

June 2, 2026, Committee meeting

BFED-55

BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE
Amendment Summary Form

Legislation: Bill 181 (2025), relating to home and long-term rental real property tax exemptions.

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

Description: The proposed CD1 version would:

1. Update the applicable tax year to July 1, 2027;
2. Increase the home, long-term rental, and combined home and long-term rental exemptions by \$100,000 each; and
3. Apply the wildfire-displacement long-term rental exemption to tax years beginning on or after July 1, 2027.

Motion: I move to replace Bill 181 (2025), with the attached proposed CD1 version.

Effect: See attached marked-up version of Bill 181 (2025), incorporating the above amendments.

Attachment: Proposed CD1 version of Bill 181 (2025).

bfed:ltr:055aasf01:kes

ORDINANCE NO. _____

BILL NO. 181, CD1 (2025)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48, MAUI COUNTY CODE, INCREASING THE AMOUNT OF THE HOME AND LONG-TERM RENTAL EXEMPTIONS FROM REAL PROPERTY TAX

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

SECTION 1. This Ordinance's purpose is to amend Chapter 3.48, Maui County Code, to increase the amount of the home exemption and long-term rental exemptions from real property tax. This Ordinance also updates the combined exemption for properties that qualify for both a home and a long-term rental exemption.

SECTION 2. Section 3.48.450, Maui County Code, is amended by amending Subsection A to read as follows:

“A. Real property owned and occupied only as a principal home, as of the date of assessment, by an individual or individuals, will be exempt only to the following extent from property taxes:

1. For tax year ending June 30, 2023:
 - a. Totally exempt where the value of the property is not in excess of \$200,000; or
 - b. Where the value of the property is in excess of \$200,000, the exemption will be in the amount of \$200,000.
2. For tax years beginning on or after July 1, 2023:
 - a. Totally exempt where the value of the property is not in excess of \$300,000; or
 - b. Where the value of the property is in excess of \$300,000, the exemption will be in the amount of \$300,000.

3. For tax years beginning on or after July 1, 2026

2027:

- a. Totally exempt where the value of the property is not in excess of \$400,000; or
- b. Where the value of the property is in excess of \$400,000, the exemption will be in the amount of \$400,000.”

SECTION 3. Section 3.48.466, Maui County Code, is amended by amending Subsection A to read as follows:

“A. Dwelling units occupied as a long-term rental and under a signed contract to lease for twelve12 consecutive months or more to the same tenant, as of the date of assessment, by a natural person with no other place of residence, will be exempt only to the following extent from property taxes:

- 1. For tax years beginning on or after July 1, 2022:
 - a. Totally exempt where the value of the property is not in excess of \$200,000; or
 - b. Where the value of the property is in excess of \$200,000, the exemption will be in the amount of \$200,000.
- 2. For tax years beginning on or after July 1, 2026
2027:
 - a. Totally exempt where the value of the property is not in excess of \$300,000; or
 - b. Where the value of the property is in excess of \$300,000, the exemption will be in the amount of \$300,000.”

SECTION 4. Section 3.48.466, Maui County Code, is amended by amending Subsection B to read as follows:

“B. Real property occupied as a long-term rental and under a signed contract to lease for six or more but less than twelve12 consecutive months to the same tenant, as of January 31, 2024, or January 1, 2025, by an individual who was directly displaced by the August 2023 Maui wildfires, will be exempt to the following extent from property taxes in the subsequent tax year:

- 1. For tax years beginning on July 1, 2024, and July 1, 2025:
 - a. Totally exempt if the value of the property is not in excess of \$300,000; or
 - b. If the value of the property is in excess of \$300,000, the exemption will be in the amount of \$300,000.

2. For tax years beginning on July 1, 2026 2027:
 - a. Totally exempt if the value of the property is not in excess of \$300,000; or
 - b. If the value of the property is in excess of \$300,000, the exemption will be in the amount of \$300,000.”

SECTION 5. Section 3.48.466, Maui County Code, is amended by amending Subsection C to read as follows:

“C. The provisions of subsection A are subject to the following conditions:

1. Long-term rental exemptions may be allowed on more than one home for any one taxpayer if the homes are located on different parcels.

2. If the property where a homeowner resides qualifies for a home exemption under section 3.48.450, and a long-term rental exemption[, for tax years beginning on or after July 1, 2023]:

- a. For tax years beginning on or after July 1, 2023:

- [a] i. The property is totally exempt if the value of the property is not in excess of \$400,000; or

- [b] ii. If the value of the property is in excess of \$400,000, the exemption will be in the amount of the home exemption amount provided under Section 3.48.450, plus an additional \$100,000.

- b. For tax years beginning on or after July 1, 2026 2027:

- i. The property is totally exempt if the value of the property is not in excess of \$500,000; or

- ii. If the value of the property is in excess of \$~~400,000~~ 500,000, the exemption will be in the amount of the home exemption amount provided under Section 3.48.450, plus an additional \$100,000.

3. If a portion of the structure is used for commercial purposes, that portion of the structure will not be entitled to an exemption.

4. The exemption will not be allowed for any real property that is classified as “commercialized residential” or as a “TVR-STRH.”

5. If the term of the lease is greater than one year, one year of exemption will be granted. After the initial year of the exemption, no exemption will be allowed unless the lease terminates after September 30 of any later assessment year.

6. If the long-term rental lease is granted to any of the following lessees, the exemption must not be allowed:

a. A natural person who has an ownership interest in the property including natural persons who are considered as owners under section 3.48.150.

b. An officer or member of a corporation that has an ownership interest in the property.

c. A partner in a partnership that has an ownership interest in the property.

d. A business, corporation, partnership, or any entity other than a natural person.

7. If the tenant of the long-term lease maintains a permanent place of abode in addition to the dwelling unit, the exemption must not be allowed.”

SECTION 6. 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 7. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND LEGALITY:

Kristie M. Wigglesworth
Deputy Corporation Counsel

Department of the Corporation Counsel
County of Maui

[bfed:ltr:055aasf01_Attachment01](#)

INTRODUCED BY:

YUKI LEI K. SUGIMURA

ORDINANCE NO. _____

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1. For tax year ending June 30, 2023:
 - a. Totally exempt where the value of the property is not in excess of \$200,000; or
 - b. Where the value of the property is in excess of \$200,000, the exemption will be in the amount of \$200,000.
2. For tax years beginning on or after July 1, 2023:
 - a. Totally exempt where the value of the property is not in excess of \$300,000; or
 - b. Where the value of the property is in excess of \$300,000, the exemption will be in the amount of \$300,000.
3. For tax years beginning on or after July 1, 2026:
 - a. Totally exempt where the value of the property is not in excess of \$400,000; or

b. Where the value of the property is in excess of \$400,000, the exemption will be in the amount of \$400,000.

SECTION 3. Section 3.48.466, Maui County Code, is amended by amending Subsection A to read as follows:

“A. Dwelling units occupied as a long-term rental and under a signed contract to lease for [twelve] 12 consecutive months or more to the same tenant, as of the date of assessment, by a natural person with no other place of residence, will be exempt only to the following extent from property taxes:

1. For tax years beginning on or after July 1, 2022:
 - a. Totally exempt where the value of the property is not in excess of \$200,000; or
 - b. Where the value of the property is in excess of \$200,000, the exemption will be in the amount of \$200,000.
2. For tax years beginning on or after July 1, 2026:
 - a. Totally exempt where the value of the property is not in excess of \$300,000; or
 - b. Where the value of the property is in excess of \$300,000, the exemption will be in the amount of \$300,000.

SECTION 4. Section 3.48.466, Maui County Code, is amended by amending Subsection B to read as follows:

“B. Real property occupied as a long-term rental and under a signed contract to lease for six or more but less than [twelve] 12 consecutive months to the same tenant, as of January 31, 2024, or January 1, 2025, by an individual who was directly displaced by the August 2023 Maui wildfires, will be exempt to the following extent from property taxes in the subsequent tax year:

1. For tax years beginning on July 1, 2024, and July 1, 2025:
 - a. Totally exempt if the value of the property is not in excess of \$300,000; or
 - b. If the value of the property is in excess of \$300,000, the exemption will be in the amount of \$300,000.
2. For tax years beginning on July 1, 2026:
 - a. Totally exempt if the value of the property is not in excess of \$300,000; or

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SECTION 5. Section 3.48.466, Maui County Code, is amended by amending Subsection C to read as follows:

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2. If the property where a homeowner resides qualifies for a home exemption under section 3.48.450, and a long-term rental exemption[, for tax years beginning on or after July 1, 2023]:

a. For tax years beginning on or after July 1, 2023:

[a] i. The property is totally exempt if the value of the property is not in excess of \$400,000; or

[b] ii. If the value of the property is in excess of \$400,000, the exemption will be in the amount of the home exemption amount provided under Section 3.48.450, plus an additional \$100,000.

b. For tax years beginning on or after July 1, 2026:

i. The property is totally exempt if the value of the property is not in excess of \$500,000; or

ii. If the value of the property is in excess of \$500,000, the exemption will be in the amount of the home exemption amount provided under Section 3.48.450, plus an additional \$100,000.

3. If a portion of the structure is used for commercial purposes, that portion of the structure will not be entitled to an exemption.

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the exemption, no exemption will be allowed unless the lease terminates after September 30 of any later assessment year.

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a. A natural person who has an ownership interest in the property including natural persons who are considered as owners under section 3.48.150.

b. An officer or member of a corporation that has an ownership interest in the property.

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d. A business, corporation, partnership, or any entity other than a natural person.

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APPROVED AS TO FORM AND LEGALITY:



Kristie M. Wigglesworth
Department of the Corporation Counsel

County of Maui
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INTRODUCED BY:

Yuki Lei K. Sugimura

YUKI LEI K. SUGIMURA