

ORDINANCE NO. _____

BILL NO. 142 (2025)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48, MAUI COUNTY
CODE, ON THE HOME EXEMPTION AND LONG-TERM RENTAL EXEMPTION
FROM REAL PROPERTY TAX

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

SECTION 1. This Ordinance is intended to help taxpayers manage their Real Property Tax liability by adjusting the filing deadlines for the Home Exemption and the Long-Term Rental Exemption. Claimants who file their applications by either December 31 or June 30 will receive their entitled exemption on their next tax payment, providing a clear and predictable process for receiving a tax reduction.

This Ordinance is also to expand the qualifications for the Home Exemption to long-term County residents who have purchased real property for residential use after it had been used for transient accommodations in recent years.

SECTION 2. Section 3.48.410, Maui County Code, is amended by amending Subsection B to read as follows:

“B. Notwithstanding subsection A:

1. The exemption from taxation granted in [section] subsection 3.48.466(B) must not be allowed unless the claimant has filed with the department of finance, on or before January 31, 2024, for tax year 2025, a claim for exemption in a form prescribed by the department.

2. Property owners who lease their property to individuals directly displaced by the August 2023 Maui

wildfires may file a claim for an exemption under section 3.48.450 or subsection 3.48.466(A), or both, by December 31, 2025, for the tax year beginning July 1, 2025, in a form prescribed by the department of finance. For purposes of this paragraph, “directly displaced by the August 2023 Maui wildfires” has the same meaning as in [section] subsection 3.48.466(K).”

3. The home exemption in section 3.48.450 and the long-term rental exemption in section 3.48.466 may be allowed from the next tax payment date, if the claimant has filed a claim for the exemption on or before December 31 for the first-half payment or June 30 for the second-half payment.”

SECTION 3. Section 3.48.450, Maui County Code, is amended by amending Subsection C to read as follows:

“C. Upon proper application, a taxpayer is entitled to a home exemption if the taxpayer:

1. Occupies the home in the County for which the exemption is being filed for more than two hundred seventy calendar days of a calendar year, does not rent the entire premises for any portion of the year, and files an income tax return as a resident of the State of Hawaii with a reported address in the County the year prior to the effective date of the exemption. Non-resident and part-year resident State of Hawaii income tax returns do not qualify for the home exemption; [or]

2. Is stationed in the County under military orders of the United States[.]; or

3. Has been a County resident for ten consecutive years; after obtaining real property, uses it as their principal residence during the tax year for which the exemption is claimed; and the real property had been used for transient accommodations within the past five years. The taxpayer bears the burden of proving duration of valid County residency through a preponderance of evidence, which may include tax records, voting records, licensing records, and other government records.”

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

SECTION 5. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND LEGALITY:

Department of the Corporation Counsel
County of Maui

paf:pah:25-275b

INTRODUCED BY:

Tamara A. M. Paltin

TAMARA PALTIN