

Response: In answering this question, it is assumed that mid-year exemption changes does not mean a cycle 2 exemption. The Department of Finance ("Department") can manually implement a cycle 2 half year exemption program like the County of Hawaii.

The Department is unaware of any systems that would accommodate a daily recalculation of exemptions, tax rates and billing. Current code language is based upon a January 1 assessment, April 19 certification, July 1 lien date and a two-cycle tax billing. As far as we know, this is a typical real property tax administration structure. Administratively, ownership is updated when the Real Property Assessment Division ("RPAD") receives notice of a conveyance which is typically four to eight weeks after recordation. The exception is the period between January 1 and April 1 where ownership updates cease for annual assessment notices and certification. This process would have to be addressed administratively given any code and software changes resulting in daily exemptions, tax rates and billing. The current software is programmed to implement the Maui County Code and considers administrative realities such as ownership update timing and delinquencies. The assessment and collection software is shared with the three other counties which have similar legal, taxation, exemption, audit, administration and accounting structures. If the County of Maui were to change the method of real property taxation to be based on date of sale, as opposed to January 1, the reprogramming would be County of Maui specific.

- b. Estimated one-time costs to acquire and implement the system and any required modules;*

Response: At this time, associated costs are unknown. The Department is unaware of any real property tax programs with this structure. Appraisals, assessments, lien dates, and billing due dates are typically statute specific ensuring uniformity and a predictable, stable local tax base.

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- c. Estimated ongoing costs to operate and maintain the system; and

Response: Costs would be determined after procurement.

- d. The number of additional full-time staff the Department would need to implement and sustain mid-year exemption and classification adjustments.

Response: The RPAD has stated that they can implement a mid-year cycle 2 exemption calculation like the County of Hawaii currently has in place. If a daily exemption, tax rate, and billing is desired, staffing resources will be determined once the Maui County Code has been updated and a program plan has been developed.

Should you have any questions, please feel free to contact me or Deputy Director Maria Zielinski at extension 7722.

Sincerely,



MARCY MARTIN
Director of Finance