

ORDINANCE NO. _____

BILL NO. 143 (2025)

A BILL FOR AN ORDINANCE AMENDING SECTION 3.48.305, MAUI COUNTY
CODE, TO ESTABLISH THE VACANT RESIDENTIAL REAL PROPERTY TAX
CLASSIFICATION

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

SECTION 1. This Ordinance's purpose is to create the "Vacant residential" classification of real property for parcels located in the Residential or Rural Zoning Districts that are unimproved and do not have agricultural activity.

SECTION 2. Section 3.48.305, Maui County Code, is amended to read as follows:

"3.48.305 Classification of real property. A. Except as otherwise provided in subsection B, real property must be classified, upon consideration of its highest and best use, into the following general classes:

1. Owner-occupied.
2. Non-owner-occupied.
3. Apartment.
4. Hotel and resort.
5. Time share.
6. TVR-STRH.
7. Agricultural.
8. Conservation.
9. Commercial.
10. Industrial.
11. Commercialized residential.
12. Long-term rental.
13. Vacant residential.

B. In assigning land to one of the general classes, the director must give major consideration to: the districting established by the land use commission in accordance with chapter 205, Hawai'i Revised Statutes; the districting established by the County in its general plan and comprehensive zoning ordinance; use

classifications established in the Hawai'i state plan; and other factors that influence highest and best use; except that:

1. Real property that is used as the owner's principal residence and has been granted either a home exemption in accordance with sections 3.48.410 and 3.48.450 or an exemption in accordance with sections 3.48.410 and 3.48.475 must be classified as "owner-occupied" without regard to its highest and best use.

2. Real property improved with a dwelling that would not be classified as "owner-occupied", "hotel and resort", "time share", "TVR-STRH", "commercial", "industrial", "commercialized residential", or "long-term rental" must be classified as "non-owner-occupied."

3. Multi-dwelling-unit improvements containing five or more dwellings that would not be classified as "TVR-STRH" must be classified as "apartment."

4. Real property that serves as the owner's principal residence and has been granted a bed and breakfast home permit, a short-term rental home permit, or operates as a transient vacation rental, must be classified as "commercialized residential" without regard to its highest and best use, and cannot qualify for a home exemption.

5. Real property that is subject to a time share plan as defined in section 514E-1, Hawai'i Revised Statutes, as amended, must be classified as "time share."

6. Unless classified as "time share", "hotel and resort", or "commercialized residential", lodging or dwelling units occupied by transient tenants for periods of less than six consecutive months, including real property that does not serve as the owner's principal residence and has been granted a short-term rental home permit or a conditional permit allowing transient vacation rental use must be classified as "TVR-STRH" without regard to its highest and best use, and cannot qualify for a home exemption.

7. Unless classified as "time share" or "commercialized residential", properties occupied by transient tenants for periods of less than six consecutive months, have eight or more lodging or dwelling units, and employ more than twenty full-time persons, must be classified as "hotel and resort."

8. Dwelling units occupied by long-term tenants for periods of twelve consecutive months or more to the same tenant and have been granted a long-term rental exemption in accordance with sections 3.48.410, 3.48.425, and 3.48.466 must be classified as "long-term rental", unless

the property also qualifies for a home exemption in accordance with section 3.48.450, in which case the property must be classified “owner-occupied.” Dwelling units granted an August 2023 Maui wildfires long-term rental exemption under 3.48.551 for the tax year beginning July 1, 2025, and ending June 30, 2026, must be classified as “long-term rental”, unless the property also qualifies for a home exemption in accordance with section 3.48.450, in which case the property must be classified “owner-occupied.”

9. Dwelling units where a portion is used for transient vacation rental, hotel, commercial, or industrial purposes must not be classified as “long-term rental.” Portions of dwelling units not used for residential use must not be classified as “long-term rental.”

10. Dwelling units that have been granted a healthcare provider rental exemption must be classified as “long-term rental.”

11. Real property in the residential or rural zoning districts that is not improved with a dwelling unit and has no agricultural activity must be classified as “vacant residential” without regard to its highest and best use.

C. Dwelling units in the hotel district must be classified as “TVR-STRH” unless classified as “long-term rental”, “commercialized residential”, “apartment”, or “owner-occupied.”

D. Dwelling units located in the apartment district or in a planned development must be classified as “TVR-STRH” if transient vacation rentals are a permitted use unless classified as “long-term rental”, “commercialized residential”, “apartment”, or “owner-occupied.”

SECTION 3. New material is underscored. In printing this bill, the County Clerk need not include the underscoring.

SECTION 4. This Ordinance takes effect on approval and applies to assessments for tax years beginning on or after July 1, 2026, if property classification is determined as of January 1, 2026.

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INTRODUCED BY:

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

ALICE L. LEE