

William Jacintho

Maui Cattlemen Association ORDINANCE NO. \_\_\_\_\_

10/3/19

BILL NO. \_\_\_\_\_ (2019)

Notes —

A BILL FOR AN ORDINANCE RELATING TO  
REAL PROPERTY TAX VALUATIONS

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

SECTION 1. Article VII, Chapter 3.48, Maui County Code, is amended to  
read as follows:

**“Article VII  
Valuations**

**3.48.290 Considerations by director.** The director of finance shall cause the fair market value of all taxable real property to be determined and annually assessed by the market data and cost approaches to value using appropriate systematic methods suitable for mass valuation of properties for taxation purposes, so selected and applied to obtain, as far as possible, uniform and equalized assessments throughout the county; provided, that the value of land classified and used for agriculture, whether such lands are dedicated pursuant to section 3.48.350 or not, shall, for real property tax purposes, be the value of such land for agricultural use without regard to any value that such land might have for other purposes or uses, or to neighboring land uses, and determined as provided in section 3.48.320; and provided further that, for real property tax purposes, the value of land leased under Section 207 of the Hawaiian Homes Commission Act, 1920, shall be no value. In making such determination and assessment, the director shall separately value and assess, within each class established in accordance with section 3.48.305, buildings and all other real property, exclusive of buildings.

**3.48.300 Methods—Recordkeeping.** So far as practicable, records shall be compiled and kept which shall show the methods established by or under the authority of the director, for the determination of values.

**3.48.305 Classification of [land and building.] real property.** A. Except as otherwise provided in subsection [3.48.305(B), land and building] B. real property shall be classified, upon consideration of [the real property's] its highest and best use, into the following general classes:

1. [Residential.] Non-owner-occupied.
2. [Apartment.] Owner-occupied.
3. Hotel and resort.
4. Time share.
5. [Commercial.] Commercial/industrial.
6. [Industrial.] Agricultural.
7. [Agricultural.] Vacant agricultural.
8. Conservation.
9. [Homeowner.] Vacant conservation.
10. Commercialized residential.
11. Short-term rental.

B. In assigning land to one of the general classes, the director shall give major consideration to the districting established by the land use commission pursuant to chapter 205, Hawaii Revised Statutes, the districting established by the County in its general plan and zoning ordinance, use classifications established in the general plan of the State, and such other factors that influence highest and best use, except that:

1. Any dwelling, as defined in section 18.04.165, in any class except "hotel and resort," "time share," "commercial/industrial," "commercialized residential," or "short-term rental," shall be designated "non-owner-occupied" or "owner-occupied." A parcel that does not serve as the owner's primary residence shall be classified as "non-owner occupied." A parcel that is used [exclusively] as the owner's principal residence and has been granted a home exemption in accordance with sections 3.48.410 and 3.48.475, shall be classified as ["homeowner"] "owner-occupied" without regard to its highest and best use.

2. A parcel that serves as the owner's primary residence and has been granted a bed and breakfast permit, a transient vacation rental permit, or a conditional permit allowing a transient vacation rental use pursuant to title 19 of this code, shall be classified "commercialized residential" without regard to its highest and best use[.], and shall not qualify for a home exemption.

*What about  
Farm/Ranch  
Worker Housing?*

3. A parcel that is subject to a time share plan as defined in section 514E-1, Hawaii Revised Statutes, as amended, shall be classified as "time share."

4. Unless classified as "time share," "hotel and resort," or "commercialized residential," lodging or dwelling units, as defined in title 19 of this code, occupied by transient tenants for periods of less than six consecutive months shall be classified as "short-term rental" including a parcel that does not serve as the owner's primary residence and has been granted a short-term rental home permit, a transient vacation rental permit, or a conditional permit allowing transient vacation rental use pursuant to title 19 of this code shall be classified as "short-term rental" without regard to its highest and best use[.], and shall not qualify for a home exemption.

5. [A unit and its appertaining common interest that are part of a planned development where transient vacation rentals are permitted, in accordance with chapter 19.32 of this code, shall be classified in accordance with subsection 3.48.305(C)(2)(a). The planned development shall form an entity that shall annually report to the director on a form prescribed by the director, the actual use of each unit in the planned development along with any information deemed relevant by the director to determine the actual use of each unit. If the required annual report is not filed on or before December 1, the director may classify all units in the planned development in accordance with subsection 3.48.305(A) for the following assessment year. The entity shall report any change in actual use of a unit in the planned development within thirty days of that change. The director may investigate any unit and, if it is determined by the director that the actual use differs from the use reported, reclassify and reassess the unit.

6.] Unless classified as "time share" or "commercialized residential," properties occupied by transient tenants for periods of less than six consecutive months, have eight or more lodging or dwelling units as defined in title 19 of this code, and employ more than twenty full-time persons, shall be classified as "hotel and resort."

6. "Vacant agricultural" means a parcel, or portion thereof, which would otherwise be classified "agricultural" by the director upon major consideration of the districting established by the County in its general plan and comprehensive zoning ordinance and of such other factors that influence highest and best use, but which parcel, or portion thereof.

*of Determination  
of Vacant Land  
Retiree's  
Concerns*

- a. has no residential buildings; and
- b. is not dedicated for agricultural purposes.

If a portion of a parcel is dedicated as "vacant agricultural," the remainder of the parcel that is zoned agricultural must be dedicated for agricultural use.

7. "Vacant conservation" means a parcel, or portion thereof, that would otherwise be classified "conservation" by the director upon major consideration of the districting established by the county in its general plan and comprehensive zoning ordinance and of such other factors that influence highest and best use, but which parcel, or portion thereof:

- a. has no residential buildings; and
- b. is not dedicated for conservation purposes.

If a portion of a parcel is dedicated as "vacant conservation," the remainder of the parcel that is zoned conservation must be dedicated for conservation use.

[C. When property is subdivided into condominium units, each condominium association or any entity filing a condominium property regime, shall file an annual report with the director of all units in the association, by tax map key number, before December 1 of each calendar year.

1. The director shall prescribe the form of the list and any supporting evidence as necessary. The list shall include whether the unit is vacant, owner occupied, or rented long term or short term, by month.

2. Each unit and its appertaining common interest shall be:

a. Classified upon consideration of its actual use into one of the general classes as follows:

i. Homeowner. Only those units owned and occupied as a principal home and for which a home exemption claim was filed and granted shall be classified as "homeowner."

ii. Apartment. Only those units occupied by the owner for personal use or by a lessee for a term of six consecutive months or more shall be classified as "apartment."

iii. Commercial. Only those units occupied by the owner or a lessee for business or mercantile activities shall be classified as "commercial."

iv. Hotel and resort. Unless classified as "time share" or "commercialized residential," properties that are occupied by transient

**3.48.345 Water tanks.** Any provision to the contrary notwithstanding, any tank or other storage receptacle required by any government agency to be constructed or installed on any taxable real property before water for home and farm use is supplied; and any other water tank, owned and used by a real property taxpayer for storing water solely for [his] the taxpayer's own domestic use, shall be exempted in determining and assessing the value of such taxable real property.

**3.48.350 Dedicated lands.** A. A special land reserve is established to enable the owner of any parcel of land within an agricultural district, a rural district, a conservation district, or any urban district to dedicate [his] land for a specific ranching or other agricultural use and to have [his] land assessed at its value in such use; provided, that if the land is located within an urban district:

1. A lessee of the land with a term of ten or more years remaining from the date of the petition shall also be deemed an owner of the land within these provisions;

2. The land dedicated must be used for the cultivation of crops such as sugar cane, pineapple, truck crops, orchard crops, ornamental crops, or the like;

3. The land dedicated must have been substantially and continuously used for the cultivation of crops such as sugar cane, pineapple, truck crops, orchard crops, ornamental crops, or the like for the five-year period immediately preceding the dedication request; provided further, that land situated within an agricultural district may be dedicated for a period of twenty years and shall be taxed at fifty percent of its assessed value in such use.

B. If any [other] owner desires to use [his] land for a specific ranching or other agricultural use and to have [his] the land taxed at its assessed value in this use or fifty percent of its assessed value as the case may be, [he] the owner shall also petition the director of finance and declare in [his] the petition that [his] the land can best be used for the purpose for which [he] the owner requests permission to dedicate [his] the land and that if [his] the petition is approved [he will use his] the land will be used for this purpose.

C. If the owner desires to change from one specific ranching or other agricultural use to another ranching or other agricultural use [he] the owner shall so petition the director of finance and declare in [his] the petition that:

1. [His] The land can best be used for a ranching or other agricultural purpose other than that for which [he] the owner originally requested permission; and

*\* Issue  
Cane → Pasture  
declared as best  
use by owner ??  
will water ??*

*(Original Language)*

*"Best"  
\*Form of Land  
Location  
water...*

*"Best"  
By ability of  
producer - Mark  
??*