

BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE
Amendment Summary Form

Legislation: Bill 103 (2023) to amend Chapter 3.48, Maui County Code, relating to real property tax rate tiers for the agricultural classification and lands dedicated for agricultural use.

Proposer: Yuki Lei K. Sugimura, Chair *Yuki Lei Sugimura*
Budget, Finance, and Economic Development Committee.

Description: Revised bill is to allow tax rate tiers for any real property classification and incorporate nonsubstantive revisions.

Motions: Move to substitute Bill 103 (2023) with the attached proposed CD1 version.

Attachment: Proposed CD1 version of Bill 103 (2023).

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ORDINANCE NO. _____

BILL NO. 103, CD1 (2023)

A BILL FOR AN ORDINANCE RELATING TO LANDS DEDICATED FOR
AGRICULTURAL USE AND REAL PROPERTY TAX RATE TIERS

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

SECTION 1. This Ordinance's purpose is to:

- (1) Require the director of finance to seek the department of agriculture's assistance in verifying that lands dedicated to agricultural use comply with dedication requirements; and
- (2) Allow for tax rate tiers for any real property classification.

SECTION 2. Section 3.48.350, Maui County Code, is amended by amending subsection E to read as follows:

"E. The approval by the director of the petition to dedicate [constitutes a forfeiture on the part of the owner of any] forfeits the owner's right to change the use of the land to a use other than [agriculture] an agricultural use for a minimum period of ten years or twenty years, as the case may be, automatically renewable indefinitely, subject to cancellation as follows:

1. In the case of a ten-year dedication, the owner may after the ninth year and later years [thereafter,] give notice of cancellation by filing with the director a written notice of cancellation on or before December 31, to be effective as of July 1 of the following tax year.

2. In the case of a twenty-year dedication, the owner may during the nineteenth year and later years [thereafter] give notice of cancellation as provided by this subsection.

3. In the case of a change in a major land use classification not as a result of a petition by any property owner or lessee such that the owner's land is placed within an urban district, the dedication may be canceled within

sixty days of the change by the owner. Upon any conveyance or any change in ownership during the period of dedication, the land will continue to be subject to the terms and conditions of the dedication unless a release has been issued by the director.

Any other provision to the contrary notwithstanding, an approved change in use as provided in subsections C and D does not alter the original dedication period. The director must annually provide to the department of agriculture a list of lands dedicated to agricultural use under this section to assist the director with periodic verification of agricultural use. The director must inspect all lands dedicated to agricultural use every three years.”

SECTION 3. Section 3.48.561, Maui County Code, is amended by amending subsection B to read as follows:

“B. To establish progressive property taxes and notwithstanding any provisions to the contrary, three equivalent or ascending tiers of tax rates for [properties classified as owner-occupied, non-owner-occupied, short-term rental, commercial, industrial, and long-term rental, must] any real property classification may be established. The tiered rates apply to three corresponding ascending or equal ranges of property values. The rates, tiers, and value ranges are set forth in the annual budget. Any reference to “tiers” in this chapter incorporates value ranges.”

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.

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INTRODUCED BY:

GABE JOHNSON