

November 21, 2023, Reconvened BFED Committee meeting

BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE
Amendment Summary Form

Legislation: Proposed Bill 95, CD1 (2023) attached to the correspondence dated November 8, 2023, from the Real Property Tax Assistant Administrator.

Proposer: Yuki Lei K. Sugimura, Chair *Yuki Lei K. Sugimura*
Budget, Finance, and Economic Development Committee.

Description: Amend Section 3.48.230, Maui County Code, to exempt certain properties from real property taxation through June 30, 2025.

Motions: Move to amend proposed Bill 95, CD1 (2023), attached to the correspondence dated November 8, 2023, from the Real Property Tax Assistant Administrator by:

1. Inserting a new Section 1 to the bill to read as follows:

“3.48.230 Damage or destruction by disaster. A. [In any case of the damage or destruction of] When real property [as the result] is damaged or destroyed because of a tidal wave, earthquake, volcanic eruption, hurricane, fire, or other disaster as defined in Section 127A-2, Hawaii Revised Statutes, or [as the result] because of floodwaters overflowing the banks or walls of a river or stream, the director [is authorized to] may remit taxes due on [such] the property, to the extent and in the manner set forth as follows:

[A.] 1. The director [shall] must determine whether the property was wholly destroyed, or was partially destroyed or damaged, and in the latter event [shall] must determine what percentage of the value of the whole property was destroyed or otherwise lost by reason of the disaster.

[B.] 2. If the property was wholly destroyed, the amount remitted [shall] must be [such] the portion of the total tax on the property for the tax year in which [such] the destruction occurred [as shall constitute] constituting the portion of the tax year remaining after [such] the destruction.

[C.] 3. If the property was partially destroyed or was damaged, the percentage of the value destroyed or otherwise lost, determined as provided in subsection A of this section,

[shall] must be applied to the total tax on the property, and of the amount of tax so determined there [shall] must be remitted [such] the portion [as shall constitute] constituting the portion of the tax year remaining after [such] the partial destruction or damage.

[D.] 4. [Application] An application for a remission of taxes [pursuant to] under this section [shall] must be filed with the director on or before June 30th of the tax year involved, or within sixty days after the occurrence of the disaster, whichever is [the] later. Any amount of taxes authorized to be remitted by this section, which has been paid, [shall] must be refunded upon proper application [therefor] out of real property tax collections.

B. Real property that was completely destroyed by the August 2023 Maui wildfires, as determined by the director, are exempt from real property taxes through June 30, 2025.

C. Real property 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 posted on mauirecovers.org, or for which local access was only allowed from 8:00 a.m. to 4:00 p.m. as of November 15, 2023, are exempt from real property taxes through June 30, 2025.”

2. Renumbering the subsequent sections accordingly.

Reasons: The proposed amendment exempts properties that were damaged, destroyed, or rendered inaccessible because of the August 2023 Maui wildfires. The properties will be unusable for the foreseeable future because of the wildfires; therefore, tax exemptions are appropriate.

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