

Resolution

No. 25-143

ESTABLISHING THE SPECIAL COMMITTEE ON REAL PROPERTY TAX REFORM

WHEREAS, the State of Hawai'i Constitution, at Article VIII, Section 3, grants the county councils exclusive authority over real property taxation; and

WHEREAS, the Council has set real property taxation policies in Chapter 3.48, Maui County Code; and

WHEREAS, Chapter 3.48's policies are implemented in the annual budget ordinance; and

WHEREAS, real property tax revenue is the primary funding source for essential County services, including infrastructure, housing, public safety, and disaster recovery; and

WHEREAS, the County continues to face challenges in balancing revenue needs with economic development and taxpayer equity, including disparities in classification, valuation, and exemption practices; and

WHEREAS, the Council seeks to ensure that real property tax policy supports residents' resilience, sustainability, and affordability in light of changing circumstances, including the August 2023 wildfires and long-term recovery efforts; changes in the local economy, including sporadic growth in the visitor industry; and uncertainty in federal fiscal and economic policies; and

WHEREAS, a comprehensive review of Chapter 3.48 is necessary to ensure the County's real property tax system is equitable, efficient, transparent, and aligned with current policy goals, including wildfire recovery, housing affordability, and cultural preservation; and

WHEREAS, stakeholder input from property owners, housing advocates, business leaders, and tax policy experts is critical to crafting effective and widely supported reforms; and

WHEREAS, the Council finds it in the public interest to establish a special committee to provide focused recommendations on legislation to

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reform and modernize the County's real property tax laws and related policies; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That the Special Committee on Real Property Tax Reform is established upon this Resolution's certification;
2. That the Council Chair will serve as chair and a voting member of the Special Committee;
3. That the following Councilmembers will also serve as voting members of the Special Committee:
 - Councilmember _____
(Vice-Chair of the Special Committee)
 - Councilmember _____
 - Councilmember _____
 - Councilmember _____
 - Councilmember _____
 - Councilmember _____
 - Councilmember _____
 - Councilmember _____
4. That the following Councilmembers will serve as non-voting members of the Special Committee:
 - Councilmember _____
 - Councilmember _____
 - Councilmember _____
 - Councilmember _____
 - Councilmember _____
 - Councilmember _____
 - Councilmember _____
5. That the Special Committee's primary purpose is to develop recommendations for amendments to Chapter 3.48, Maui County Code, on the assessment, classification, exemption, valuation, and collection of real property taxes;
6. That the Council Chair may introduce legislation arising from the Special Committee's deliberations and recommendations;

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7. That legislation introduced by the Council Chair arising from the Special Committees deliberations and recommendations may not need further review by a standing committee before Council action;
8. That the Special Committee may also:
 - a. Review existing County ordinances, administrative rules, and administrative practices on real property taxation;
 - b. Assess whether the real property tax tiers and rates in the Fiscal Year 2026 Budget further County policy goals and fiscal responsibility;
 - c. Propose structural reforms to promote transparency, fiscal responsibility, and alignment with County policy goals;
 - d. Evaluate the anticipated fiscal and administrative impacts of proposed reforms;
 - e. Recommend implementation strategies, public-outreach efforts, and timelines associated with any proposed legislative changes; and

Submit a committee report to the Council by November 28, 2025;
9. That the Special Committee will function for procedural purposes as if it were a standing committee of the Council;
10. The Special Committee's term will expire on December 31, 2025, unless extended by resolution;
11. That the Special Committee will receive administrative support from the Office of Council Services; and
12. That certified copies of this Resolution be transmitted to the Mayor, the Managing Director, the Director of Finance, the Corporation Counsel, and the Director of Council Services.

INTRODUCED BY:

A handwritten signature in cursive script, appearing to read "Alice L. Lee", written over a horizontal line.

ALICE L. LEE