

ORDINANCE NO. _____

BILL NO. 162 (2022)

A BILL FOR AN ORDINANCE AMENDING SECTIONS 3.48.286 AND 3.35.040,
MAUI COUNTY CODE, RELATING TO REAL PROPERTY TAX FORGIVENESS
FOR TAXPAYERS BETWEEN VERY LOW INCOME AND GAP INCOME

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

SECTION 1. This Ordinance's purpose is to ensure certain real property taxpayers whose household income is between very low income and gap income are offered the opportunity to have their delinquency status and associated penalties and interest forgiven after completing specified requirements.

The Council finds that the appropriations provided for in this Ordinance are for the provision, protection, and expansion of affordable housing.

SECTION 2. Section 3.48.286, Maui County Code, is amended to read as follows:

“3.48.286 Records of delinquent taxes, uncollectible delinquent taxes. A. The department of finance [shall] must prepare and maintain, open to public inspection, a complete record of the amounts of taxes assessed in the County that have become delinquent with the name of the delinquent taxpayer in each case, but it [shall] is not [be] necessary to periodically compute on the records the amount of penalties and interest upon delinquent taxes.

The department may from time to time prepare lists of all taxes delinquent [which] that in its judgment are uncollectible. [Such] The taxes [as] the department finds [to be] uncollectible [shall] must be entered in a special record and [be] deleted from the other books kept by the department, and the department [shall thereupon] will then be released from any further accountability for their collection; [provided,] except that no account [shall] will be [so] deleted until it [shall have] has been delinquent for at least two years. Any deleted items [so written off] may be transferred back to

the delinquent tax roll if the department finds that the alleged facts as previously presented to it were not true[,] or that [such] the items are in fact collectible.

B. For a taxpayer who is delinquent in the payment of real property taxes and who qualifies for a homeowner exemption, the requirement to pay delinquent taxes, penalties, and interest will be waived, subject to the following criteria:

1. The taxpayer has completed a homeowner financial literacy program approved by the department of housing and human concerns.

2. The taxpayer submits a request for waiver by December 31 of any calendar year in a form prescribed by the director of finance and provides proof of successful completion of the financial literacy program.

3. The taxpayer has paid the most recent year's real property tax bill based on the standards for valuation in section 3.48.450.A.

4. The taxpayer's household income is between very low income, as defined in section 2.86.140, and gap income as defined in section 3.35.025(B), and the taxpayer provides proof of income as required by the director of finance.

5. The taxpayer has not previously received a waiver or forgiveness of real property taxes, penalties, or interest by the County.

The affordable housing fund may be used to reimburse the general fund in an amount equal to the waived delinquent taxes, penalties, and interest.

By March 25 of each year, the mayor must provide the council with the director of finance's estimate of the funds to be appropriated from the affordable housing fund in the next fiscal year for these costs.

Delinquent taxes, penalties, and interest may only be waived once under this section for any taxpayer and parcel identified by tax map key number. Any other delinquency will not be forgiven, but the taxpayer may enter into a closing agreement under section 3.48.010(O)."

SECTION 3. Section 3.35.040, Maui County Code, is amended to read as follows:

"3.35.040 Use of fund. The council may make appropriations from the affordable housing fund for the provision, protection, and expansion of affordable housing and suitable living environments, including the rehabilitation of existing structures, land purchase, or other acquisition of land or property entitlements,

planning, design, and construction, for residents whose income is between very low income, as defined in section [2.96.020,] 2.86.140, and gap income, as defined in section 3.35.025(B), in addition to the following:

A. To increase the supply of affordable, rental, and owner-occupied housing.

B. To acquire interests in real property.

C. For planning, design, or construction of affordable rental or owner-occupied housing for residents within income-qualified groups.

D. To provide housing for elderly, disabled, and homeless residents lacking a permanent home.

E. To provide grants or loans to an entity building 100 percent affordable projects or to any nonprofit or community land trust that complies with section 501(c) of the Internal Revenue Code and any other requirement under federal, state, and county law regulating the conduct of charitable or nonprofit organizations, provided that the purpose of any grant or loan must be for the purposes in section 3.35.010.

F. To leverage funds provided by federal, state, nonprofit, or for-profit organizations and other non-County entities to further expand affordable housing opportunities.

G. To acquire existing housing or cooperative units for rehabilitation as affordable rental or owner-occupied housing, or both.

H. To increase investment in public infrastructure in connection with related affordable housing projects.

I. To provide comprehensive infrastructure assessments for priority affordable housing projects.

J. To provide long-term planning for affordable housing and houselessness solutions.


K. To provide funds for payment of principal and interest on bonds issued.

L. To reimburse the general fund for waivers of delinquent taxes, penalties, and interest under section 3.48.286(B)."

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 January 1, 2024.

INTRODUCED BY:


TASHA KAMA