR LEE: Director.

MS. MARTIN: Thank you, Chair. So I would like to leave the bill as is. I...I do understand the point that Mr. Croly is making. However, we have put controls in the way that this is written, and the program has controls itself. And the people...not that \$1,000 isn't a lot of money, but the people that we need really help are the people who are getting the larger circuit breaker tax credits. So I would prefer to leave the...the language as is. And what was the second question?

VICE-CHAIR RAWLINS-FERNANDEZ: Why 78 years old was chosen?

MS. MARTIN: Well, I kind of went off of the...the...the range of people that we had in the program. And then, you know, I kind of thought about, you know, the tiers of Social Security and...but...but there's flexibility in this, in that number, by the way. I just felt that...I think in the charts, I don't have them, but we have kind of an age...age range. So, I...I chose it so that, you know, significant amount of people would qualify.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. Yeah, I saw 40 percent of those participating currently would qualify. So that...that's a good amount of people. And then I...I had one question for Mr. Croly regarding...well, shucks, I guess I should've asked in testimony but that's okay. And I see Member Johnson is back. Aloha --

CHAIR LEE: No. No, there's Mr. Croly.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. Aloha, Mr. Croly. So in your testimony you called this an expedited...you called this expedited. I guess I don't understand how...what...what part of it is expedited. If you could explain that?

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MR. CROLY: So yeah, they're relaxing the application requirements, which makes it easier. Expedited was my...my term for it, but right now everyone has to give you their tax transcripts and they're saying, well, this --

COUNCILMEMBER KAMA: Yeah.

MR. CROLY: -- this sub...subset of people --

COUNCILMEMBER KAMA: Yes.

MR. CROLY: -- won't have to give you --

COUNCILMEMBER KAMA: Yeah.

MR. CROLY: -- your tax credit --

COUNCILMEMBER KAMA: Yeah.

MR. CROLY: -- transcripts. Okay. . . .*(laughing)*. . .

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. That sounds good. Mahalo for that explanation. Aloha, Mr. Johnson...oh, Councilmember Johnson. Welcome back.

CHAIR LEE: Yes, welcome back, Mr. Johnson. Member Johnson is now with us at 3:01.

COUNCILMEMBER JOHNSON: Thank you, Chair. Thank you, Councilmember.

CHAIR LEE: Were you listening? Do you have any questions?

COUNCILMEMBER JOHNSON: Myself?

CHAIR LEE: Yes. This is on Bill 111.

COUNCILMEMBER JOHNSON: Yeah, I...I understand we're on Bill 111 and I'm sorry I was . . .*(inaudible)*. . . a punk rock band in the library. I couldn't really follow this as well as this awesome little punk rock band that the kids were doing. So, beg your pardon I...I...I missed an hour of the meeting. But I'm...I'm here to listen.

CHAIR LEE: Okay.

COUNCILMEMBER JOHNSON: I have my thinking cap on.

CHAIR LEE: Great.

COUNCILMEMBER JOHNSON: Thank you, Chair.

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CHAIR LEE: Pro Tem Kama, did you have any questions on this bill?

COUNCILMEMBER KAMA: No.

CHAIR LEE: No? No questions.

COUNCILMEMBER KAMA: . . .(audio interference). . . --

CHAIR LEE: Members, do you want to pass it --

VICE-CHAIR RAWLINS-FERNANDEZ: Yeah.

CHAIR LEE: -- or...you do?

VICE-CHAIR RAWLINS-FERNANDEZ: So moved.

CHAIR LEE: Oh, I didn't see Member Paltin's hand up. Member Paltin.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER PALTIN: I had a question, if this affects the limit. I had a number of constituents say that as people bought around them that their assessment went so high that they got kicked out of the program. And is there anything...like you said, if they qualify for the circuit breaker, like three out of the last six years, or whatever. If they qualify for the circuit breaker, three out of the last six years, and then all of a sudden due to forces outside of their control, that their property's assessed value went so high that now they're kicked out of the circuit breaker program; is there anything that can be done for those folks? Is that a group that you'd like to assist as well?

CHAIR LEE: Director?

MS. MARTIN: Thank you. And I think this aligns with that 'Āina Kūpuna as well. You know, we have experienced a dramatic change in our real estate over the past five or six years. And so, right now that circuit breaker has a building value criteria that people qualify off of, and we have a maximum credit. And so, the program under this criteria works well, but is there a group of people who own more expensive properties and are durational owners that could use something more? Probably, and I think that that's something that this Committee could talk about and we could come up with a solution. But I think that would be separate from this, separate from 'Āina Kūpuna, but it...it's...it's...I think during this last certification with the change in tax rates, changing values we heard a lot from people who are in the owner-occupied class who have expensive properties that don't qualify for a circuit breaker under this criteria. So there is opportunity for kind of a second tier of circuit breaker. It has to have certain checks in it to make sure that the program is sustainable and fair. But it...it's...it's worth a discussion.

COUNCILMEMBER PALTIN: What do you mean by durational owners? Like, they're not

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full-time residents?

MS. MARTIN: No. I mean that...so currently with the circuit breaker, I think you have to have had your home exemption for three of the last five years. But it may be for people who've had their home exemption, say, for 20 years. Maybe the cap for a circuit breaker isn't 8,000, maybe it's 15,000, and maybe the building value limit isn't 1.3, maybe it's, you know, 10 million something. It's...it's really open for discussion, but we could create a tier that...it's second level to the current criteria that we have. It might, you know, help some of those people who've, you know, maybe...just using 20 years, doesn't have to be 20 years but --

COUNCILMEMBER PALTIN: Got it. Thank you.

CHAIR LEE: Are you suggesting that we work on this one further, Director?

MS. MARTIN: I would say that it is something that this Committee could discuss, and I think it's in alignment with what the goals are. But I...I'd like to keep this bill separate because this circuit breaker bill is for existing applicants who are aging and having a problem --

CHAIR LEE: Uh-huh.

MS. MARTIN: -- meeting the criteria, so...

CHAIR LEE: Okay. Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. For the bills that we received from the Finance Department, I...I'd prefer to just consider the recommendations as was transmitted in the bills. And then we work on our own separate ideas as a separate, independent bill. That would be my preference on how we move forward with the bills that were posted and future bills we consider.

CHAIR LEE: Okay. Sounds good. Anybody else, you have a comment? Members? Thank you, Director. Therefore, is there a motion to approve?

VICE-CHAIR RAWLINS-FERNANDEZ: So moved. Oh. Well, to recommend...so from here we would recommend --

CHAIR LEE: To the Council.

VICE-CHAIR RAWLINS-FERNANDEZ: -- a passage on first reading --

CHAIR LEE: Yes.

VICE-CHAIR RAWLINS-FERNANDEZ: -- to the full Council?

CHAIR LEE: Yes. Yes --

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VICE-CHAIR RAWLINS-FERNANDEZ: So moved.

CHAIR LEE: -- recommend approval. Is there a second somewhere? Oh. We have a second. Member Johnson.

COUNCILMEMBER JOHNSON: Second.

CHAIR LEE: Moved by Vice-Chair Rawlins-Fernandez, seconded by Member Johnson to approve this Bill 111 for a recommendation to the Council. Now, any further discussion? Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. I appreciate the Finance Department's recommendation in Bill 111. I also appreciate the insights from Mr. Croly serving as a resource to this Committee and served on the Property Tax Review Board. I...I understand his concerns, but I also understand how diligent our Real Property Tax Division is because I work closely with them when we first implemented the long-term rental classification and exemption. And there were a lot of attempts at trying to exploit certain things that perhaps, you know, we...we hadn't...there was just a lot of creativity. People had a lot of creativity. . . .*(laughing)*. . . So, I know that they are watching very closely to prevent abuse. And I really appreciate how hard the Real Property Tax Division works to do that. Mahalo, Chair.

CHAIR LEE: . . .*(audio interference)*. . . any more discussion? Now, I...I'm assuming the...the motion includes that we can address the nonsubstantive grammatical changes, right?

VICE-CHAIR RAWLINS-FERNANDEZ: Yes.

CHAIR LEE: Staff...Staff is allowed to do that. Any more discussion? If not, all those in favor of the motion, please raise your hand.

COUNCILMEMBERS: Aye.

CHAIR LEE: Okay, we have three...four "ayes," zero "noes." Motion carries.

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VOTE: **AYES:** **Chair Lee, Vice-Chair Rawlins-Fernandez, and Councilmembers Johnson and Kama.**

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXCUSED: **Councilmember Sugimura.**

MOTION CARRIED.

ACTION: **Recommending FIRST READING of Bill 111 (2025).**

CHAIR LEE: Thank you very much. Staff?

MR. KRUEGER: Chair, the next item on the agenda is RPTR-5. So at this time, Chair, you could request opening comments from the Department of Finance.

ITEM 5: **BILL 113 (2025), ON THE DEADLINE FOR FILING CLAIMS FOR REAL PROPERTY TAX EXEMPTIONS AND STANDARDS FOR VALUATION**

CHAIR LEE: All right. Director, Marcy Martin, can you provide opening comments on the next bill?

MS. MARTIN: Thank you, Chair, this bill --

CHAIR LEE: Number 113?

MS. MARTIN: --113, which is RPT-5 [sic] on the deadline for filing claims for the real property tax exemption impacts the home exemption and the long-term-rental exemption. And the way that it is written is that for those who missed the deadline to file, the January 1st deadline there's a second deadline for them to apply. And they won't get the full exemption; they'll get a partial exemption. And they'll still get the classification, which is the...really helps them tax-wise. It's just that the difference between having the exemption and not having the exemption, you know, has grown with the property values. And so, you know, we're hoping that this would ease the burden that's created when people have to reapply. And this is especially difficult for the long-term-rental exemption, which if people have a one-year lease it's an annual filing requirement. So, we...we have implemented software that reminds people and we're...we're trying to get them into that software. But this is just a safety net for those property owners that miss the deadline.

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CHAIR LEE: All right. Testimony.

MR. KRUEGER: Chair, we currently don't have any individuals signed up to testify on this matter. Oh, we do have one individual; that would be Tom Croly.

CHAIR LEE: Mr. Croly.

. . . OPEN PUBLIC TESTIMONY ON ITEM 5 . . .

MR. CROLY: The button on the computer is a little sticky. Sometimes it doesn't . . . *(laughing)* . . . it doesn't work when you push it. I...I appreciate this bill. And...and this bill is far, far broader than the Director has put forward. From the Department's standpoint, they're concerned with we have a deadline, these people should know how to hit that deadline. If they don't hit this deadline, it's not our problem, get them out of here, right?. And...and...and I understand, that is how things should be administered. Okay, that's good administration. However, we've created a situation here in Maui County taxes where if you, for some reason, qualify as a homeowner, but for one reason or another you've been kicked out of the program. Maybe your property sold in this given year, maybe you changed the way you held your title from...from direct and...and you put it into a trust, and you bounced out of the thing. Those folks go, oh, my God, I've lost my homeowner exemption. And then they come before the...the Board of Appeals and the Board of Appeals are handcuffed. They're told, no, they didn't hit all of the marks exactly. You may not grant them this. That...that was the worst thing for me to do when I was serving as Chair of the...of the Real Property Tax Appeals because what I recognized back then, and that was five years ago, I was tripling their taxes. Now, it's ten times. Ten times, that's how much greater the tax burden falls on someone who you've taken away their ability to get a homeowner exemption and pop them into the...the non-owner-occupied class. So I don't like the approach that the Department has put forward here. I...I...I...I think that the intent is good. Let's have another way for people to get into the program, but this is not the right approach. And...and the reason it's not the right approach is every use change that takes place is delayed by a minimum of six months, and in some cases 18 months, before the taxation that we've set up for that use kicks in. And we need to look at that from a broader perspective as to how to solve that problem. Councilmember Paltin put forward a proposal for Bill 9 that...that would change when the tax classification changes for properties that would lose their short-term rental. But what it mean...what...even what she put forward would mean they would have to pay short-term rental rates for six more months beyond the time that we take away their right to do short-term rental. And again, it...it...we're just setting up stuff -- ourselves up for failure. And I'm also concerned about the incentive that we want to put forward for . . . *(timer sounds)* . . . people to convert properties to long-term rentals. If someone converts their property tomorrow to long-term rental, they're not going to get the benefit of...of that taxation for a whole nother year and a half. Okay? And...and that's what we have to address here. They're not doing something wrong. It's just the way that we have set up the program, it's...there's too much of a delay in the program. This bill attempts to address a manini part of it but not enough of it. So I'm not supportive of this bill as it's...it's being proposed. But I do

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think that this Committee needs to really put its thinking cap on and figure out this...this problem from a much broader perspective. Thank you, Chair.

CHAIR LEE: Okay. Any more testifiers?

MR. KRUEGER: Chair, there's currently no one else signed up to testify on this item, so we'll do a last call. If there's anyone who would like to testify on this item, please identify yourself now. On Teams, you can do that by using the raise-hand function. We'll do a countdown; three, two, one.

COUNCILMEMBER PALTIN: Could --

MR. KRUEGER: Chair--oh

COUNCILMEMBER PALTIN: -- I read a testimony that somebody sent to me?

MR. KRUEGER: Perhaps --

CHAIR LEE: That's a new one. . . .*(laughing)*. . .

MR. KRUEGER: -- perhaps that could be...you could --

CHAIR LEE: You know what, why not. Go ahead.

MR. KRUEGER: -- do that as a discussion. Oh.

CHAIR LEE: Go ahead.

COUNCILMEMBER PALTIN: Okay.

VICE-CHAIR RAWLINS-FERNANDEZ: Chair. Chair. No.

CHAIR LEE: Yes.

VICE-CHAIR RAWLINS-FERNANDEZ: Sorry. I'm sorry, Member Paltin. I...I think testimony...we...we...we have read testimonies during deliberation. I don't...I think it's a bad precedent to set...to start reading testimonies during public testimony period from Councilmembers.

COUNCILMEMBER PALTIN: But I'm not a Committee Member.

VICE-CHAIR RAWLINS-FERNANDEZ: But...but we can do that during deliberations.

CHAIR LEE: Okay. All right.

VICE-CHAIR RAWLINS-FERNANDEZ: But I think we should just conclude public testimony first and then Member Paltin can read that testimony during deliberations.

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CHAIR LEE: Okay. Why don't we just close...if we don't have any more testifiers we'll close, Member Paltin. And then you can raise that as part of discussion.

COUNCILMEMBER PALTIN: Okay.

CHAIR LEE: Okay.

MR. KRUEGER: Chair, so no one has indicated that they'd like to testify.

CHAIR LEE: Members, any objections to closing public testimony and accepting written testimony for the record?

COUNCILMEMBERS: No objections.

CHAIR LEE: No objections? No objections. So ordered.

. . . CLOSE PUBLIC TESTIMONY ON ITEM 5 . . .

CHAIR LEE: Okay. Now we're in discussion. And you want to ask the Director a question.

COUNCILMEMBER PALTIN: So this is what was sent to me and I'm...I'm not going to read the opening remarks part, like the aloha so and so, whatever. But it just says, "We bought our home, first time ever, from a mainland couple who hadn't lived in it in Wailuku for 14 years. Been sitting empty even during the FEMA programs. They picked our offer over higher ones because we're a displaced Lahaina family, so I'm told, but now we're having to pay the mainland tax bill for the first year that we own it, comes out to over \$500 a month. As more Lahaina folks come to buy mainland-owned houses and condos they'll all get hit with this massive tax bill. I already dropped everything into buying the house. Native Hawaiian, born and raised in Hawai'i, family history in Lahaina back to the early 1800s, Kamehameha Schools grad, and got to pay mainland property taxes. Please help us with some kind of exemption program".

CHAIR LEE: Oh, that's interesting. Director.

MS. MARTIN: Thank you. I'll...I'll address this and in addition to what Tom said. And it was similar to what Karen had mentioned. So this bill doesn't...it...it may address something like that they forgot to file. But this bill is if someone did not file by the deadline. So it's...yeah, it's...this is they...they qualified and they didn't file. So it's...it's a little bit different. And then I also wanted to mention that when a property changes to a trust or there's some kind of other ownership like that, or even sometimes a death, we don't remove the home exemption. We usually work that out. We reach out to the owner. We have them reapply. That, you know, shouldn't go to an appeal, or shouldn't result in somebody losing their exemption. But this is kind of a separate case. How...with that being said, though, again with the long-term rental application being annual, there are people who are in the program for...since its inception, and for whatever reason this

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year they forgot to file, and now they don't qualify because they missed the deadline. So this is really addressing those. And we've, you know, identified...we...we get a handful, and Chair Lee had mentioned if...if we wanted to implement that this year we should be, you know, date sensitive that it would need to pass. And we've been collecting the names of people who have missed the deadline. And so, we'll...we're going to ask them to testify, maybe, in October so maybe you can hear their story. But it...it's not an insignificant number and it's a way to help, you know, a smaller group of people. And the reason why we've given them, you know, half the exemption and a penalty is that we don't want a thousand people missing the deadline. We want there to be some incentive to make the deadline. But this would be for people who already qualify. It's a little bit different than --

COUNCILMEMBER PALTIN: Do you mean already qualified in the same house, previous year?

MS. MARTIN: This would mean they owned in...in December. Like, they were owner, it was rented long term, they were long-term rental. So the case that you were reading --

COUNCILMEMBER PALTIN: So, it wouldn't work if they just bought it.

MS. MARTIN: Right, this would be...okay we assess as of January 1, right. Perhaps they purchased in March, right? So, three months after January 1. They wouldn't qualify under this bill because they didn't qualify as of January 1. This was for people who actually qualified but missed the deadline.

COUNCILMEMBER PALTIN: So, like they bought their house, say, this summer. They wouldn't qualify for this because they didn't own it last December.

MS. MARTIN: For the current taxes, correct.

COUNCILMEMBER PALTIN: So it wouldn't help this individual at all.

MS. MARTIN: Right. It...it helps a subset of people, but probably not that individual that you just read.

COUNCILMEMBER PALTIN: Because he didn't own it last December, and he didn't miss the deadline, he didn't file it because he didn't own the house back then.

MS. MARTIN: Yes. And, you know...and that's a good discussion, but that becomes very complex because properties are moving on the day. For every person who folds in, there's someone who folds out and we...you know we budget, and we certify our revenue. So --

COUNCILMEMBER PALTIN: So, to clarify, like --

MS. MARTIN: -- this is, really, a simple...a simple process. It's pretty easy to budget because already at certification we probably already know about how many people have missed their deadline because they...some of those have already contacted us and...yeah.

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COUNCILMEMBER PALTIN: Can you say...like say a local person was going to buy an...what was used as a short-term rental, what day of the year is the best day to purchase it? Like December 30th so that they only have six months of STR tax, six months and a day.

MS. STOCKWELL: I mean, yes, in essence, at the end of the year it would probably be better to purchase because --

COUNCILMEMBER PALTIN: So, have your homeowner exemption form ready --

MS. STOCKWELL: -- February you get your homeowner's exemption in --

COUNCILMEMBER PALTIN: -- plan to close on . . . *(audio interference)*. . . --

MS. STOCKWELL: -- February would be the second half tax bill payment due. A lot of times escrow will prorate taxes at that point, too, between the seller and buyer.

COUNCILMEMBER PALTIN: So, try to close on your new house in December.

MS. STOCKWELL: But you want to make sure you record by December 31st. It has to be recorded by December 31st . . . *(audio interference)*. . . --

COUNCILMEMBER PALTIN: So don't buy it in January.

MS. STOCKWELL: And, you know, there are...I mean, in...in our office there's people who have done that. Yes, we've all been subject to this as well, so I...I understand.

COUNCILMEMBER PALTIN: Yeah. So, if you're going to buy a former STR property, don't buy it January 1st for sure.

MS. MARTIN: Yes. But if you buy in December, you still are paying the February higher taxes. So you really can't get out of that --

COUNCILMEMBER PALTIN: That's the best you can do, right?

MS. MARTIN: That's the best you can do, yes.

COUNCILMEMBER PALTIN: You...it doesn't get any better.

MS. MARTIN: Yes. Yeah.

COUNCILMEMBER PALTIN: So you want to get the best you can.

MS. MARTIN: That's the best you can do, yes.

COUNCILMEMBER PALTIN: . . . *(laughing)*. . . So, free advice, buy your house in December,

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get it to close in December, that's the less taxes. Unless you're buying it from a former owner-occupant, and you're not even a resident, then buy it in January.

CHAIR LEE: Yes, I'm sure all...everybody is committing this to memory. Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. That's...I don't...okay. I'll just say honestly, that's...that doesn't sound like a good system. We have Bill 9 on the horizon coming and if all these units are taxed, the short-term rental, and there's a chance that a local family can get in to there, and we're going to say, you got to pay those kind of taxes, it's just...many people...we're...we're going to make them not be able to get in there. That story that Tamara...Councilmember Paltin mentioned is that, you know, people come here with cash and they'll...they'll buy those units up with cash. This...this is a...I don't...I don't think that's...as...as the sellers are looking at that, they'll...they'll take the cash. So if we're trying to say, well, if you just hold off...or as...as if I were a buyer I would say, I...I don't want to buy just now, I want to buy it at the particular month so I don't have to pay all these property taxes, more people will lose out on...on that opportunity. So Director, I...is it...can't we make it more...more nimble? Does it...and...in...in my mind it would be like the minute you buy that house and you're no longer non-owner-occupied and you're an owner-occupied, you should get...being taxed at that time. But you guys are saying it's really complicated and looking at...I want to hear more about that. Like, that doesn't seem to make...be like a good...or a good process that we have. Director, can you speak...can we make it more nimble?

CHAIR LEE: Director.

COUNCILMEMBER JOHNSON: Can you speak on that?

MS. MARTIN: Thank you. So, I...I would want to keep that separate from this bill because, like I said, this is a defined group that we can help right now. These are people in homes that we can help right now. And then that is definitely a discussion it sounds like we should have. Sounds like there's a lot of interest in trying to resolve that situation.

COUNCILMEMBER PALTIN: Only for owner-occupied --

COUNCILMEMBER JOHNSON: Yeah -- I mean --

COUNCILMEMBER PALTIN: -- not for like speculative interests.

COUNCILMEMBER JOHNSON: Yeah, I'm...I'm specifically talking about if Bill 9 is on the horizon, and I think there's a chance for these folks to get in. But if they're paying these...these tax rates that might be the deciding factor for them. You know, I'm...I'm willing to introduce a bill for that. Of course, I want to work with the...the Department to make it an administrable bill. So, if you guys want to have some meetings, Director, I certainly would like to talk to you on this. But it...it's definitely a concern I have the...these...these folks are going to be really...it might be a deciding factor where they don't get into the house and that's...that's my concern I have. Thank you, Chair.

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CHAIR LEE: Other questions? Yes, Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. Okay. So, I...I think Member Johnson didn't join us yet when...when I stated that my support would be to pass the...the bills that the Finance Department sent as is because they work, you know, hard on those bills independently. And. . .*(inaudible)*. . .we have our ideas and then I would be, you know, supportive of some of the ideas we already discussed once we get those into separate bills. I'm...I'm supportive of moving this forward and helping that group of...of folks. I think it's...it's a fair policy to pass. And, you know, as was stated by the...my colleagues and Mr. Croly before, I think this is one piece of it. And, you know, we can try to figure out legislation that will more broadly help folks that...that need this help. So I'm open to those ideas and I'm supportive of moving this bill forward today.

CHAIR LEE: Thank you. Any more questions, Members? If not, is there a motion to approve...recommend approval?

VICE-CHAIR RAWLINS-FERNANDEZ: So moved.

CHAIR LEE: Moved by Vice-Chair Rawlins-Fernandez, seconded by Member Johnson to recommend approval to the Council of this...of Bill 113. Discussion? Member Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. As I stated, I'm supportive of Bill 113 addressing that one piece of the bigger puzzle and look forward to more legislation and the discussion around future legislation that will address the other pieces. Mahalo, Chair.

CHAIR LEE: Thank you. Any objections to including nonsubstantive revisions?

COUNCILMEMBERS: No objections.

CHAIR LEE: Okay, so ordered. All those in favor of the motion please raise your hand, say "aye." Member Kama.

COUNCILMEMBERS: Aye.

CHAIR LEE: Okay. Four "ayes," zero "noes." Motion carries

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VOTE: AYES: Chair Lee, Vice-Chair Rawlins-Fernandez, and Councilmembers Johnson and Kama.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXCUSED: Councilmember Sugimura.

MOTION CARRIED.

ACTION: Recommending FIRST READING of Bill 113 (2025).

CHAIR LEE: James?

MR. KRUEGER: Chair, the Committee is on the last item on the agenda, that's RPTR-6, Bill 114.

ITEM 6: BILL 114 (2025), ON REAL PROPERTY TAX ASSESSMENTS OF NONTAXABLE PROPERTY

CHAIR LEE: Okay. Director, do you have comments?

MS. MARTIN: Thank you, Chair. And I...I want to thank you for hearing these bills for us. We appreciate the opportunity to work with you to improve the code and address concerns that we've received from taxpayers. And this Bill 114, stems from concerns and misinterpretations I received from taxpayers since 1995. There's always been some confusion as to whether the homestead lessees pay the minimum tax, are they nontaxable, you know, what happens when it's vacant land? And so this bill aimed to simplify it since majority of the...the land isn't assessed, so they're just assessed right now on their building value. And for the first seven years they...they aren't assessed either. So it just...it was kind of a happy...happy medium where we created a system where once the homestead lease becomes improved with a home, that they would pay minimum tax. And that would eliminate them from having to apply for the home exemption because they already should qualify for the home exemption because of the conditions of their lease. And so, yeah, we just hope to add some clarity and add some simplicity to this section of the code for the homestead lease owners.

CHAIR LEE: Testimony.

MR. KREUGER: Chair, we have one individual signed up to testify; that's Tom Croly.

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. . . OPEN PUBLIC TESTIMONY ON ITEM 6 . . .

MR. CROLY: I...I'll be very brief. I didn't want to, like, not testify and you go, oh, what's wrong with Tom now, right. . . .*(laughing)*. . . But...but this...this...I...I love any of these measures that bring better clarity to the code. And...and I'm certainly supportive of this one for doing exactly that. So, thank you, Chair.

CHAIR LEE: Okay. Any more testimony?

MR. KRUEGER: Chair, there's no one else signed up to testify on this item, so we'll do a last call. If there is anyone else who'd like to testify on this item, please identify yourself now. On Teams, you can do that by using the raise-hand function. We'll do a countdown; three, two, one. Chair, no one else has identified themselves as wishing to testify.

CHAIR LEE: Any objections to closing public testimony, accepting written testimony for the record?

COUNCILMEMBERS: No objections.

CHAIR LEE: So ordered.

. . . CLOSE PUBLIC TESTIMONY ON ITEM 6 . . .

CHAIR LEE: Members, do you have any questions for the Director? Comments? Well, the Chair...yes, Pro Tem Kama?

COUNCILMEMBER KAMA: I just wanted to ask how much in RPT do homesteaders on Maui pay? What is the total amount?

MS. MARTIN: Chair?

CHAIR LEE: Director.

MS. MARTIN: Thank you. So this bill would have a revenue impact about a little over \$400,000. So this would be lessees with homes that don't pay the minimum tax. And then...so there are...let me see...I guess in total there are 1,500...about 1,500 homestead lessees, so they all pay the minimum tax. We...we just multiply that 1,500 times the minimum tax for what they would pay.

COUNCILMEMBER KAMA: So the total...the total for all these homesteaders is little under a half a million dollars in taxes.

MS. MARTIN: Or no --

COUNCILMEMBER KAMA: . . .*(audio interference)*. . . --

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MS. MARTIN: -- just the ones that have the taxable building value.

COUNCILMEMBER KAMA: Okay, those that have something on top of their property. Okay. And if they have nothing on the property, how much do they pay? Minimum?

MS. MARTIN: Okay. No, vacant land is nontaxable. And this is where all the --

COUNCILMEMBER KAMA: Okay.

MS. MARTIN: -- confusion comes in. There's different tiers that come in at different points in time, so it would...this would make...all the vacant parcels would be nontaxable. And all the improved parcels would pay minimum tax. So there would just be two options except for that first seven year, which comes from the --

COUNCILMEMBER KAMA: . . .*(audio interference)*. . . --

MS. MARTIN: -- the Act...the 1920 Act.

COUNCILMEMBER KAMA: Yeah.

CHAIR LEE: Okay, any more questions?

COUNCILMEMBER KAMA: No. Thank you.

CHAIR LEE: All those...well--oh, Member Paltin.

COUNCILMEMBER PALTIN: Is there any penalty or ramification if they don't pay the minimum tax, if that's what they're supposed to pay?

MS. MARTIN: Yes. There...you would go delinquent like anyone else and it's...10 percent is the penalty and then the interest is 1 percent a month. So it's...they would be subject to the same delinquency rate...penalties and interest as everybody else.

COUNCILMEMBER PALTIN: Okay. Thank you.

CHAIR LEE: Chair would like to entertain a motion to recommend approval.

VICE-CHAIR RAWLINS-FERNANDEZ: So moved.

CHAIR LEE: Moved by --

VICE-CHAIR RAWLINS-FERNANDEZ: So moved.

CHAIR LEE: -- moved by Vice-Chair Rawlins-Fernandez, second by Member Johnson to recommend approval including revisions. . . .*(laughing)*. . . Any more discussion? If not --

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VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR LEE: Oh, more discussion.

VICE-CHAIR RAWLINS-FERNANDEZ: Including any non...nonsubstantive changes.

CHAIR LEE: Yes.

VICE-CHAIR RAWLINS-FERNANDEZ: And mahalo to the Department for this recommendation. I agree with Mr. Croly that any time we can clarify the code and make Director Martin, and Ms. Stockwell, and the...and their team's lives easier, I'm super supportive of, and I think that this would help to do that so...as well as make things clear for, you know, those that would benefit from this. Mahalo, Chair.

CHAIR LEE: Any more discussion? If not, all those in favor of the motion raise your hand, say "aye."

COUNCILMEMBERS: Aye.

CHAIR LEE: Four "ayes," zero "noes." Motion carries.

VOTE: AYES: Chair Lee, Vice-Chair Rawlins-Fernandez, and Councilmembers Johnson and Kama.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXCUSED: Councilmember Sugimura.

MOTION CARRIED.

ACTION: Recommending FIRST READING of Bill 114 (2025).

CHAIR LEE: Okay. Thank you very much, Members, on that. We just...all pass except for one. . . .(laughing). . . All right. Staff?

MR. KRUEGER: Chair, there's no other items before the Committee today.

CHAIR LEE: Members, any parting comments before we leave? If not --

COUNCILMEMBER JOHNSON: Chair, I have a --

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CHAIR LEE: -- we have a whole lot of work to do. Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. I just want to thank Director Marcy and her Department. It's really refreshing when the Departments come with bills that are actually going to streamline the process and cut some of that bureaucratic red tape, or however you want to phrase it. That the systems we have are kind of janky, so it's nice to see the...the Administrators say, this is our problem, this is our issue. And for us, as a body, to support it unanimously, I mean that's...that's when the stars align. So I'm here for that. Yes, more of that, please. Thank you, Chair.

CHAIR LEE: Good. Vice-Chair Rawlins-Fernandez.

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. And I'll echo the sentiments Member Johnson just shared. So procedurally, for our next Committee meeting...Special Committee meeting it'll be October 14. So when would you like any proposed bills so that we meet the posting deadline of October 8th?

CHAIR LEE: Ten days would be wonderful, before the 14th, so around October 4th.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. So, October...okay that. . .*(inaudible)*. . .is a Saturday, so October 3rd, which would be the Friday. And then that would give enough time for our Staff to also translate it to its bilingual agenda?

CHAIR LEE: Do we need more time? Okay. Staff is saying maybe October 1st will be better.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo for that clear direction. And I think Member Johnson wasn't...may have left when we started talking about the process to introduce bills. And so, today is the 17th and so Staff...so the way that we're going to be doing it is we're going to introduce...I guess we'll...we'll give it to our RPTR Committee Staff and they're going to direct refer it to Committee without going to the full Council for the referral process.

CHAIR LEE: Yes.

VICE-CHAIR RAWLINS-FERNANDEZ: And so, we'll...we'll work with Staff on our...the bills that we're...we're going to be introducing for the next Committee meeting, which will be October 14 and 15. And if Non-Voting Committee Members would like to introduce bills, what is the direction for that? Because I think Member Paltin is interested in introducing bills.

COUNCILMEMBER JOHNSON: And, Chair, can I jump in just real quick *(audio interference)* --

CHAIR LEE: Yes, Member Johnson.

COUNCILMEMBER JOHNSON: I...I think I might need a little more time, personally, than...for some bills that I'm working on just...but that doesn't mean you guys need...but I...I need

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more. So just letting you know I probably have to meet with RPT, and the new PAF, and the Corporation Counsel, all the things. So maybe in October can we discuss some of those ideas, all I'm saying.

CHAIR LEE: Okay, sure. Sure. But I would not...not necessarily worry about Corporation Counsel at this point.

COUNCILMEMBER JOHNSON: Okay.

CHAIR LEE: Yeah.

COUNCILMEMBER JOHNSON: Well, just getting the bills out in November is all in my mind. Like, how --

CHAIR LEE: Yeah.

COUNCILMEMBER JOHNSON: -- how it...how I work. I know you guys might do differently, but for me that's...that's how I tend to do it.

CHAIR LEE: Okay. Vice-Chair Rawlins-Fernandez, did you have your hand up?

VICE-CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. Member Johnson cut off my opportunity to get my answer...my question answered. So, I'm still waiting for an answer to that question. And Member Johnson, my understanding is it's a rolling...it...it's...October 1st won't be the only opportunity to introduce bills. And so --

COUNCILMEMBER JOHNSON: Okay.

VICE-CHAIR RAWLINS-FERNANDEZ: -- but...but I understand the concern because we...we've...this Committee, Special Committee, ends at the end of December, I believe it's December 31st, and reports back to full Council on November 28th. So, it's a very tight timeline for all of us.

COUNCILMEMBER JOHNSON: Yeah.

VICE-CHAIR RAWLINS-FERNANDEZ: But for the next Committee, in order to discuss items that may not have bills formed yet, like the ideas that Member Johnson is alluding to, would you want to post an agenda item that either has, like, a memo from us or that is, like, broad enough for us to discuss ideas to amend on Chapter 3.48?

CHAIR LEE: Staff, we could do that, yeah? In other words, they don't have to have a completed draft. They could have, you know, suggestions on what improvements they'd like to see.

MR. KRUEGER: Chair, so...right, the...the Committee could...could post, like, a Rule 7(B) to have those kinds of discussions underneath as to like, you know, to discuss ideas related to legislation. But I...I do think as far as considering legislation itself, the Committee may want a completed bill before it actually makes a recommendation to

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move forward.

CHAIR LEE: Okay, good point. Good point. So, if it's...if it's an idea that's not at the stage of a draft bill, we...we can do a 7(B).

COUNCILMEMBER JOHNSON: Okay.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Chair. So for each Committee we'll just have a Rule 7(B) that will be broad enough for Members to propose some ideas that aren't full legislation just yet.

CHAIR LEE: Right.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay, great. I think that's a great direction moving forward. And then I'm still waiting the response to my questions, and I'll stop talking so I can get it. For Non-Voting Members, are they able to introduce legislation directly to the Committee, or would a Voting Member need to introduce it on their behalf?

CHAIR LEE: I think the simplest is I can introduce it on their behalf.

MR. KRUEGER: So...so, Chair, the...the way that we're sort of interpreting things is if...you know any Member can...can request a PAF, and draft legislation, and then submit it for direct referral to the Committee.

CHAIR LEE: Okay.

MR. KRUEGER: So, even Non-Voting Members --

CHAIR LEE: Yeah.

MR. KRUEGER: -- it's just --

CHAIR LEE: Yeah, that's true.

MR. KRUEGER: Yeah.

CHAIR LEE: Yeah. They can go that route where they request a PAF, and their draft bills can be sent to our Committee, and then we can just review it.

VICE-CHAIR RAWLINS-FERNANDEZ: Perfect. Mahalo, Chair.

CHAIR LEE: Any other questions or comments, Members? Yes, Vice-Chair --

VICE-CHAIR RAWLINS-FERNANDEZ: Chair --

CHAIR LEE: -- Rawlins-Fernandez, yes.

SPECIAL COMMITTEE ON REAL PROPERTY TAX REFORM
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VICE-CHAIR RAWLINS-FERNANDEZ: -- for October 14 and 15 are we having a...oh. Oh, no . . . *(audio interference)*. . . it says 1:30 and 1:30. So is that...are you planning to have a recessed meeting again on the 15th? Like first day --

CHAIR LEE: That's...that's correct.

VICE-CHAIR RAWLINS-FERNANDEZ: -- and then recess . . . *(audio interference)*. . . --

CHAIR LEE: Yes. Yes. The 15th is recessed --

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. So --

CHAIR LEE: -- from the 14th.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay. So the 14th will be when the public can testify at the beginning of the meeting. And then we'll likely close public testimony at the beginning of the meeting, and then we'll continue to allow testimony before each item before --

CHAIR LEE: Yes.

VICE-CHAIR RAWLINS-FERNANDEZ: -- we take action.

CHAIR LEE: Yes.

VICE-CHAIR RAWLINS-FERNANDEZ: Okay, perfect. Mahalo.

CHAIR LEE: Anybody else? Staff, do you have any reminders for us?

MR. KRUEGER: So Chair, apologies I think I might have misstated the process relating to direct referring legislation. So...so, yes, any...so apologies to revisit that topic. But, yes, any Member can request a PAF and, you know, work on legislation related to RPT. But the...the process they would use is they would submit that to OCC and then from there...like as if it was going to the Council but it would...but then, Chair, you could determine that that should be direct referred to this Committee.

CHAIR LEE: Yeah. Okay. Yeah, I'll take care of that.

MR. KRUEGER: Thank you.

CHAIR LEE: Anybody else? Peter? Anybody? If not, Members, I think we've got a lot done and a lot of work ahead of us. Looking forward to that. This meeting is adjourned. . . . *(gavel)*. . .

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ADJOURN: 3:45 p.m.

rptr:min:250917r-min:mll

Transcribed by: Tricia Higa

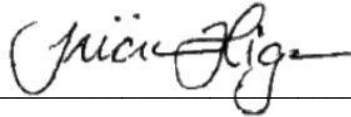
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CERTIFICATION

I, Tricia Higa, hereby certify that pages 1 through 52 of the foregoing represents, to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 27th day of September 2025, in Mililani, Hawaii



Tricia Higa