


July 29, 2021

MEMO TO: BFED-80 File

F R O M: Keani N.W. Rawlins-Fernandez, Chair   
Budget, Finance, and Economic Development Committee

SUBJECT: **TRANSMITTAL OF LEGISLATIVE PROPOSAL RELATING TO  
KULEANA LAND EXEMPTIONS** (BFED-80)

The attached legislative proposal pertains to Item 80 on the Committee's agenda.

bfed:ltr:080afile01:ljcm

Attachment

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

BILL NO. \_\_\_\_\_ (2021)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48, MAUI COUNTY  
CODE, RELATING TO KULEANA TAX EXEMPTIONS

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

SECTION 1. Section 3.48.554, Maui County Code, is amended as follows:

**“3.48.554 Exemption – Kuleana land[,] and Kuleana Act government grant land.** A. Those portions of real property designated as kuleana land[,] or Kuleana Act government grant land [shall be] are exempt from paying real property taxes if:

1. The property is owned in whole or in part by a lineal descendant of the person(s) who received the original title to the kuleana land[;] or Kuleana Act government grant land;
2. The portion of property designated as kuleana land or Kuleana Act government grant land is not used for commercial purposes; and
3. An application for exemption is filed with, and approved by, the director.

B. An application for the exemption described in subsection A [shall] must be on forms prescribed by the director and [shall] must include documents verifying ownership of the portion of real property concerned and satisfaction of the requirements of subsection A.

C. The applicant [shall be] is responsible for the cost of obtaining evidence in support of an application. If the applicant is not identified as the owner of the property in the records of the director, the director [shall] must require the applicant, at applicant’s expense, to obtain a deed or court order to verify ownership of the property. For purposes of determining whether the lineal descendancy requirement in subsection A.1 has been satisfied, genealogy verification by the Office of Hawaiian Affairs or by court order [shall be deemed] is sufficient.

D. For the purposes of the ownership and lineal descendancy requirements of this section, an owner who is a lineal descendant of a person(s) who received original title to kuleana land or Kuleana Act government grant land may include:

1. A trust where the majority of trustees or beneficiaries are lineal descendants of the person(s) who received the original title to the kuleana land or Kuleana Act government grant land;

2. A corporation, limited liability company, nonprofit organization, or similar entity where the majority of owners or board of directors are lineal descendants of the person(s) who received the original title to the kuleana land or Kuleana Act government grant land;

3. A family member of any owner listed on the most recent title of the property who died intestate, and who is a lineal descendant of the person(s) who received the original title to the kuleana land or Kuleana Act government grant land, where no owner listed on the most recent title is living;  
or

4. A family member of a person who is a lineal descendant of the person(s) who received the original title to the kuleana land or Kuleana Act government grant land, and who may have a potential claim to the property, where the director determines that no record of property ownership has been established.

[D.] E. For the purposes of this section:

1. "Agriculture" means the production of plant and animal life for food and fiber, and for raw materials for processed products, and includes[, but is not limited to]: fruit, vegetable, and flower growing; forestry; aquaculture; beekeeping; grazing and dairying; and their accompanying services and facilities.

2. "Commercial purposes" means the processing, manufacturing, warehousing, distribution, or sale of goods, or the provision of services for consideration and profit, including the operation of transient vacation rental and bed and breakfast homes, but shall exclude agriculture[.] on kuleana land or Kuleana Act government grant land.

3. "Kuleana land" means those lands granted to native tenants [pursuant to] in accordance with L. 1850, p. 202, entitled "An Act Confirming Certain Resolutions of the King and Privy Council, Passed on the 21st Day of December, A.D. 1849, Granting to the Common People Allodial Titles for Their Own Lands and House Lots, and Certain Other Privileges," as amended by L. 1851, p. 98, entitled "An Act to Amend An Act Granting to the Common People Allodial Titles for Their Own Lands and House Lots, and Certain Other Privileges" and as further amended by any subsequent legislation.

4. "Family member" means spouse, child or descendant of a child, sibling or descendant of a sibling, parent or ancestor of a parent, or sibling of the person's parent.

5. "Kuleana Act government grant land" means those lands set aside in accordance with section 4 of L. 1850, p. 202, entitled "An Act Confirming Certain Resolutions of the King and Privy Council, Passed on the 21st Day of December, A.D. 1849, Granting to the Common People Allodial Titles for Their Own Lands and House Lots, and Certain Other Privileges," as amended by L. 1851, p. 98, entitled "An Act to Amend An Act Granting to the Common People Allodial Titles for Their Own Lands and House Lots, and Certain Other Privileges" and as further amended by any subsequent legislation, and title to which was purchased or otherwise obtained through a Royal Patent Grant issued by the Land Commission or Minister of the Interior."

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

**"3.48.446 Retroactive application – Kuleana land and Kuleana Act Government land exemption.** A. Subject to this section, notwithstanding any law to the contrary, for a period of one year, beginning January 1, 2022, an eligible taxpayer may apply for the retroactive application of the tax exemption described in section 3.48.554, for any tax year, from the tax year ended June 30, 2011 through the tax year ended June 30, 2021.

B. An application for the retroactive application of the tax exemption described in section 3.48.554 must be on forms prescribed by the director and must include sufficient evidence to demonstrate that the requirements of subsection A of that section, as written on January 1, 2022, were satisfied during the tax year for which the exemption is sought.

C. The director must refund any moneys owed to the taxpayer due to the retroactive application of the tax exemption described in section 3.48.554.

D. For the purposes of this section, "eligible taxpayer" means a lineal descendant of the person(s) who received original title to the kuleana land or Kuleana Act government grant land, as described in section 3.48.554, for which the tax exemption is sought."

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 upon approval.

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