

January 20, 2026, RPTR Committee meeting

RPTR-7

SPECIAL COMMITTEE ON REAL PROPERTY TAX REFORM
Amendment Summary Form

Legislation: Bill 142 (2025), entitled "A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48, MAUI COUNTY CODE, ON THE HOME EXEMPTION AND LONG-TERM RENTAL EXEMPTION FROM REAL PROPERTY TAX."

Proposer: Councilmember Tamara Paltin. *Tamara A. M. Paltin*

Description: Amend Bill 142 as follows:

1) Amend SECTION 1's first sentence to:

- add "qualified" before "taxpayers"; and
- remove the closing phrase "and the Long-Term Rental Exemption";

2) Amend SECTION 1's second sentence to:

- add "preceding the tax year" after "December 31";
- add "of the tax year" after "June 30"; and
- break up and re-word the sentence into two separate sentences;

3) Amend SECTION 1's second paragraph to:

- insert "intended" after "also";
- insert "recently" before "purchased real property"; and
- remove the closing phrase "after it had been used for transient accommodations in recent years.>";

4) Amend SECTION 2 by amending Code Subsection 3.48.410(B) to:

- replace "Notwithstanding" with "Despite" in the opening clause;
- remove the existing Code Paragraph (B)(2); and
- renumber the next paragraph; and
- delete the phrase "and the long-term rental exemption in section 3.48.466";

- 5) Rerumber SECTION 3 to SECTION 4; SECTION 4 to SECTION 5; and SECTION 5 to SECTION 6;
- 6) Add a new SECTION 3, amending Code Paragraph 3.48.450(B)(3) to adjust deed-filing requirements consistent with the proposed section Code Paragraph 3.48.450(C)(3); and
- 7) In the SECTION 4 (which had been SECTION 3):
 - incorporate recent updates to Code Subsection 3.48.450(C); and
 - in Code Paragraph 3.48.450(C)(3), replace “ten” with “five” before “consecutive years,” and remove the first sentence’s closing phrase “and the real property had been used for transient accommodations within the past five years.”

Motion: Move to replace Bill 142 (2025) with the attached proposed CD1 version.

Attachment: Proposed CD1 version of Bill 142 (2025), incorporating the proposed amendments.

paf:pah:25-275h

ORDINANCE NO. _____

BILL NO. **142, CD1** (2025)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48, MAUI COUNTY CODE, ON THE HOME EXEMPTION FROM REAL PROPERTY TAX

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

SECTION 1. This Ordinance is intended to help qualified taxpayers manage their Real Property Tax liability by adjusting the filing deadlines for the Home Exemption. Claimants who file their applications by either December 31 preceding the tax year or June 30 of the tax year will receive their entitled exemption on their next tax payment. This standard provides a clear and predictable process for receiving a tax reduction.

This Ordinance is also intended to expand the qualifications for the Home Exemption to long-term County residents who have recently purchased real property for residential use.

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

“B. Despite subsection A[, the]:

1. The exemption from taxation granted in [section] subsection 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. The home exemption in subsection 3.48.450(C)(3) may be allowed from the next tax payment date if the claimant has filed a claim for the exemption on or before December 31 for the first-half payment or June 30 for the second-half payment.”

SECTION 3. Section 3.48.450, Maui County Code, is amended by amending Subsection B to read as follows:

“B. The provisions of subsection A [will] apply, subject to the following conditions:

1. That no such exemption will be allowed to any corporation, copartnership, or company.

2. That the exemption will not be allowed on more than one home for any one taxpayer.

3. That except for a claim under subsection (C)(3), where the taxpayer has acquired a home by a deed made on or after July 1, 1951, the deed must have been recorded on or before December 31 immediately preceding the year for which the exemption is claimed. For a home exemption claim under subsection (C)(3), the deed must be recorded on or before December 31 for the first-half payment or June 30 for the second-half payment.

4. That married persons will not be permitted an exemption of separate homes, unless they are living separate and apart, and provide a copy of a decree of separation from the appropriate court having jurisdiction that is in effect prior to the effective date of the exemption; and each file a separate income tax return as a resident of the State of Hawai‘i with a reported address in the County the year prior to the effective date of the exemption; in which case they will be entitled to one exemption, to be apportioned equally between each of their respective homes.

5. That a person living on premises, a portion of which is used for commercial purposes, will not be entitled to an exemption for that portion, but will be entitled to an exemption for the portion used exclusively as a home.

6. That no such exemption will be allowed for any real property that is classified as “commercialized residential” or “short-term rental.”

SECTION 4. Section 3.48.450, Maui County Code, is amended by amending Subsection C to read as follows:

“C. Upon proper application, a taxpayer is entitled to a home exemption if the taxpayer:

1. Occupies the home in the County for which the exemption is being filed for more than 270 calendar days of a

calendar year, does not rent the entire premises for any portion of the year, and files a State of Hawai‘i resident income tax return with a reported address in the County the year prior to the January 1 effective date of the exemption. The following chart illustrates what prior to the January 1 effective date means:

Example of “prior to the January 1 effective date”	
Application received by:	December 31, 2025
Effective date of exemption:	January 1, 2026
Effective tax year:	July 1, 2026, through June 30, 2027
State of Hawai‘i resident tax return year:	2024
State of Hawai‘i resident tax return filed by:	December 31, 2025

Non-resident and part-year resident State of Hawai‘i income tax returns do not qualify for the home exemption[.];

2. Is stationed in the County under military orders of the United States[.]; or

3. Has been a County resident for five consecutive years; after obtaining real property, uses it as their principal residence during the tax year for which the exemption is claimed. The taxpayer bears the burden of proving duration of valid County residency through a preponderance of evidence, which may include tax records, voting records, licensing records, and other government records.”

SECTION 5. 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 6. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND LEGALITY:

Department of the Corporation Counsel
County of Maui

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INTRODUCED BY:

Tamara A.M. Paltin

TAMARA PALTIN