

COUNCIL OF THE COUNTY OF MAUI

BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE

October 11, 2024

**Committee
Report No.** _____

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget, Finance, and Economic Development Committee, having met on September 10, 2024, and September 24, 2024, makes reference to Bill 115 (2024), entitled “A BILL FOR AN ORDINANCE TO AMEND CHAPTER 3.48, MAUI COUNTY CODE, RELATING TO THE DEADLINE FOR FILING CLAIMS FOR REAL PROPERTY TAX EXEMPTIONS.”

Bill 115’s purpose is to allow property owners who are leasing their property to individuals directly displaced by the August 2023 Maui wildfires to file a claim for a home exemption or long-term rental exemption, or both, by May 31, 2025, for the tax year beginning July 1, 2025.

The Director of Finance said Bill 115 addresses a gap between the December 31, 2024, filing deadline for exemptions for the tax year beginning July 1, 2025, and the time afterward when wildfire survivor leases expire. The measure would allow property owners who transition their property to owner-occupied or long-term rental use to apply for the appropriate exemption by May 31, 2025.

Your Committee noted that the Federal Emergency Management Agency may extend wildfire survivor leases beyond the proposed deadline of May 31, 2025. Thus, the Director recommended extending the claim filing deadline to December 31, 2025, which your Committee supported.

The Director explained that real property tax certification for tax year 2026 must be furnished to the Council on or before April 19, 2025, in accordance with Section 3.48.580, Maui County Code, even though the

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deadline for the Department to receive claim applications is being extended.

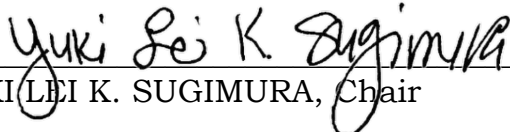
Nonetheless, the Director said the Department would provide the estimated revenue impact of deadline extension with its certification, which the Director estimates may reduce real property tax revenues by approximately \$1.4 million.

Your Committee voted 9-0 to recommend passage of Bill 115, CD1 (2024), on first reading. Committee Chair Sugimura, Vice-Chair Kama, and members Cook, Johnson, Lee, Paltin, Rawlins-Fernandez, Sinenci, and U'u-Hodgins voted "aye."

Your Committee is in receipt of Bill 115, CD1 (2024), approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee's recommended revisions and nonsubstantive revisions.

Your Budget, Finance, and Economic Development Committee RECOMMENDS that Bill 115, CD1 (2024), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE TO AMEND CHAPTER 3.48, MAUI COUNTY CODE, RELATING TO THE DEADLINE FOR FILING CLAIMS FOR REAL PROPERTY TAX EXEMPTIONS," be PASSED ON FIRST READING and be ORDERED TO PRINT.

This report is submitted in accordance with Rule 8 of the Rules of the Council.



YUKI LEI K. SUGIMURA, Chair

ORDINANCE NO. _____

BILL NO. 115, CD1 (2024)

A BILL FOR AN ORDINANCE TO AMEND CHAPTER 3.48, MAUI COUNTY CODE, RELATING TO THE DEADLINE FOR FILING CLAIMS FOR REAL PROPERTY TAX EXEMPTIONS

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

SECTION 1. This Ordinance's purpose is to relieve property owners who are leasing their property to individuals directly displaced by the August 2023 Maui wildfires from the deadline for filing a claim for a home exemption or long-term rental exemption under section 3.48.410(A), Maui County Code.

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

"B. Notwithstanding subsection A[, the]:

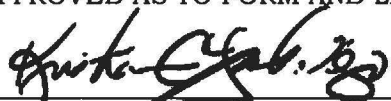
1. The exemption from taxation granted in section 3.48.466(B) must not be allowed unless the claimant has filed with the department of finance, on or before January 31, 2024, for tax year 2025, a claim for exemption in a form prescribed by the department.

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 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 3.48.466(K)."

SECTION 3. 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 4. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND LEGALITY:



KRISTINA C. TOSHIKIYO

Department of the Corporation Counsel
County of Maui

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INTRODUCED BY:

Tamara A.M. Paltin

TAMARA PALTIN