

# Special Committee on Real Property Tax Reform on 2025-11-13 9:00 AM

Meeting Time: 11-13-25 09:00

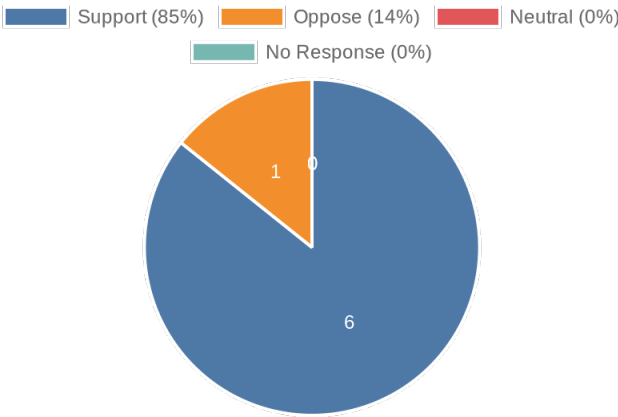
## eComments Report

| Meetings                                                            | Meeting Time   | Agenda Items | Comments | Support | Oppose | Neutral |
|---------------------------------------------------------------------|----------------|--------------|----------|---------|--------|---------|
| Special Committee on Real Property Tax Reform on 2025-11-13 9:00 AM | 11-13-25 09:00 | 7            | 7        | 6       | 1      | 0       |

### Sentiments for All Meetings

The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

### Overall Sentiment



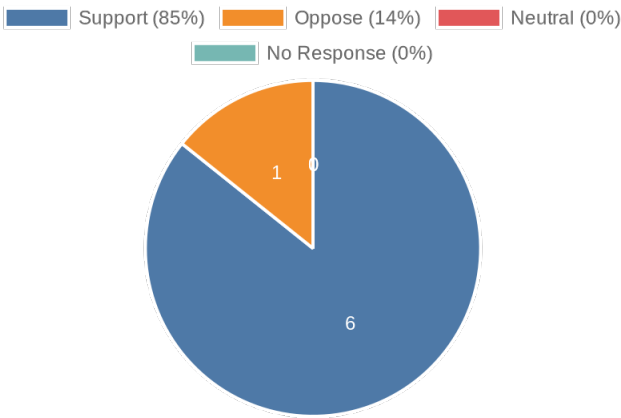
Special Committee on Real Property Tax Reform on 2025-11-13 9:00 AM  
11-13-25 09:00

| Agenda Name                                                                                                                                                   | Comments | Support | Oppose | Neutral |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------|--------|---------|
| RPTR-14 Bill 171 (2025) BILL 171 (2025), EXTENDING MAUI WILDFIRES REAL PROPERTY TAX RELIEF (RPTR-14)                                                          | 2        | 2       | 0      | 0       |
| RPTR-15 Bill 169 (2025) BILL 169 (2025), TO ESTABLISH VALUATIONS FOR SHARED-EQUITY DEED-RESTRICTED REAL PROPERTY ADMINISTERED BY A QUALIFIED ENTITY (RPTR-15) | 1        | 1       | 0      | 0       |
| RPTR-16 Bill 168 (2025) BILL 168 (2025), TO ESTABLISH A REAL PROPERTY TAX EXEMPTION TO INCREASE AND MAINTAIN ACCESS TO AFFORDABLE HOUSING (RPTR-16)           | 1        | 0       | 1      | 0       |
| RPTR-11 Bill 146 (2025) BILL 146 (2025), ON PRINCIPAL HOME EXEMPTION APPLICATION DEADLINES (RPTR-11)                                                          | 2        | 2       | 0      | 0       |
| RPTR-7 Bill 142 (2025) BILL 142 (2025), ON THE HOME EXEMPTION AND LONG-TERM RENTAL EXEMPTION FROM REAL PROPERTY TAX (RPTR-7)                                  | 1        | 1       | 0      | 0       |

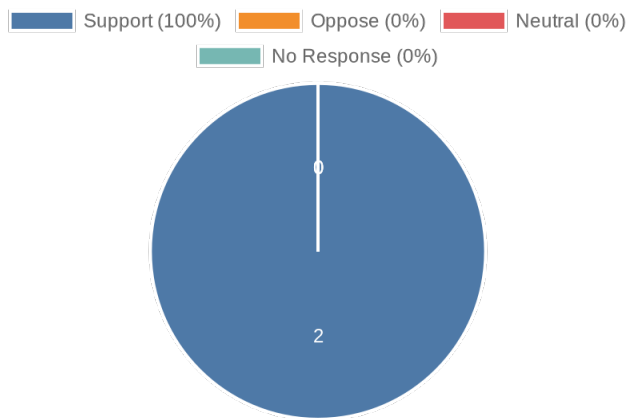
Sentiments for All Agenda Items

The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

Overall Sentiment



## Overall Sentiment



### Thomas Croly

Location:

Submitted At: 3:42pm 11-12-25

This bill appears to exempt some properties in Lahaina that are located in the SMA or historic district from property tax until June 30, 2028 (or two more years). This bill brings up a number of policy questions for the Council to consider:

1. Why does it not apply to properties outside the SMA?
2. Why is it for 2 additional years and not just one year at this time?
3. Would a property that is issued a final inspection during the tax year be reassessed for the year it was completed or only for the following year?

### Jonathan Helton

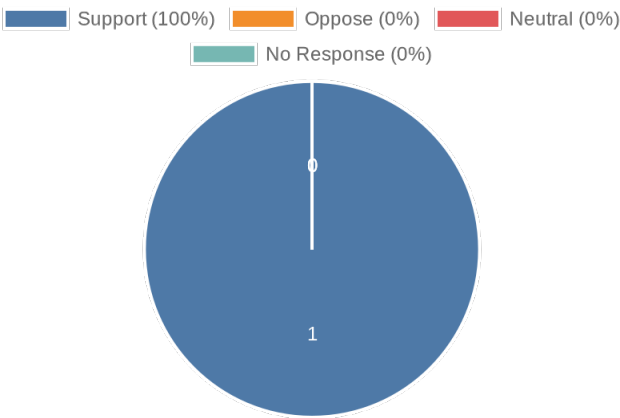
Location:

Submitted At: 7:32am 11-12-25

Please see attached comments.

Agenda Item: eComments for RPTR-15 Bill 169 (2025) BILL 169 (2025), TO ESTABLISH VALUATIONS FOR SHARED-EQUITY DEED-RESTRICTED REAL PROPERTY ADMINISTERED BY A QUALIFIED ENTITY (RPTR-15)

Overall Sentiment



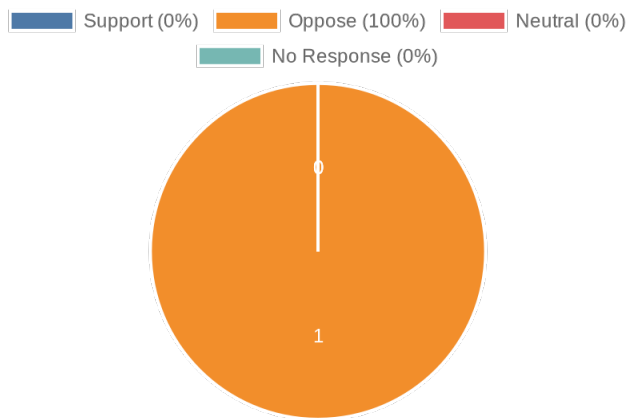
Thomas Croly

Location:  
Submitted At: 12:46am 11-13-25

I support the intent of this proposed legislation to assess taxable value of properties owned by community land trusts at the affordable resale value. It would be consistent with maintaining affordability of these properties and with the policy not to tax qualified non profit owned properties. Perhaps since the Community land trusts owns the land, the value could be established by the building market value alone excluding the land value.

Agenda Item: eComments for RPTR-16 Bill 168 (2025) BILL 168 (2025), TO ESTABLISH A REAL PROPERTY TAX EXEMPTION TO INCREASE AND MAINTAIN ACCESS TO AFFORDABLE HOUSING (RPTR-16)

Overall Sentiment



**Thomas Croly**

Location:

Submitted At: 3:45pm 11-12-25

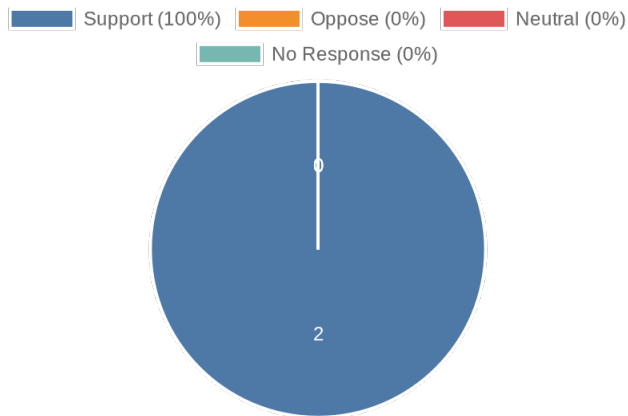
This bill appears to remove the additional \$100,000 exemption applied to owner occupied properties that also include a qualified long term rental.

It appears to also create a \$500,000 exemption for properties where the rent is no more than 70% of the fair market established by HUD. but this exemption is reduced to \$100,000 where the property is valued at more than \$500,000.

I believe there may be a mistake in the drafting of this bill if it is intended to provide tax relief to affordable long term rentals.

Agenda Item: eComments for RPTR-11 Bill 146 (2025) BILL 146 (2025), ON PRINCIPAL HOME EXEMPTION APPLICATION DEADLINES (RPTR-11)

Overall Sentiment



**Thomas Croly**

Location:

Submitted At: 3:39pm 11-12-25

This bill also attempts to expand the opportunity to address incorrect tax classification to newly acquired properties. Again, it is not clear exactly how the department will administrate this legislation to uphold the intent of this bill.

**Jonathan Helton**

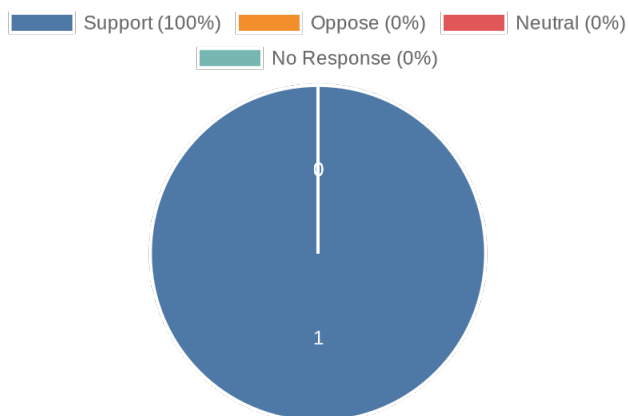
Location:

Submitted At: 7:35am 11-12-25

Please see attached

Agenda Item: eComments for RPTR-7 Bill 142 (2025) BILL 142 (2025), ON THE HOME EXEMPTION AND LONG-TERM RENTAL EXEMPTION FROM REAL PROPERTY TAX (RPTR-7)

## Overall Sentiment



### Thomas Croly

Location:

Submitted At: 3:37pm 11-12-25

#### Bill 142

I fully support the intent of Bill 142 to provide a more expeditious method to change the RPT classification of a property that changes its use to Long Term Rental or Owner occupied use after the current December 31 deadline. It is not clear exactly how this legislation would be administered by the department to achieve the legislative intent. I suggest asking the department if they could administrate this bill to avoid the up to 18 month delay in changing the tax classification for properties when uses change.

A better option would allow any change in use to be accounted for upon initiation of the new use. For example when a B&B permit is granted, the tax classification should change to commercialized residential upon issuance of the permit and this classification immediately change again upon sale of the property or the termination of the permit. Or when a property use changes to non owner occupied upon sale of the property.

It still is not clear to me the amendment being made by the addition of 3.48.450 C 3 and why a residency of ten consecutive years is required.

Nov. 13, 2025, 9 a.m.  
Kalana O Maui Building

**To: Maui County Council, Special Committee on Real Property Tax Reform**

**Alice Lee, Chair**

**Keani Rawlins-Fernandez, Vice Chair**

**From: Grassroot Institute of Hawaii**

**Jonathan Helton, Policy Analyst**

Re: Bill 146 (2025) — A BILL ON THE PRINCIPAL HOME EXEMPTION'S APPLICATION DEADLINES

Aloha Chair Lee, Vice Chair Rawlins-Fernandez and other members of the Committee,

The Grassroot Institute of Hawaii **supports** [Bill 146 \(2025\)](#), which would amend how home exemption applications are processed.

Currently, a Maui homeowner who files for a home exemption cannot receive the exemption until the next tax year. For example, a homeowner who files for a home exemption before Dec. 31, 2025 will not receive the exemption or be moved into the owner-occupied tax class until the tax year beginning July 1, 2026.

This creates a burden for folks who purchase homes that had not been previously owner-occupied. If a Maui resident were to purchase a home valued at \$1 million that was classified as a short-term rental, they would pay an extra \$10,000 in property taxes compared to what they would pay if the home was classified as owner-occupied.<sup>1</sup>

Bill 146 (2025) would allow exemptions to go into effect for the tax year in which the application was filed, so if a Maui homeowner filed for a home exemption after Dec. 31, 2025, they could receive at least half of the tax benefits of the exemption for the tax year that began July 1, 2025.

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<sup>1</sup> ["Real Property Tax Rates for Tax Year July 1, 2025 to June 30, 2026,"](#) Real Property Assessment Division, Honolulu Department of Budget and Fiscal Services, July 2025.

The proposed [amendment](#) to this bill would limit the situations in which this new filing system would apply. Specifically, it would allow for this amended application process in situations where someone purchased a workforce housing unit or a property that had been classified as a short-term rental within the past five years.

Grassroot prefers the current draft, since it allows all homeowners — regardless of what sort of property they are purchasing — to receive tax relief.

Thank you for the opportunity to testify.

Jonathan Helton  
Policy Analyst  
Grassroot Institute of Hawaii

Nov. 13, 2025, 9 a.m.  
Kalana O Maui Building

**To: Maui County Council, Special Committee on Real Property Tax Reform**

**Alice Lee, Chair**

**Keani Rawlins-Fernandez, Vice Chair**

**From: Grassroot Institute of Hawaii**

**Jonathan Helton, Policy Analyst**

Re: Bill 171 (2025) — A BILL EXTENDING MAUI WILDFIRES REAL PROPERTY TAX RELIEF

Aloha Chair Lee, Vice Chair Rawlins-Fernandez and other members of the Committee,

The Grassroot Institute of Hawaii **supports** [Bill 171 \(2025\)](#), which would extend until July 1, 2028, property tax waivers for certain properties damaged or destroyed in the Aug. 8, 2023, wildfires, and make other changes.

After the wildfires, county lawmakers exempted properties destroyed in the wildfires and those that were within a red or yellow reentry zone as of Jan. 1, 2024; however, the waivers are slated to expire on July 1, 2026.

Further extending these waivers would help Lahaina homeowners and businesses afford to rebuild. If the waivers expire next year, many local property owners will face the prospect of paying taxes on land they cannot easily — and in some cases, legally — rebuild on.

Bill 171 (2025) would add some caveats to the existing waivers. Not all properties would be eligible; only those that are located within a Special Management Area or a historic zoning district or that abut the shoreline and that have not been rebuilt or do not have access to public infrastructure.

Further, Bill 171 (2025) would specify conditions under which an owner would have to start paying property taxes, such as the property being sold, a certificate of occupancy being issued for the property or the property being used or advertised as a transient accommodation.

Land values are a big reason these exemptions are so critical. For many Lahaina parcels, close to 70% of their pre-fire taxable value was in the land. Were that land to be taxed before they can rebuild, many owners would be paying almost their entire pre-fire tax bills on properties they could not functionally use.

For example, Fleetwood's on Front Street paid \$54,122.03 in taxes in fiscal 2023. Of the property's \$8,780,500 assessed value, \$6,018,300 — 68.5% of its value — was in the land.<sup>1</sup> The owner has been unable to rebuild the property to date and will face a \$37,000 bill if the waiver expires in 2026 and assessments remain at pre-fire levels.

Extending these waivers would come at a relatively small cost to the county. The Maui Department of Finance has estimated the current exemptions for destroyed properties and those in the yellow and red reentry zones cost the County about \$21.2 million — equivalent to 3.2% of the roughly \$660 million the county is expected to collect in fiscal 2026.<sup>2</sup>

Grassroot is concerned that some of the conditions that Bill 171 (2025) proposes to add to the waiver could deprive Lahaina residents of critical tax relief. Almost all properties mauka of Honoapi'ilani Highway, for example, would not be eligible for tax relief because they fall outside of the SMA, county historic district or shoreline boundaries.

Likewise, a property that receives a certificate of occupancy or a final inspection at any time during the year should not have to face a tax bill for the entire year. For example, a certificate of occupancy or final inspection granted in May 2027, near the end of fiscal 2027, would mean the property owner would have to pay taxes for the full fiscal tax year.

Grassroot suggests amending these sections to extend relief to those who have not yet rebuilt or have been so far unable to rebuild.

Thank you for the opportunity to testify.

Jonathan Helton  
Policy Analyst  
Grassroot Institute of Hawaii

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<sup>1</sup> [Parcel no. 460090070000](#), County of Maui Tax Assessor's Office, accessed Sept. 17, 2025.

<sup>2</sup> ["Selected Real Property Statistics for Budget Consideration Fiscal Year 2025-2026,"](#) Maui Department of Finance, Real Property Assessment Division, p. 33; and ["County of Maui Real Property Tax Valuation for Fiscal Year 2025 - 2026,"](#) Real Property Assessment Division, Honolulu Department of Budget and Fiscal Services, July 2025.