

# Budget, Finance, and Economic Development Committee (2023-2025) on 2024-09-24 9:00 AM

Meeting Time: 09-24-24 09:00

## eComments Report

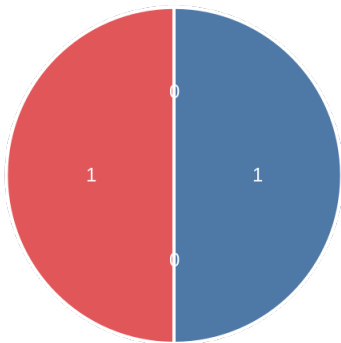
| Meetings  | Meeting Time   | Agenda Items | Comments | Support | Oppose | Neutral |
|---|----------------|--------------|----------|---------|--------|---------|
| Budget, Finance, and Economic Development Committee (2023-2025) on 2024-09-24 9:00 AM | 09-24-24 09:00 | 4            | 2        | 1       | 0      | 1       |

### Sentiments for All Meetings

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

#### Overall Sentiment

Support (50%) Oppose (0%) Neutral (50%)  
No Response (0%)



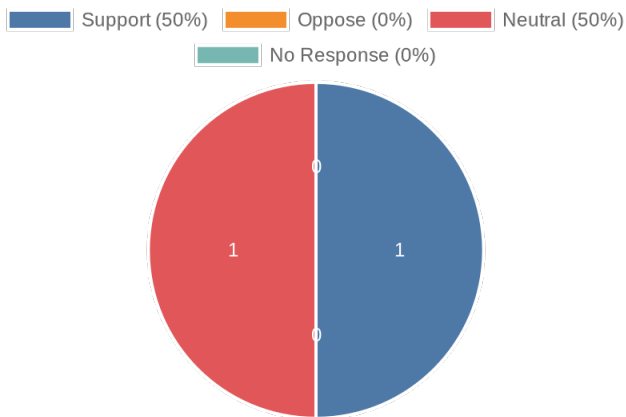
**Budget, Finance, and Economic Development Committee (2023-2025) on 2024-09-24 9:00 AM**  
09-24-24 09:00

| Agenda Name   | Comments | Support | Oppose | Neutral |
|---|----------|---------|--------|---------|
| BFED-97, Bill 115 (2024) BILL 115 (2024), RELATING TO THE DEADLINE FOR FILING CLAIMS FOR REAL PROPERTY TAX EXEMPTIONS (BFED-97) | 1        | 1       | 0      | 0       |
| BFED-21(28) REAL PROPERTY TAX EXEMPTIONS (BFED-21(28))  | 1        | 0       | 0      | 1       |

**Sentiments for All Agenda Items**

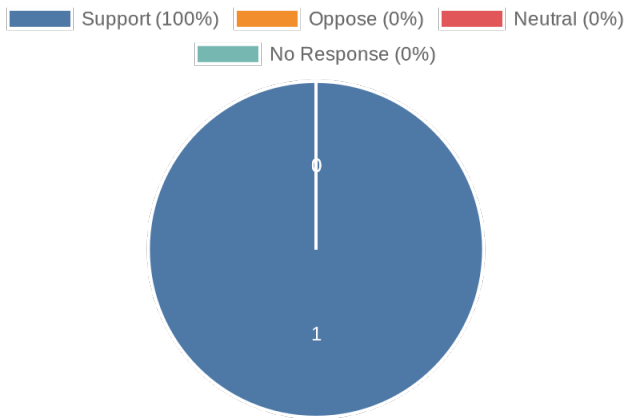
The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

**Overall Sentiment**



Agenda Item: eComments for BFED-97, Bill 115 (2024) BILL 115 (2024), RELATING TO THE DEADLINE FOR FILING CLAIMS FOR REAL PROPERTY TAX EXEMPTIONS (BFED-97)

Overall Sentiment



**Malia Hill**

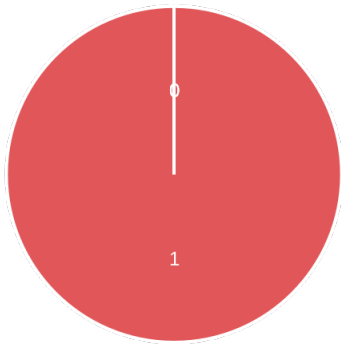
Location:

Submitted At: 6:24am 09-23-24

Please see the attached testimony from the Grassroot Institute of Hawaii.

## Overall Sentiment

Support (0%)   Oppose (0%)   Neutral (100%)  
No Response (0%)



### Thomas Croly

Location:

Submitted At: 9:58am 09-24-24

#### Property tax exemption issues

I previously served as chair of the Real Property tax board of review. As a result I became acutely aware of a host of issues with property tax exemptions. I would be happy to answer questions about any of those issues but right now I would like to draw attention to a property tax exemption that directly impacts me personally. I am one of 146 bed-and-breakfast permit holders who as a result of our permits, lose any property tax exemptions, that we would otherwise qualify for.

As you saw in the department's presentation, a home owner property tax exemption is a very valuable benefit provided to resident homeowners in Maui County. The only resident homeowners who are denied the homeowner property tax exemption are those who have been granted a bed-and-breakfast permit. Yet a condition of all bed-and-breakfast permits is that the permit holder be both the owner of the property and reside full-time on the property just as any other Maui resident homeowner does.

While, I recognize there is no proposed legislation to change any of the property tax exemption laws before the council today, I do want to make the council aware that the treatment of bed-and-breakfast permit holders is neither just nor fair. I believe that we should receive our homeowner exemptions and receive a property tax rate, commensurate with other homeowners.

A bit of history is appropriate here. When the bed-and-breakfast ordinance was revised in 2008 to allow most owner occupied property owners in Maui, the opportunity to host visitors in their homes, there was one council member, Ricky Hokama, who was distinctly against this use. Council member Hokama did not fully participate in the promulgation of the bed-and-breakfast ordinance, with one exception. He came into the planning committee meeting on one occasion and asked to add the requirement that bed-and-breakfast permit holders would not be eligible for any real property tax exemptions. And while that may have been fair at the time because the homeowner exemption was only \$200,000 and the difference between the property tax rate for owner occupied and bed-and-breakfast permit holders was only \$1.70. Today with a \$300,000 homeowner exemption and a

difference in rate between owner occupied and commercialized residential of \$2.20 to \$4.75 more, it is truly unfair to discriminate this way.

Additionally, in the years since, the Council has established a new 3% County TAT and an additional 0.5% County GET surcharge. As a result, the County is gaining significant revenues from these Bed and Breakfast permit holders. So there is no basis to require an additional property tax penalty for this highly regulated use of our homes. We are not given the same development rights given to hotels or short term rentals. We are required to live onsite full time and be present whenever we have guests.

So I ask that the Council consider restoring our homeowner exemptions and tax rate. While the exemption could not be restored in time for next year's tax assessments, The Council could ask the administration to propose a tax rate for the commercialized Residential class as the same as proposed for the Owner occupied class. This would still mean that I would need to pay about \$600 to \$800 more than I would without my permit and fully restored homeowner exemptions, but I would not object to that type of penalty compared to the \$4500 extra that I was required to pay this year.

Sept. 24, 2024, 9 a.m.

Council Chamber, Kalana O Maui Building

**To: Maui County Council Budget, Finance and Economic Development Committee**

**Yuki Lei Sugimura, Chair**

**Tasha Kama, Vice-Chair**

**From: Jonathan Helton, Policy Researcher**

**Grassroot Institute of Hawaii**

RE: BILL 115 — RELATING TO THE DEADLINE FOR FILING CLAIMS FOR REAL PROPERTY TAX EXEMPTIONS

Aloha Chair Sugimura, Vice-Chair Kama and other members of the Committee,

The Grassroot Institute of Hawaii **supports** [Bill 115 \(2024\)](#), which would extend the deadline for property owners renting to residents displaced by the 2023 wildfires to apply for home exemptions or long-term rental exemptions.

The current deadline to file for a property tax exemption in Maui County is typically December 31 of each year. Bill 115 (2024) would extend the deadline to May 31, 2025 for tax year 2026, which begins on July 1, 2025.

For tax year 2025, 520 property owners renting to displaced residents claimed these exemptions.<sup>1</sup>

Extending the filing deadline would provide these property owners a degree of flexibility that recognizes the constantly changing recovery and rebuilding process.

Thank you for the opportunity to testify.

Jonathan Helton

Policy Researcher

Grassroot Institute of Hawaii

---

<sup>1</sup> ["Number and Amount of Exemption by Type And County for Tax Year 2024-2025,"](#) Technical Branch, Real Property Assessment Division, Honolulu Department of Budget and Fiscal Services. August 2024.