

William Jacintho

Maui Cattlemen Association

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

10/3/19

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

Notes -

A BILL FOR AN ORDINANCE RELATING TO TIERS OF REAL PROPERTY TAX RATES

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

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

Article X

Determination of Rates and Tiers

3.48.560 Definitions. Unless a different meaning is clearly indicated by the context, as used in this article:

A. ["Net taxable lands" means all other real property exclusive of buildings.

B.] "Net taxable real property" means[, as indicated by the context,] the percentage of the fair market value of property determined under section 3.48.180, which the director of finance certifies as the tax base as provided by ordinance less exemptions as provided by ordinance and, in all cases which appeals from the director's assessment are then unsettled, less fifty per cent of the value in dispute.

B. "Tax rate" means the dollar amount of tax levied under this chapter per \$1,000.00 of net taxable real property, computed to the nearest cent.

3.48.561 Tax rate tiers. A. Classifications are as referenced in section 3.48.305.

B. Tiers are based on net taxable real property and are as follows:

- 1. Owner-occupied tier 1, tier 2, and tier 3 tax rates.
- 2. Non-owner-occupied tier 1, tier 2, and tier 3 tax rates.
- 3. Short-term rental tier 1 and tier 2 tax rates.

Net Value Sales drive Ag? What are the tiers? in \$? CBS & Park

Farm/Ranch Worker Home? How affected?

4. Commercial/industrial tier 1 and tier 2 tax rates.

C. The net taxable value will be set forth in the annual budget.

*Use Caution on Ag Producers*

**3.48.565 Increase or decrease.** The council may increase or decrease the tax rate for [buildings and for all other real property, exclusive of buildings for net taxable land and net taxable buildings of] each class of net taxable real property established in accordance with section 3.48.305. A resolution setting the tax rates and tiers shall be adopted on or before June 20 preceding the tax year for which property tax revenues are to be raised according to the following procedures:

A. The council shall advertise its intention to increase or decrease tax rates and tiers and the date, time, and place of a public hearing in a newspaper of general circulation. The date of the public hearing shall be not less than ten days after the advertisement is first published and shall set forth the tax rates and tiers to be considered by the council.

B. After the public hearing provided for in subsection A, [of this section,] the council shall readvertise and reconvene within three weeks to adopt a resolution fixing the tax rates and tiers for the tax year for which property tax revenues are to be raised. The advertisement shall state the new rates and tiers to be fixed and the date, time and place of the meeting scheduled for fixing such rates[,] and tiers. The date, time and place of the meeting shall also be announced at the public hearing required by subsection A. [of this section.] If the resolution fixing the tax rates and tiers is not adopted within three weeks from the public hearing required by subsection A, [of this section,] the council shall again advertise and meet as required by subsection A.

C. If adopting an increase or decrease in the tax rates and tiers as provided by subsections A and B, [of this section,] the council determines that it requires a further increase or decrease in tax rates and tiers or fails to act in any specified period, the council shall readvertise and follow the requirements of subsections A and B.

**3.48.575 Use of increased or decreased rates[,] and tiers.** If the tax rates and tiers for the tax year are increased or decreased, the council shall notify the director of finance of the increased or decreased rates[,] and tiers, and the director shall employ such rates and tiers in the levying of property taxes as provided by this chapter.

✓ **3.48.580 Calculations submitted by director.** A. [The director of finance shall, on] On or before April 19 preceding the tax year, the director of finance must furnish the council with a calculation certified [by him] as being as nearly accurate as [may be,] possible, of the estimated revenues derived using the rates and tiers set forth in the proposed budget, separately stated for each [category] classification established in accordance with section 3.48.305, for net taxable [lands and for net taxable buildings.] real property.

B. [The director of finance shall, on] On or before May 1 preceding the tax year, the director of finance must furnish the council with a calculation certified [by him] as being as nearly accurate as [may be,] possible, of the net taxable real property within the County, separately stated for each [category] classification established in accordance with section 3.48.305 [for net taxable lands and for net taxable buildings] plus such additional data relating to the property tax base as may be necessary.

**3.48.585 Validity.** Insofar as the validity of any tax rate and tier is concerned, the provisions of sections 3.48.565 and 3.48.580, as to dates, shall be deemed directory; provided, that all other provisions of sections 3.48.565 and 3.48.580, and all provisions of section 3.48.570 and 3.48.575 shall be deemed mandatory.

**3.48.590 Minimum real property tax.** Notwithstanding any provision to the contrary, there shall be levied upon each individual parcel of real property taxable under this chapter a minimum real property tax as set forth in the annual budget, except:

[1)]A. Those tracts leased under section 207 of the Hawaiian Homes Commission Act, 1920, as amended;

[2)]B. Any parcel used for farming taro where the assessed value times the current agricultural class tax rate is less than the minimum real property tax;

[3)]C. Portions of real property designated as kuleana land and granted an exemption as provided for in section 3.48.554;

[4)]D. Homes, or portions thereof, granted an exemption under section 3.48.475 to be levied a real property tax of \$150 per year; and

7 [5)]E. Remnant parcels granted an exemption under section 3.48.552 to be levied a real property tax of \$150 per year."