

ORDINANCE NO. _____

BILL NO. _____ (2019)

A BILL FOR AN ORDINANCE AMENDING SECTION 3.48.050, MAUI COUNTY CODE, RELATING TO AN INCREASE IN THE HOME OWNERS TAX EXEMPTION FOR REAL PROPERTY TAX

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

SECTION 1. Section 3.48.450, Maui County Code is amended to read as follows:

“3.48.450 Home – Standards for valuation. A. Real property owned and occupied only as a principal home, as of the date of assessment, by an individual or individuals, shall be exempt only to the following extent from property taxes:

1. For tax year ending June 30, ~~[2012]~~2019:

a. Totally exempt where the value of the property is not in excess of ~~[\$300,000]~~200,000; or

b. Where the value of the property is in excess of \$300,000, the exemption shall be in the amount of ~~[\$300,000]~~200,000.

2. For tax years beginning on or after July 1, ~~[2012]~~2019:

a. Totally exempt where the value of the property is not in excess of ~~[\$200,000]~~400,000; or

b. Where the value of the property is in excess of ~~[\$200,000]~~400,000, the exemption shall be in the amount of ~~[\$200,000]~~400,000.

B. The provisions of subsection A shall apply, provided, as follows:

1. That no such exemption shall be allowed to any corporation, copartnership, or company;

2. That the exemption shall not be allowed on more than one home for any one taxpayer;

3. That where the taxpayer has acquired a home by a deed made on or after July 1, 1951, the deed shall have been recorded on or before December 31 immediately preceding the year for which the exemption is claimed;

4. That married persons shall not be permitted an exemption of separate homes, unless they are living separate

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Council member Motra

and apart, and provide a copy of a decree of separation from the appropriate court having jurisdiction that shall be in effect prior to the effective date of the exemption; and each file a separate income tax return as a resident of the State of Hawaii with a reported address in the County the year prior to the effective date of the exemption; in which case they shall be entitled to one exemption, to be apportioned equally between each of their respective homes;

5. That a person living on premises, a portion of which is used for commercial purposes, shall not be entitled to an exemption with respect to such portion, but shall be entitled to an exemption with respect to the portion thereof used exclusively as a home; and

6. That no such exemption shall be allowed for any real property that is classified as "commercialized residential."

C. Upon proper application, a taxpayer shall be entitled to a home exemption, provided 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 Hawaii 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.

D. The director may demand documentary evidence such as a tax clearance from the State of Hawaii indicating that the taxpayer filed an income tax return as a full-time resident for the year prior to the effective date of the exemption, from a property owner applying for an exemption or from an owner as evidence of continued qualification for an exemption. Failure to respond to the director's demand in thirty days shall be grounds for denial of a claim for an exemption.

E. In the event the director obtains evidence that an individual resides in a home outside the County, such evidence shall serve as prima facie proof that the individual does not own and occupy real property in the County as a principal home, and the director shall provide written notice to the individual by mail that the individual shall not be qualified for an exemption or continued exemption under this section. Such evidence shall include, but not be limited to, homes that are being advertised for occupancy by transient tenants for periods of less than six consecutive months for any period during the course of any assessment year.

F. If during the course of any tax year, the home exemption of a property is revoked, the taxes for the entire tax year shall be recalculated without the exemption.

G. No home exemption shall be allowed if taxes on the property are delinquent.”

SECTION 2. 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 3. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:

Department of the Corporation Counsel
County of Maui