

October 14, 2025

MEMO TO: Alice L. Lee, Chair  
Special Committee on Real Property Tax Reform

F R O M: Yuki Lei K. Sugimura, Council Vice-Chair *Yuki Lei K. Sugimura*

SUBJECT: **BILL 144 (2025), EXTENDING MAUI WILDFIRES REAL  
PROPERTY TAX RELIEF** (RPTR-9) (PAF 25-223)

I introduced Bill 144 to extend Maui Wildfires Real Property Tax Relief after consulting with the Director of Finance.

For the Special Committee's background, please find attached the following:

1. My correspondence dated September 25, 2025, requesting the Director of Finance's comments on a draft version of the proposal that became Bill 144.
2. The Director of Finance's correspondence, dated September 30, 2025, suggesting that further tax relief be "targeted" and providing a chart with actual and estimated costs for the Maui Wildfires exemption from Fiscal Years 2025 through 2028.

Thank you for your consideration.

paf:jpp:25-223f

Attachments

Council Chair  
Alice L. Lee

Vice-Chair  
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Tom Cook  
Gabe Johnson  
Tamara Paltin  
Keani N.W. Rawlins-Fernandez  
Shane M. Sinenci  
Nohelani U'u-Hodgins



Director of Council Services  
David M. Raatz, Jr., Esq.

Deputy Director of Council Services  
Richelle K. Kawasaki, Esq.

## COUNTY COUNCIL

COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

September 25, 2025

Ms. Marcy Martin, Director  
Department of Finance  
County of Maui  
Wailuku, Hawaii 96793

Dear Ms. Martin:

**SUBJECT: AUGUST 2023 MAUI WILDFIRES REAL PROPERTY  
TAX RELIEF EXTENSION (PAF 25-223)**

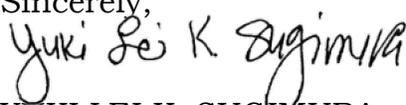
I am considering introduction of a bill amending Chapter 3.48, Maui County Code, on extending real property tax relief for those impacted by the August 2023 Maui wildfires. As shown in the attached draft bill, I may propose extending the exemption on real property taxes for real property impacted by the August 2023 Maui wildfires to June 30, 2028.

May I please request review and comment on the draft bill.

In addition, may I please request that you provide actual and estimated costs for the exemption from Fiscal Years 2025 through 2028?

May I further request you transmit your response to [jarret.pascual@mauicounty.us](mailto:jarret.pascual@mauicounty.us) and [county.council@mauicounty.us](mailto:county.council@mauicounty.us) by **October 1, 2025**. To ensure efficient processing, please include "PAF 25-223" in the subject line.

Should you have any questions, please contact me or Legislative Analyst Jarret Pascual at ext. 7141.

Sincerely,  
  
YUKI LEI K. SUGIMURA  
Council Vice-Chair

paf:jpp:25-223b

Attachment

cc: Mayor Richard T. Bissen, Jr.

*DRAFT*

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2025)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48, MAUI COUNTY CODE, EXTENDING MAUI WILDFIRES REAL PROPERTY TAX RELIEF

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

SECTION 1. More than two years after the August 2023 wildfires, Maui's recovery has not progressed at a rapid pace. As of September 2025, only 491 building permits had been issued, 285 homes were under construction, and 59 homes were rebuilt in Lahaina and Upcountry. Further, no commercial properties had been rebuilt and occupied. Property owners face ongoing hardship with recovery. The Council therefore finds extending tax relief is appropriate.

SECTION 2. Section 3.48.230, Maui County Code, is amended as follows:

1. By amending Subsection B to read:

“B. Real property that was completely destroyed by the August 2023 Maui wildfires, as determined by the director, is exempt from real property taxes, including the minimum real property tax, through June 30, [2026.] 2028. Real property that receives this exemption will lose the exemption if sold before July 1, 2028, and the new landowner will be responsible for paying taxes from the date of the recorded sale.”

2. By amending subsection D to read:

“D. Real property that was located in a red or yellow reentry zone in Lahaina, as established by the County following the August 2023 Maui wildfires in its reentry map of impacted areas, or for which access was restricted to certain hours by the government, as determined by the director as of January 1, 2024, is exempt from real property taxes, including the minimum real property tax, for the

period July 1, 2024, through June 30, [2026.] 2028. Real property that receives this exemption will lose the exemption if sold before July 1, 2028, and the new landowner will be responsible for paying taxes from the date of the recorded sale.”

SECTION 3. Section 3.48.415, Maui County Code, is amended by amending Subsection B to read as follows:

“B. Exemptions that were in effect for tax year 2024, where improvements were destroyed, damaged, or made inaccessible by the August 2023 Maui wildfires, must remain in effect through December 31, [2026.] 2028, under the following circumstances:

1. The parcel does not sell in an arm’s length transaction.

2. The applicant for an exemption under section 3.48.450 does not apply for another exemption on any principal home.

3. The applicant for an exemption under section 3.48.475 does not apply for another exemption for a home, as defined in that section.

4. The parcel qualified for the exemption between January 1, 2023, and August 8, 2023.

5. The exemption is not subject to disallowance under section 3.48.430; except that a qualifying exemption under section 3.48.450 or 3.48.475 is transferable to another property in the County that is acquired by a deed recorded before January 1, 2025, for the 2025 tax year only, if the applicant makes a request for the transfer by December 31, 2024.”

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.

paf:jpp:25-223a

INTRODUCED BY:

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YUKI LEI K. SUGIMURA

**RICHARD T. BISSEN, JR.**  
Mayor

**MARCY MARTIN**  
Acting Director

**MARIA E. ZIELINSKI**  
Deputy Director



**DEPARTMENT OF FINANCE**  
COUNTY OF MAUI  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAI'I 96793  
[www.mauicounty.gov](http://www.mauicounty.gov)

September 30, 2025

**APPROVED FOR TRANSMITTAL**

Honorable Richard T. Bissen, Jr.  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

10-2-2  
Mayor Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Council Vice-Chair  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

**SUBJECT: AUGUST 2023 MAUI WILDFIRES REAL PROPERTY TAX RELIEF  
EXTENSION (PAF 25-223)**

Dear Vice-Chair Sugimura:

Pursuant to your request dated September 25, 2025, regarding the above-referenced matter, please see our response below:

1. Review and comment on the draft bill.

*Response: 3.48.230(D): Tax relief from real property taxes should not be extended without adjustments which consider recovery. For most properties in the burn zones, rights of way are open and infrastructure is available. Currently there are about 142 parcels in the YELLOW zone. For 2025-2026, 44 parcels in the yellow zone have applied for a long-term rental exemption, 200 parcels have the home exemption, and multiple units are short-term vacation rentals advertised on VRBO. The Department recommends that future tax relief be targeted to those parcels that are currently negatively impacted by the August 2023 Wildfire.*

2. Provide actual and estimated costs for the exemption from Fiscal Years 2025 through 2028.

Honorable Yuki Lei K. Sugimura, Council Vice-Chair  
Response to PAF 25-223  
September 30, 2025  
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Response: Please see chart for actual and estimated costs for the exemption from  
FY 2025-2028:

	2024-2025		2025-2026		2026-2027*		2027-2028*		Total
	Parcels	RP Taxes	Parcels	RP Taxes	Parcels	RP Taxes	Parcels	RP Taxes	
Destroyed	2,095	\$ 12,103,735	2,098	\$ 12,437,725	2,098	\$ 12,437,725	2,098	\$ 12,437,725	\$ 49,416,911
Red/Yellow Zone	1,165	\$ 9,065,302	1,171	\$ 9,354,386	1,171	\$ 9,354,386	1,171	\$ 9,354,386	\$ 37,128,461
Total	3,260	\$ 21,169,037	3,269	\$ 21,792,111	3,269	\$ 21,792,111	3,269	\$ 21,792,111	\$ 86,545,371

\*Estimated based on FY 2026 rates

Should you have any questions, please feel free to contact me or Deputy Director  
Maria Zielinski at extension 7722.

Sincerely,



MARCY MARTIN  
Director of Finance

Cc: Kari Stockwell, Real Property Tax Administrator  
John Smith, Office of Recovery

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