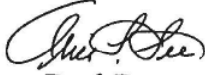


September 10, 2025

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MEMO TO: RPTR-2 File

F R O M: Alice L. Lee, Chair   
Special Committee on Real Property Tax Reform

SUBJECT: **TRANSMITTAL OF INFORMATIONAL DOCUMENT RELATING TO  
BILL 110 (2025), ON REAL PROPERTY DEDICATED AS 'ĀINA  
KŪPUNA** (RPTR-2)

The attached informational document pertains to Item 2 on the Special Committee's agenda.

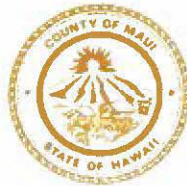
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Attachment

**RICHARD T. BISSEN, JR.**  
Mayor

**MARCY MARTIN**  
Director

**MARIA E. ZIELINSKI**  
Deputy Director

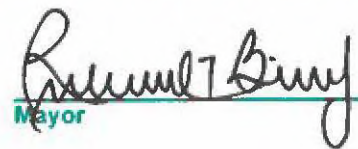


**DEPARTMENT OF FINANCE**  
**COUNTY OF MAUI**  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.mauicounty.gov](http://www.mauicounty.gov)

August 4, 2025

Honorable Richard T. Bissen, Jr.  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

**APPROVED FOR TRANSMITTAL**

 8-6-25  
Mayor Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair  
Budget, Finance, and Economic Development Committee  
200 South High Street  
Wailuku, Hawaii 96793

Dear Chair Sugimura:

**SUBJECT: A BILL FOR AN ORDINANCE TO AMEND SECTION 3.48,  
MAUI COUNTY CODE, RELATING TO REAL PROPERTY  
DEDICATED AS 'ĀINA KŪPUNA (BFED-21(28))**

In response to your November 18, 2024 request regarding real property tax exemptions, the Department of Finance is transmitting a proposed bill entitled, "A BILL FOR AN ORDINANCE TO AMEND SECTION 3.48.61, MAUI COUNTY CODE, RELATING TO REAL PROPERTY DEDICATED AS 'ĀINA KŪPUNA."

The purpose of the proposed bill is to amend Maui County Code (MCC) Section 3.48.361 to limit new applicant to those who would qualify as of January 1, 2026 perpetually.

There are about 33 parcels receiving the Aina Kupuna dedication for Fiscal Year 2025-26. The dedication is providing an estimated \$967,373 in tax relief. This bill will sustain the program by stabilizing future costs.

*Honorable Yuki Lei K. Sugimura, Chair*

*August 4, 2025*

*Page 2*

Thank you for your attention to this matter. Should you have any questions, please feel free to contact me or Deputy Director Maria Zielinski at extension 7722.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Marcy Martin', with a stylized flourish extending to the right.

MARCY MARTIN  
Director of Finance

Attachments

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2025)

A BILL FOR AN ORDINANCE AMENDING SECTION 3.48.361, MAUI COUNTY CODE, RELATING TO REAL PROPERTY DEDICATED AS 'ĀINA KŪPUNA

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

SECTION 1. The tax relief from Maui County Code Section 3.48.361-Real property dedicated as 'āina kūpuna, is substantial. The program, as written, cannot continue indefinitely as it will significantly reduce real property revenue as more properties qualify. The current program has been successful in providing relief to long time shoreline area property owners, and the goal is to continue the program at the current level. This Ordinance's purpose is to limit new applicants to those who would qualify as of January 1, 2026, perpetually. The qualifying properties will have been owned in whole, or in part, in fee simple by one or more descendants of the owners who owned the property on, or before, December 31, 1945, which is the year World War II ended. Consumer, population, and economic growth occurred post-World War II, thus additional tax relief for ownership acquired after that date is not warranted.

SECTION 2. Section 3.48.361, Maui County Code, is amended by amending subsection A to read as follows:

"A. For use in this section, the following definitions apply:  
[1.] "Agriculture" means the production of plant and animal life for food and fiber, and for raw materials for processed products, and includes the following along with their accompanying services and facilities: fruit, vegetable, and flower growing; forestry; aquaculture; beekeeping; and grazing and dairying.

[2.] "Āina kūpuna" means real property owned in whole or in part in fee simple by one or more descendants of the person who owned the property at least [eighty] 80 years prior to [the application.] January 1, 2026.

[3.] "Commercial purpose" means the production, processing, manufacturing, warehousing, distribution, or sale of goods, or the operation of transient vacation rentals, short term rental homes, and bed and breakfast homes. Commercial purposes do not include:

[a.] 1. Agriculture.

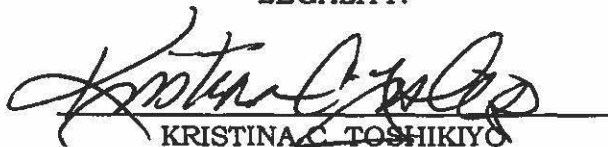
[b.] 2. Real property that does not serve as the owner's principal residence and was granted, prior to May 23, 2012, a conditional permit for transient vacation rental use in accordance with the comprehensive zoning ordinance and was classified as "commercialized residential" prior to May 23, 2012.

[4.] "Descendant" has the same meaning as defined in section 560:1.201, Hawai'i Revised Statutes. A descendant may own the property as an individual or with other individuals, or a descendant's beneficial ownership interest may be represented by one or more trustees. Ownership of the property may also be held by a corporation, limited liability company, or similar entity, as long as the descendant's ownership interest in the entity is greater than [fifty] 50 percent and the entity is not a corporation where the stock is sold to or owned by the general public."

SECTION 3. 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 4. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND  
LEGALITY:



KRISTINA C. TOSHIKIYO  
Department of the Corporation Counsel  
County of Maui  
LP 2025-0401