

REQUEST FOR LEGAL SERVICES

Date: February 25, 2026
From: Alice L. Lee, Chair
Special Committee on Real Property Tax Reform

TRANSMITTAL

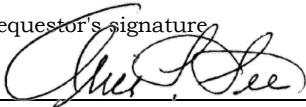
Memo to: DEPARTMENT OF THE CORPORATION COUNSEL
Attention: Kristie M. Wigglesworth, Esq.

Subject: BILL 37 (2026), TO ESTABLISH A REAL PROPERTY TAX EXEMPTION FOR RESIDENTIAL WORKFORCE HOUSING UNIT DEVELOPMENTS INTENDED FOR HOME OWNERSHIP (RPTR-18)

Background Data: Please see Bill 37, CD1 (2026), attached. Please submit your response to rpitr.committee@mauicounty.us, referencing RPTR-18.

Work Requested: ☒ FOR APPROVAL AS TO FORM AND LEGALITY

☐ OTHER:

Requestor's signature  Alice L. Lee, Chair	Contact Person <u>Peter Hanano</u> (Telephone Extension: 8007)
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☐ ROUTINE (WITHIN 15 WORKING DAYS) ☐ RUSH (WITHIN 5 WORKING DAYS)
☐ PRIORITY (WITHIN 10 WORKING DAYS) ☐ URGENT (WITHIN 3 WORKING DAYS)

☒ SPECIFY DUE DATE (IF IMPOSED BY SPECIFIC CIRCUMSTANCES): March 2, 2026

REASON: For consideration at the March 3, 2026, RPTR Committee meeting.

FOR CORPORATION COUNSEL'S RESPONSE

ASSIGNED TO:	ASSIGNMENT NO.	BY:
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TO REQUESTOR: ☐ APPROVED ☐ DISAPPROVED ☐ OTHER (SEE COMMENTS BELOW)
☐ RETURNING--PLEASE EXPAND AND PROVIDE DETAILS REGARDING ITEMS AS NOTED

COMMENTS (NOTE - THIS SECTION NOT TO BE USED FOR LEGAL ADVICE):

DEPARTMENT OF THE CORPORATION COUNSEL

Date _____

By _____

(Rev. 7/03)

rpitr:ltr:018acc01:pah

Attachment

ORDINANCE NO. _____

BILL NO. **37, CD1** (2026)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48, MAUI COUNTY CODE, TO ESTABLISH A REAL PROPERTY TAX EXEMPTION FOR RESIDENTIAL WORKFORCE HOUSING UNIT DEVELOPMENTS INTENDED FOR HOME OWNERSHIP

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

SECTION 1. The Council finds that residential workforce housing units intended for home ownership help address the County's housing needs by increasing the supply of attainable for-sale homes. The Residential Workforce Housing Policy uses recorded and enforceable restrictions to limit sale, occupancy, and resale so that units remain attainable to qualified purchasers. Those restrictions create long-term limits on market value and revenue that differ from unrestricted residential development.

This Ordinance's purpose is to create a Real Property Tax exemption for developers of qualified residential workforce housing developments.

SECTION 2. Chapter 3.48, Maui County Code, is amended by adding a new section in Article IX, "Exemptions," to read as follows:

"3.48.497 Ownership residential workforce housing unit development exemption. A. As used in this section, unless the context requires otherwise:

1. "Residential workforce housing unit" has the same meaning as in chapter 2.96.

2. "Ownership residential workforce housing unit development" means real property that includes one or more residential workforce housing units that are:

a. Intended for sale; and

b. Subject to an enforceable federal, state, or county regulatory agreement, restrictive covenant, or

other recorded restriction that limits sale, occupancy, and resale in a manner consistent with chapter 2.96.

B. The owner of an ownership residential workforce housing unit development may apply to the director for an exemption under this section. The director must prescribe the application form and required supporting documents, including evidence of the recorded restriction and any certifications required under chapter 2.96.

C. An ownership residential workforce housing unit development is exempt from taxation under this chapter. The exemption applies only to the portion of the master parcel and improvements attributable to residential workforce housing units that are subject to the recorded restriction. Real property attributable to market-rate units, commercial space, or other nonqualifying uses does not qualify. For a development that includes both qualifying and nonqualifying units, the exemption applies on a proportional basis.

D. Despite any provision in this chapter to the contrary, to receive the exemption for a tax year that begins on July 1, the owner must apply by December 31 preceding that tax year. If the application is approved, the exemption applies beginning with that tax year and continues for as long as:

1. The owner remains the owner of record of the master parcel; and

2. The requirements of this section continue to be met.

An application filed after December 31 will be considered for the next tax year.

E. An exemption under this section applies only while the real property remains subject to the recorded restriction. The owner must notify the director in writing within 30 days of any change that may affect eligibility.”

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.

APPROVED AS TO FORM AND LEGALITY:

Department of the Corporation Counsel
County of Maui

rprr:misc:018abill01:pah

INTRODUCED BY:

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

ALICE L. LEE