

ORDINANCE NO. _____

BILL NO. 102, CD1, FD1(2022)

A BILL FOR AN ORDINANCE AMENDING SECTION 3.48.305.B,
MAUI COUNTY CODE, PROHIBITING PROPERTIES WITH TRANSIENT
VACATION RENTALS FROM RECEIVING THE HOME EXEMPTION

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

SECTION 1. Section 3.48.305 is amended by amending subsection

B as follows:

“B. In assigning land to one of the general classes, the director must give major consideration to: the districting established by the land use commission in accordance with chapter 205, Hawaii Revised Statutes; the districting established by the County in its general plan and comprehensive zoning ordinance; use classifications established in the Hawaii state plan; and other factors that influence highest and best use; except that:

1. Real property that is used as the owner's principal residence and has been granted either a home exemption in accordance with sections 3.48.410 and 3.48.450 or an exemption in accordance with sections 3.48.410 and 3.48.475 must be classified as “owner-occupied” without regard to its highest and best use.

2. Real property improved with a dwelling, as defined in the comprehensive zoning ordinance, that would not be classified as “owner-occupied,” “hotel and resort,” “time share,” “short-term rental,” “commercial,” “industrial,” “commercialized residential,” or “long-term rental,” must be classified as “non-owner-occupied.”

3. Multi-dwelling-unit improvements containing five or more dwellings that would not be classified “short-term rental” must be classified “apartment.”

4. Real property that serves as the owner's principal residence and has been granted a bed and breakfast home permit, a short-term rental home permit, or [a conditional permit allowing a transient vacation rental use in accordance with the comprehensive zoning ordinance,] operates as a

transient vacation rental, must be classified "commercialized residential" without regard to its highest and best use, and cannot qualify for a home exemption.

5. Real property that is subject to a time share plan as defined in section 514E-1, Hawaii Revised Statutes, as amended, must be classified as "time share."

6. Unless classified as "time share," "hotel and resort," or "commercialized residential," lodging or dwelling units, as defined in the comprehensive zoning ordinance, occupied by transient tenants for periods of less than six consecutive months, including real property that does not serve as the owner's principal residence and has been granted a short-term rental home permit or a conditional permit allowing transient vacation rental use in accordance with the comprehensive zoning ordinance, must be classified as "short-term rental" without regard to its highest and best use, and cannot qualify for a home exemption.

7. Unless classified as "time share" or "commercialized residential," properties occupied by transient tenants for periods of less than six consecutive months, have eight or more lodging or dwelling units as defined in the comprehensive zoning ordinance, and employ more than twenty full-time persons, must be classified as "hotel and resort."

8. Lodging or dwelling units as defined in the comprehensive zoning ordinance occupied by long-term tenants for periods of twelve consecutive months or more to the same tenant and have been granted a long-term rental exemption in accordance with sections 3.48.410, 3.48.425 , and 3.48.466 must be classified as "long-term rental," unless the property also qualifies for a homeowner exemption [pursuant to] in accordance with section 3.48.450, in which case the property must be classified "homeowner." The real property owner must report any change in actual use of a property with a long-term rental exemption within thirty days of that change. The director may investigate any real property and, if the director determines that the actual use differs from a long-term rental, the director may reclassify and reassess the real property."

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 takes effect January 1, 2023.

APPROVED AS TO FORM AND
LEGALITY:



Department of the Corporation
Counsel
County of Maui

paf:lcm:22-266b

INTRODUCED BY:

Tamara D. M. Paltin

TAMARA PALTIN

DIGEST

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This bill proposes to amend Section 3.48.305.B, Maui County Code, to prohibit properties with transient vacation rentals from receiving the home exemption.

I, JAMES G.M. KRUEGER, Deputy County Clerk of the County of Maui, State of Hawaii, DO HEREBY CERTIFY that the foregoing BILL NO. 102, CD1, FD1 (2022) was passed on First Reading by the Council of the County of Maui, State of Hawaii, on the 21st day of October, 2022, by the following vote:

AYES: Councilmembers Gabriel Johnson, Natalie A. Kama, Kelly T. King, Michael J. Molina, Tamara A. M. Paltin, Shane M. Sinenci, Yuki Lei K. Sugimura, Vice-Chair Keani N. W. Rawlins-Fernandez, and Chair Alice L. Lee.

NOES: None.

EXCUSED: None.

DATED at Wailuku, Maui, Hawaii, this 26th of October, 2022.



JAMES G.M. KRUEGER, DEPUTY COUNTY CLERK
COUNTY OF MAUI, STATE OF HAWAII

Copies of the foregoing Bill, in full, are on file in the Office of the County Clerk, County of Maui, for use and examination by the public.