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COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

May 9, 2025

Director of Council Services
David M. Raatz, Jr., Esq.
Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

RECEIVED
2025 MAY -9 AM 8:58
OFFICE OF THE
COUNTY CLERK

Ms. Moana M. Lutey, County Clerk
Office of the County Clerk
County of Maui
Wailuku, Hawaii 96793

Dear Ms. Lutey:

SUBJECT: **AMENDMENT TO BILL 41, CD1 (2025)** (PAF 25-125)

I am placing the attached proposed amendment to Bill 41, CD1 (2025) entitled "A BILL FOR AN ORDINANCE RELATING TO THE OPERATING BUDGET FOR THE COUNTY OF MAUI FOR THE FISCAL YEAR JULY 1, 2025, TO JUNE 30, 2026," on the next Council meeting agenda.

Sincerely,

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

ALICE L. LEE
Council Chair

paf:kes:25-125b

Attachment

COUNTY COMMUNICATION NO. 25-8

**MAUI COUNTY COUNCIL
Amendment Summary Form**

Legislation: Bill 41, CD1 (2025), entitled "A BILL FOR AN ORDINANCE RELATING TO THE OPERATING BUDGET FOR THE COUNTY OF MAUI FOR THE FISCAL YEAR JULY 1, 2025, TO JUNE 30, 2026."

Proposer: Council Chair Alice L. Lee

Description: This proposal reverts the Real Property Tax rates for properties classified as Hotel and Resort, Time Share, TVR-STRH, and Long-Term Rental back to the Mayor's proposed rates, resulting in a reduction of \$14,531,563 in Real Property Tax revenue. This proposal includes adjustments to appropriations to account for the reduced revenue.

Motions:

1. First, move to change Real Property Tax rates for the listed classifications per \$1,000 of net taxable assessed valuation on page 12 of Appendix B as follows:
 - a. Hotel and Resort - \$11.75;
 - b. Time Share - \$14.60;
 - c. TVR-STRH, more than \$3,000,000 - \$15.00;
 - d. Long-Term Rental, up to \$1,300,000 - \$3.00; and
 - e. Long-Term Rental, more than \$3,000,000 - \$8.00
2. Second, move to reduce Estimated Revenues from Real Property Taxes by \$14,531,563.
3. Third, move to amend Section 3 for a total reduction of \$14,531,563, as follows:
 - a. For Department of Environmental Management, Administration Program – General Fund, reduce Category B – Operations & Equipment by \$500,000, and reduce the conditioned amount in condition (2) by \$500,000.

- b. Under Countywide Costs, reduce Fringe Benefits by \$5,000,000, Insurance Programs and Self Insurance by \$1,000,000, and Post-Employment Obligations by \$3,000,000;
- c. Under Department of Housing, Housing Program, reduce Transfer to Experimental and Demonstration Housing Projects Fund by \$2,531,563, and amend Appendix A, Part II accordingly;
- d. Under Department of Human Concerns, Human Concerns Program, reduce) Maui United Way Countywide ALICE Initiative: Kama'āina Credit by \$2,000,000; and
- e. For Department of Management, Office of Recovery, General, reduce Category B – Operations & Equipment by \$500,000, and reduce the conditioned amount in condition (x) by \$500,000.

Attachments: Marked-up copies of relevant pages of Bill 41, CD1 (2025), proposed FD1 version.

paf:kes:25-125a

ORDINANCE NO. _____

BILL NO. ~~41~~, ~~CD1~~, ~~FD1~~ (2025)

A BILL FOR AN ORDINANCE RELATING TO THE
OPERATING BUDGET FOR THE COUNTY OF MAUI
FOR THE FISCAL YEAR JULY 1, 2025, TO JUNE 30, 2026

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

SECTION 1. This Ordinance may be referred to as the "Fiscal Year 2026 Budget."

SECTION 2. The several amounts listed below are declared to be estimated revenues of the County of Maui for the Fiscal Year July 1, 2025, through June 30, 2026, and are appropriated to the functions, programs, funds, departments, and agencies for the purposes set forth in Sections 3 and 4.

ESTIMATED REVENUES

FROM TAXES, FEES, AND ASSESSMENTS:

Real Property Taxes	670,035,272
	655,503,709
Circuit Breaker Adjustment	(385,718)
Transient Accommodations Tax	65,000,000
General Excise Tax	70,000,000
Charges for Current Services	187,942,380
Public Service Company Tax	8,000,000
Licenses/Permits/Others	75,038,402
Fuel and Franchise Taxes	25,500,000
Special Assessments	17,300,000
Other Intergovernmental	14,950,000

FROM OTHER SOURCES:

Interfund Transfers	109,957,385
Bond/Lapsed Bond	142,114,145
Carryover/Savings:	
General Fund	137,640,156
Sewer Fund	10,239,592
Highway Fund	11,217,761
Solid Waste Management Fund	3,867,796
Environmental Protection and Sustainability Fund	984,524
Liquor Fund	816,172
Water Fund	17,480,318

TOTAL ESTIMATED REVENUES

~~1,567,698,185~~
1,553,166,622

<u>FUNCTION AND PROGRAMS</u>	<u>A - Salaries</u>	<u>B – Operations & Equipment</u>	<u>Total</u>
4. Emergency Management Agency			
a. Emergency Management Program			
(1) Disbursement for salaries and premium pay is limited to 25.0 equivalent personnel.	1,925,990	2,119,169	4,045,159
(2) Grant to American Red Cross	0	55,000	55,000
(3) Grant to Volunteer Organization Active in Disaster	0	10,000	10,000
(4) Grant to Maui Search and Rescue	0	10,000	10,000
(5) Grant to Civil Air Patrol, Maui County Composite Squadron	0	10,000	10,000
5. Department of Environmental Management			
a. Administration Program – General Fund	725,114	1,380,378 880,378	2,105,492 1,605,492
(1) Disbursement for salaries and premium pay is limited to 8.0 equivalent personnel.			
(2) Up to \$1,250,000 \$750,000 must be for Ma'alaea Village Association for design work and site preparation related to the construction and operation of the Ma'alaea Regional Wastewater Reclamation System.			
b. Wastewater Administration Program – Sewer Fund			
(1) General	2,770,522	1,845,749	4,616,271
(i) Disbursement for salaries and premium pay is limited to 25.0 equivalent personnel.			
(2) Contribution to General Fund – Employees' Retirement System (ERS) and Federal Insurance Contributions Act (FICA)	0	3,247,771	3,247,771
(3) Contribution to General Fund – Hawaii Employer-Union Health Benefits Trust Fund (EUTF)	0	1,212,912	1,212,912
(4) Contribution to General Fund - Other Post-Employment Benefits (OPEB)	0	3,111,293	3,111,293
(5) Debt Service	0	14,966,243	14,966,243

<u>FUNCTION AND PROGRAMS</u>	<u>A - Salaries</u>	<u>B – Operations & Equipment</u>	<u>Total</u>
(18) Contribution to General Fund - Other Post-Employment Benefits (OPEB)	0	176,443	176,443
(19) Administrative Overhead Charge	0	370,780	370,780
6. Department of Finance			
a. Administration Program	1,594,067	1,806,512	3,400,579
(1) Disbursement for salaries and premium pay is limited to 23.0 equivalent personnel.			
b. Accounts Program	1,623,006	212,515	1,835,521
(1) Disbursement for salaries and premium pay is limited to 23.0 equivalent personnel.			
c. Real Property Assessment Program	2,653,682	896,486	3,550,168
(1) Disbursement for salaries and premium pay is limited to 44.0 equivalent personnel.			
d. Motor Vehicle and Licensing Program	3,141,936	2,010,832	5,152,768
(1) Disbursement for salaries and premium pay is limited to 62.7 equivalent personnel.			
e. Purchasing Program	449,172	83,710	532,882
(1) Disbursement for salaries and premium pay is limited to 7.0 equivalent personnel.			
f. Treasury Program	1,093,596	901,752	1,995,348
(1) Disbursement for salaries and premium pay is limited to 18.0 equivalent personnel.			
g. Countywide Costs			
(1) Fringe Benefits	0	187,640,474 182,640,474	187,640,474 182,640,474
(2) Fringe Benefits Reimbursement	0	(37,326,812)	(37,326,812)
(3) Bond Issuance and Debt Service	0	76,986,225	76,986,225
(i) Appropriations for debt service cannot be construed as Council ratification of contracts and leases not previously approved by the Council.			

<u>FUNCTION AND PROGRAMS</u>	<u>A - Salaries</u>	<u>B – Operations & Equipment</u>	<u>Total</u>
(4) Supplemental Transfer to the Environmental Protection and Sustainability Fund	0	15,688,848	15,688,848
(5) Supplemental Transfer to the Highway Fund	0	33,826,551	33,826,551
(6) Supplemental Transfer to the Solid Waste Management Fund	0	14,214,183	14,214,183
(7) Insurance Programs and Self Insurance	0	21,600,000 20,600,000	21,600,000 20,600,000
(8) Transfer to the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund	0	6,696,496	6,696,496
(9) Transfer to the Affordable Housing Fund	0	46,959,284	46,959,284
(10) General Costs	0	2,047,272	2,047,272
(11) Overhead Reimbursement	0	(27,230,055)	(27,230,055)
(12) Transfer to the Emergency Fund	0	21,802,054	21,802,054
(13) One Main Plaza Lease	0	560,000	560,000
(14) Transfer to the General Excise Tax Fund	0	60,530,047	60,530,047
(15) Transfer to the General Excise Tax Fund - Department of Hawaiian Home Lands	0	15,132,512	15,132,512
(16) Post-Employment Obligations	0	5,368,201 2,368,201	5,368,201 2,368,201
(17) Transfer to the Managed Retreat Revolving Fund	0	2,578,827	2,578,827
7. Department of Fire and Public Safety			
a. Administration Program	2,463,519	1,589,244	4,052,763
(1) Disbursement for salaries and premium pay is limited to 25.0 equivalent personnel.			
b. Training Program	1,712,832	1,487,623	3,200,455
(1) Disbursement for salaries and premium pay is limited to 17.0 equivalent personnel.			

<u>FUNCTION AND PROGRAMS</u>	<u>A - Salaries</u>	<u>B – Operations & Equipment</u>	<u>Total</u>
c. Fire/Rescue Operations Program	37,688,185	13,307,574	50,995,759
(1) Disbursement for salaries and premium pay is limited to 325.0 equivalent personnel.			
d. Fire Prevention Program	1,779,184	374,303	2,153,487
(1) Disbursement for salaries and premium pay is limited to 16.0 equivalent personnel.			
(2) Up to \$250,000 must be transferred to the Fire Hazard Removal Revolving Fund			
e. Ocean Safety Program	6,359,827	821,167	7,180,994
(1) Disbursement for salaries and premium pay is limited to 87.0 equivalent personnel.			
8. Department of Housing			
a. Housing Program			
(1) General	1,860,485	1,360,550	3,221,035
(i) Disbursement for salaries and premium pay is limited to 23.0 equivalent personnel.			
(2) Transfer to the Homeowner Programs Revolving Fund	0	3,000,000	3,000,000
(3) Transfer to the Experimental and Demonstration Housing Projects Fund	0	3,750,000 1,218,437	3,750,000 1,218,437
(4) Grants and disbursements for affordable rental housing programs	0	4,350,000	4,350,000
(i) Up to \$1,350,000 must be for Maui Economic Opportunity, Inc., to address the waitlist of applicants needing rental assistance			
(5) Emergency Transitional Housing	0	250,000	250,000
(i) Up to \$250,000 must be for Maui Grassroots Collective, Inc. on behalf of Maui Rapid Response for the purchase of tax map key (2) 3-8-002:172.			
(6) Grant to Hale Mahaolu for homeowners & housing counseling program	0	190,000	190,000

<u>FUNCTION AND PROGRAMS</u>	<u>A - Salaries</u>	<u>B – Operations & Equipment</u>	<u>Total</u>
(xiii) Project Graduation	0	47,741	47,741
(a) No more than \$5,300 may be granted to each school that applies. At least 50 percent of each school's grant must subsidize graduates' participation based on economic need.			
(xiv) Youth Programs	0	94,600	94,600
(7) Grants and disbursements for grants administration			
(i) Lokahi Pacific	0	100,000	100,000
(8) Maui United Way Countywide ALICE Initiative: Kama'āina Credit	0	12,000,000 10,000,000	12,000,000 10,000,000
10. Department of Liquor Control - Liquor Fund			
a. Liquor Control Program	1,914,087	974,662	2,888,749
(1) Disbursement for salaries and premium pay is limited to 27.0 equivalent personnel.			
b. Administrative Overhead Charge	0	1,339,861	1,339,861
11. Department of Management			
a. Management Program	1,808,778	4,665,960	6,474,738
(1) Disbursement for salaries and premium pay is limited to 17.0 equivalent personnel.			
(2) Up to \$100,000 must be for Royal Order of Kamehameha I, Kahekili Chapter for roof repairs.			
(3) Up to \$250,000 must be for a Request for Proposals for a third-party project labor administrator.			
(4) Up to \$300,000 must be for a comprehensive classification and compensation study for all bargaining units, starting with Bargaining Units 3, 4, and 13.			
b. Information Technology Services (ITS) Program	5,838,192	22,770,000	28,608,192
(1) Disbursement for salaries and premium pay is limited to 67.0 equivalent personnel.			

<u>FUNCTION AND PROGRAMS</u>	<u>A - Salaries</u>	<u>B – Operations & Equipment</u>	<u>Total</u>
c. Office of Recovery Program			
(1) General	1,380,547	52,474,850	53,855,397
(i) Disbursement for salaries and premium pay is limited to 15.0 equivalent personnel.		51,974,850	53,355,397
(ii) Up to \$1,800,000 must be for The Lahaina Restoration Foundation for historical property restoration, including the Old Lahaina Courthouse, the Old Lahaina Prison, and Waiola Church.			
(iii) Up to \$500,000 must be for Ke Ola Hou - The Lahaina Resiliency Center for health, education, and human services to wildfire survivors.			
(iv) Up to \$250,000 must be for LahainaTown Action Committee for incubation of displaced businesses.			
(v) Up to \$700,000 must be for Council for Native Hawaiian Advancement for workforce development and resiliency hub operations.			
(vi) Up to \$7,500,000 must be for Hawaii Community Lending, Inc.			
(vii) Up to \$1,000,000 must be for assistance with land acquisition in West Maui			
(viii) Up to \$120,000 must be for Na Kia'i O Maui a property lease with The Harry and Jeanette Weinberg Foundation Incorporated for the Lahaina Resource and Recovery Center for August 2023 Maui Wildfires survivors.			
(ix) Up to \$200,000 must be for Maui Economic Opportunity Inc. to support the facilitation, coordination, and implementation of projects within the Economic Recovery Commission program.			
(x) Up to \$2,753,000 \$2,253,000 must be for wildfire-related expenditures.			
(2) Grant to Ho'ōla iā Mauiakama Disaster Long Term Recovery Group	0	500,000	500,000
d. Board of Ethics Program	117,344	140,700	258,044
(1) Disbursement for salaries and premium pay is limited to 3.0 equivalent personnel.			

**II. SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS
FOR FISCAL YEAR 2026**

	ESTIMATED BALANCE AS OF 6/30/2025	ANTICIPATED REVENUES FOR FY 2026	TOTAL FOR FY 2026
(3) Up to \$250,000 must be for Moku'ula and Mokuhinia Story Boards.			
T. Maui Interscholastic League Fees Fund (Chapter 3.39, Maui County Code)	118,213	16,280	134,493
(1) Up to \$30,000 must be used for Maui Interscholastic League travel to neighbor island special events or tournaments.			
U. County Parks Special Revolving Fund (Section 13.04A.460, Maui County Code)	0	0	0
V. Special Management Area Revolving Fund (Chapter 3.49, Maui County Code)	1,449,613	134,507	1,584,120
(1) Up to \$100,000 must be for coastal erosion at Mā'alaea including a feasibility study and design for Kanaio Stream restoration.			
(2) Up to \$250,000 must be for Maui Island Special Management Area Boundary Assessment.			
(3) Up to \$700,000 for Maui Nui Resiliency Hui for the Kapū'ali restoration and beautification project. Maui Nui Resiliency Hui must obtain a Right of Entry for County property.			
W. Experimental and Demonstration Housing Projects Fund (Chapter 16.28, Maui County Code)	1,000,000	3,750,000 1,218,437	4,750,000 2,218,437
X. Vehicle Disposal Fee Fund (Chapter 3.27, Maui County Code)	14,542,672	3,131,613	17,674,285
(1) Disbursement for salaries and premium pay is limited to \$239,964 and 4.5 equivalent personnel for the Environmental Protection and Sustainability Program.			

COUNTY OF MAUI
REVENUES - FEES, RATES, ASSESSMENTS AND TAXES

ACCOUNT	REVENUE SOURCE	FEE, RATE, ASSESSMENT OR TAX	HRS	COUNTY CODE	ORDINANCE
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**DEPARTMENT OF FINANCE
GENERAL FUND**

3101 Real Property Tax Tax rates per \$1,000 of net taxable assessed valuation for each class of property. Assessed gross valuation base of taxable properties is 100% of appraised fair market value which is estimated at \$83,728,058,230 for the fiscal year July 1, 2025 to June 30, 2026. Chapter 3.48

Classification	Tax Levy by Classification	
	Net Valuation for Tax Rate Purposes*	Tax Rate
Owner-Occupied		
<=\$1,300,000	20,009,702,320	1.65
\$1,300,001-\$4,500,000	2,841,105,230	1.80
> \$4,500,000	567,304,990	5.75
Non-Owner-Occupied		
<= \$1,000,000	10,427,557,420	5.87
\$1,000,001 - \$3,000,000	5,362,172,290	8.60
> \$3,000,000	3,920,253,720	17.00
Apartment	720,171,325	3.50
Hotel and Resort	4,631,269,245	12.00 11.75
Time Share	4,202,362,000	16.60 14.60
TVR-STRH		
<= \$1,000,000	11,028,444,360	12.50
\$1,000,001 - \$3,000,000	5,438,541,840	13.50
> \$3,000,000	3,258,290,865	16.50 15.00
Long-Term Rental		
<=\$1,300,000	3,055,163,105	2.95 3.00
\$1,300,001 - \$3,000,000	315,363,390	5.00
> \$3,000,000	117,171,750	10.00 8.00
Agricultural	2,025,402,205	5.74
Conservation	343,329,550	6.43
Commercial	2,722,903,800	6.05
Industrial	2,425,696,900	7.05
Commercialized Residential		
<= \$1,000,000	143,834,100	2.00
\$1,000,001 - \$3,000,000	127,201,700	3.00
> \$3,000,000	44,816,125	10.00
	<u>\$83,728,058,230</u>	

*Calculations rounded to the nearest dollar.

There is a minimum real property tax of \$300 per year except for tracts leased under Section 207 of the Hawaiian Homes Commission Act, those portions of real property designated as kuleana land and granted an exemption pursuant to MCC 3.48.554, MCC 3.48.475, and any parcel used for farming taro where the assessed value times the current Agricultural rate is less than the minimum real property tax. Homes or portions thereof granted an exemption under MCC 3.48.475 are to be levied a real property tax of \$150 per year. Remnant parcels granted an exemption under MCC 3.48.552 are to be levied a real property tax of \$150 per year.

Real property that was completely destroyed by the August 2023 Maui wildfires, as determined by the director of finance, is exempt from real property taxes, including the minimum real property tax, through June 30, 2026. Real property located in a red or yellow reentry zone in Lahaina, or for which access was restricted to certain hours by the government, is exempt from real property taxes, including the minimum real property tax, for the period July 1, 2024 through June 30, 2026. 3.48.230 5727

Exemptions in effect for tax year 2024, where improvements were destroyed, damaged, or made inaccessible by the August 2023 Maui wildfires, must remain in effect through December 31, 2026, under specified circumstances. 3.48.415 5728