

# REQUEST FOR LEGAL SERVICES

**Date:** November 14, 2025  
**From:** Alice L. Lee, Chair  
Special Committee on Real Property Tax Reform

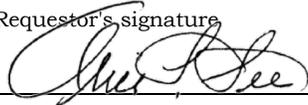
TRANSMITTAL

**Memo to:** DEPARTMENT OF THE CORPORATION COUNSEL  
Attention: Kristina C. Toshikiyo, Esq.

**Subject:** BILL 170 (2025), ESTABLISHING A NEW CIRCUIT BREAKER TAX CREDIT CATEGORY (RPTR-13)

**Background Data:** Please see Bill 170, CD1 (2025). Please submit your response to rpтр.committee@mauicounty.us with a reference to RPTR-13.

**Work Requested:**  FOR APPROVAL AS TO FORM AND LEGALITY  
 OTHER:

Requestor's signature  Alice L. Lee, Chair	Contact Person <u>Kirsten Szabo or Peter Hanano</u> (Telephone Extension: <u>7662 or 8007, respectively</u> )
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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): November 26, 2025  
REASON: For posting on the December 5, 2025, Council meeting agenda.

## 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)

rpтр:ltr:013acc01:kes

Attachment

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

BILL NO. **170, CD1** (2025)

A BILL FOR AN ORDINANCE AMENDING SECTION 3.48.810,  
MAUI COUNTY CODE, ESTABLISHING A NEW CIRCUIT BREAKER  
TAX CREDIT CATEGORY

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

SECTION 1. The Council finds that spiking property valuations caused by recent land transactions have increased tax burdens for generational families and others. This Ordinance’s purpose is to respond to that circumstance by exercising the Council’s broad powers of real property taxation under Article VIII, Section 3, of the Hawai‘i State Constitution and establishing a new tax credit for qualified homeowners. The Council’s intent in establishing this second category of “circuit breaker” tax credit is to further the following public policy objectives established in the Countywide Policy Plan:

- “Seek innovative ways to lower housing costs without compromising the quality of our island lifestyle.”
- “Manage property-tax burdens to protect affordable resident homeownership.”
- “Explore taxation mechanisms to increase and maintain access to affordable housing.”

SECTION 2. Section 3.48.810, Maui County Code, is amended to read as follows:

**“3.48.810 Circuit breaker tax credit established. A.**

Upon proper application, a homeowner is entitled to a credit, not to exceed \$8,200, equal to the amount by which the real property taxes calculated for the homeowner property for the prior tax year exceeds [2] two percent of household income, or the minimum tax as established in the annual budget ordinance, whichever is greater, [provided] subject to the following conditions:

[A.] 1. The homeowner has been granted a home exemption on the property receiving the tax credit for at least five out of the prior six tax years.

[B.] 2. Household income does not exceed \$126,000.

[C.] 3. The homeowner is in compliance with section 3.48.820.

[D.] 4. The credit only applies for the succeeding tax year, with no carryover credit allowed.

[E.] 5. The amount of the circuit breaker tax credit is based on the homeowner's gross building assessed value and must be phased out using the following schedule:

Homeowner's gross building assessed value	Eligible percentage of circuit breaker tax credit
Up to \$1,000,000	100%
\$1,000,001 to \$1,100,000	80%
\$1,100,001 to \$1,200,000	60%
\$1,200,001 to \$1,250,000	40%
\$1,250,001 to \$1,300,000	20%
\$1,300,001 or more	0%

[F.] 6. Taxes on the property are not delinquent for more than one year from the date the application is filed and throughout the tax year for which the credit applies.

B. Upon proper application, a homeowner is entitled to a credit, not to exceed \$10,000, equal to the amount by which the real property taxes calculated for the homeowner property for the prior tax year exceeds two percent of household income, or the minimum tax as established in the annual budget ordinance, whichever is greater, subject to the following conditions:

1. The homeowner has been granted a home exemption on the property receiving the tax credit for at least 15 out of the prior 20 tax years.

2. Household income does not exceed \$126,000.

3. The homeowner is in compliance with section 3.48.820.

4. The credit only applies for the succeeding tax year, with no carryover credit allowed.

5. Taxes on the property are not delinquent for more than one year from the date the application is filed and throughout the tax year for which the credit applies.”

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.

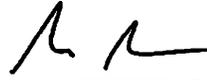
APPROVED AS TO FORM AND LEGALITY:

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Department of the Corporation Counsel  
County of Maui

rprr:misc:013abill01:kes

INTRODUCED BY:

A handwritten signature in black ink, consisting of a stylized 'G' followed by a horizontal line and a 'J'.

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GABE JOHNSON