COUNCIL OF THE COUNTY OF MAUI

SPECIAL COMMITTEE ON REAL PROPERTY TAX REFORM

November 7, 2025 **Committee Report No. ___________**

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Special Committee on Real Property Tax Reform, having met on October 14, 2025, makes reference to Bill 147 (2025), entitled "A BILL FOR AN ORDINANCE AMENDING SECTION 3.48.565, MAUI COUNTY CODE, TO SIMPLIFY THE PROCESS FOR ADOPTING REAL PROPERTY TAX RATES AND TIERS."

Bill 147's purpose is to simplify the process for adopting real property tax rates and tiers, by: 1) deleting the requirement to reconvene the meeting in three weeks after public notice; 2) clarifying public-notice requirements; and 3) requiring the Council adopt rates and tiers by June 20, or the Mayor's proposed rates and tiers transmitted with the annual budget will take effect.

Your Committee notes the following for adopting RPT rates and tiers:

Category	**Current Process**	**Proposed Process**
Public notice requirement	Post a resolution at least ten days before the meeting.	Post a resolution at least ten days before the meeting.
Reconvene requirement	Announce a date, time, and place for a reconvened meeting within three weeks to adopt the resolution.	No reconvened-meeting requirement. Schedule any follow-up meeting as needed before the deadline.

Category	Current Process	Proposed Process
Restart rule	If the resolution is not adopted within three weeks, post a new notice and repeat the process.	The three-week restart is eliminated. The operative rule is the adoption deadline below.
Further changes before adoption	If the Council wants any changes, the entire process should be repeated.	No automatic full reset. Post the required public notice and place the change on an agenda before the deadline.
Adoption deadline and default	The Council should adopt on or before June 20. Failure to act by suggested dates does not invalidate action.	The Council must adopt the resolution by June 10, 2025. If the Council does not adopt by June 10, 2025, the Mayor's proposed rates take effect.

Your Committee discussed the proposed process under Bill 147.

Your Committee agreed that flexibility in the process would accommodate budget amendments and revenue certification to allow the Council to respond promptly and transparently.

The Director of Finance expressed support for Bill 147 and streamlining the RPT process.

Your Committee amended the Council's deadline to adopt the RPT resolution to June 10, which would align with the Council's deadline to approve the annual budget under Section 9-5 of the Revised Charter of the County of Maui (1983), as amended.

Your Committee voted 4-0 to recommend passage of Bill 147, CD1 (2025), on first reading. Committee Chair Lee, Vice-Chair Rawlins-Fernandez, and members Johnson and Sugimura voted "aye." Committee member Kama was excused.

Your Committee is in receipt of Bill 147, CD1 (2025), approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee's recommended revisions and nonsubstantive revisions.

Your Special Committee on Real Property Tax Reform RECOMMENDS that Bill 147, CD1 (2025), attached, entitled "A BILL FOR AN ORDINANCE AMENDING SECTION 3.48.565, MAUI COUNTY CODE, TO SIMPLIFY THE PROCESS FOR ADOPTING REAL PROPERTY TAX RATES AND TIERS," be PASSED ON FIRST READING and be ORDERED TO PRINT.

This report is submitted in accordance with Rule 3 of the Rules of the Council.

ALICE L. LEE, Chair

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ORDINANCE NO. ______________

BILL NO. **147, CD1** (2025)

A BILL FOR AN ORDINANCE AMENDING SECTION 3.48.565, MAUI COUNTY CODE, TO SIMPLIFY THE PROCESS FOR ADOPTING REAL PROPERTY TAX RATES AND TIERS

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

SECTION 1. This Ordinance's purpose is to simplify the process for adopting real property tax rates and tiers by reducing strict timelines and requiring the Council to set the rates and tiers by resolution by June 10 of each year. If the Council does not adopt a resolution by June 10, the Mayor's proposed rates and tiers will take effect.

SECTION 2. Section 3.48.565, Maui County Code, is amended as follows:

"**3.48.565 Increase or decrease.** The council may increase or decrease the tax rate, and tiers, if applicable, for each class of net taxable real property established in accordance with section 3.48.305. A resolution setting the tax rates and tiers should be adopted on or before June [20] <u>10</u> preceding the tax year for which property tax revenues are to be raised according to the following procedures:

A. The council must provide public notice of the date, time, and place of a public meeting to increase or decrease tax rates and tiers. The date of the public meeting should be not less than [ten] <u>10</u> days after public notice is first provided and must set [forth] the <u>range of</u> tax rates and tiers to be considered by the council.

B. After the public meeting provided for in subsection A, the council should provide public notice and [reconvene within three weeks] <u>meet</u> to adopt a resolution fixing the tax rates and tiers for the tax year for which property tax revenues are to be raised. The council must provide public notice of the date, time, and place of the meeting scheduled for fixing the rates and tiers. [The date, time, and place of the meeting must also be announced at the public meeting required by subsection A. If the resolution fixing the tax rates and tiers is not adopted within three weeks from the public meeting required by subsection A, the council must again provide public notice and meet as required by subsection A.]

C. During adoption of an increase or decrease in the tax rates and tiers as provided by subsections A and B, if 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 must provide public notice and follow the requirements of subsections A and B.

D. [The council's failure to act by the dates suggested in this section is not a basis to invalidate any tax rate, any tax tier, or the provisions of any ordinance or resolution.] <u>If the council does not adopt a resolution by June 10, the mayor's proposed rates and tiers, transmitted with the proposed annual budget, will take effect.</u>"

SECTION 3. 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 4. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND LEGALITY:

Kristina C. Toshikiyo
Department of the Corporation Counsel
County of Maui
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INTRODUCED BY:

ALICE L. LEE