RPTR Committee

From:	Tcroly <tcroly@maui.net>
Sent:	Wednesday, September 3, 2025 5:33 PM
To:	RPTR Committee
Subject:	Suggestions for Real Property Review Committee

1. I would hope that the committee would consider granting greater powers to the RPT board of review to allow them to grant exemptions that the board considers justified, even if they may have been denied for technical reasons, like a late or incomplete filing. When I served on the board of review, we often felt that our hands were tied with respect to granting a homeowner exemption, even when the property owner met all the code criteria, but may have not been aware of the requirement to file for this exemption because of recently purchasing a home or the home ownership changing because the home was put into a trust or an owner died. Since that time, the Long Term Rental exemption and tax classification has been created and this too is a classification that could benefit from some latitude give to the board of review. The difference in tax bill between an owner occupied property and a non owner occupied property has risen to nearly 5 times as much and this is too steep a penalty to bear for a late filing or ignorance of the requirement to file.

2. The task to reassess every property every year and produce accurate assessments every year is too great for the department to produce precisely. Because of the lack of enough comparable sales each year, many assessments are wildly inaccurate. And even when new assessments are accurate some property owner are shocked by sudden increases in tax bills. To aid the department and produce tax assessments that do not vary as much year to year, I would suggest using a three year rolling average be used as the taxable value. Properties would be assessed every year and property owners could appeal any year's given assessment, but the number used for the taxable value would be an average of the past 3 years of assessed values. This would create less variation from year to year in the tax bill resulting from any large changes, either up or down in values for a given year.

3. Tax classification currently can be incorrect for as long as 18 months under the current law. Because classification is set based on use as of January 1 for the tax year beginning in July 1 of the same year, it can create an incorrect classification from January 1 thru June 30 of the following year because of a sale or change of use that could take place before the following January 1. Since the difference between tax bills in different classifications can be as much a 10 times greater, this it too long a period of time for the taxpayer to be paying the higher, or lower, rate. I believe it is time for a change of classification to be allowed to occur within a given tax year and that change to be reflected as soon as the next tax payment is required. This would reduce the period that the classification is incorrect from 6 to 18 months as is currently the case, down to 0 to 6 months. I recognize that there may have to be some small amounts of revenue adjustments to make twice a year, but this is definitely possible to achieve.

Tom Croly