SPECIAL COMMITTEE ON REAL PROPERTY TAX REFORM
Amendment Summary Form

Legislation: Bill 146 (2025), entitled "A BILL FOR AN ORDINANCE AMENDING SECTION 3.48.410, MAUI COUNTY CODE, ON THE PRINCIPAL HOME EXEMPTION'S APPLICATION DEADLINES."

Proposer: Alice L. Lee, Chair
Special Committee on Real Property Tax Reform.

Description: Amend Bill 146 (2025) to allow individuals who acquire and occupy either a newly constructed residential workforce housing unit under section 2.96.060 or real property classified as short-term rental or TVR-STRH within the past five years, the ability to apply for an interim real property tax adjustment relating to the homeowner exemption.

Motions: Move to substitute Bill 146 (2025) with the attached proposed CD1 version.

Attachment: Proposed CD1 version of Bill 146 (2025).

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ORDINANCE NO. ______________

BILL NO. **146, CD1** (2025)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48, MAUI COUNTY CODE, ON THE HOME EXEMPTION FROM REAL PROPERTY TAX

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

SECTION 1. This Ordinance allows individuals who acquire and occupy either a newly constructed residential workforce housing unit under section 2.96.060 or real property classified as short-term rental or TVR-STRH within the past five years, the ability to apply for an interim real property tax adjustment relating to the home exemption.

SECTION 2. Section 3.48.410, Maui County Code, is amended by amending Subsection B to read as follows:

"B. Notwithstanding subsection A:

1. The exemption from taxation granted in **[**section**]** subsection 3.48.466(B) must not be allowed unless the claimant has filed with the department of finance, on or before January 31, 2024, for tax year 2025, a claim for exemption in a form prescribed by the department.

2. Property owners who lease their property to individuals directly displaced by the August 2023 Maui wildfires may file a claim for an exemption under section 3.48.450 or subsection 3.48.466(A), or both, by December 31, 2025, for the tax year beginning July 1, 2025, in a form prescribed by the department of finance. For purposes of this paragraph, "directly displaced by the August 2023 Maui wildfires" has the same meaning as in **[**section**]** subsection 3.48.466(K).

3. Upon proper application and approval under subsection 3.48.450(C)(3) and (4), the director must issue an interim tax bill upon occupancy of the principal residence for any tax year or any portion of a tax year between the date of

the sale and the next annual assessment. The interim tax bill must be calculated based on the applicable owner-occupied tax rate for the portion of the fiscal year remaining after the date of the sale. Appeals for disallowance of the exemption under subsections 3.48.450(C)(3) and (4), must be filed within thirty days after the notice of disallowance is issued."

SECTION 3. Section 3.48.450, Maui County Code, is amended by amending Subsection C to read as follows:

"C. Upon proper application, a taxpayer is entitled to a home exemption if the taxpayer:

1. Occupies the home in the County for which the exemption is being filed for more than two hundred seventy calendar days of a calendar year, does not rent the entire premises for any portion of the year, and files an income tax return as a resident of the State of Hawai‘i with a reported address in the County the year prior to the effective date of the exemption. Non-resident and part-year resident State of Hawaii income tax returns do not qualify for the home exemption; **[**or**]**

2. Is stationed in the County under military orders of the United States**[**.**]**; or

3. Despite subsection B, acquires and occupies a newly constructed residential workforce housing unit under section 2.96.060 after December 31 immediately preceding the year for which the exemption is claimed; or

4. Despite subsection B, acquires and occupies real property classified as short-term rental or TVR-STRH within the past five years, after December 31 immediately preceding the year for which the exemption is claimed.

SECTION 4. 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 5. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND LEGALITY:

Department of the Corporation Counsel
County of Maui

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INTRODUCED BY:

ALICE L. LEE