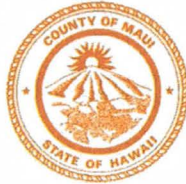


RICHARD T. BISSEN, JR.
Mayor

KEKUHAUPIO R. AKANA
Managing Director



SCOTT K. TERUYA
Director

STEVE A. TESORO
Deputy Director

**DEPARTMENT OF FINANCE
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793**
www.mauicounty.gov

April 27, 2023

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

For Transmittal to:

BFED Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Committee:

**SUBJECT: Response to April 25, 2023 email with questions from April 20, 2023
real property assessment certification presentation**

This transmission is in response to your email dated April 25, 2023, requesting the following information be submitted:

1. Net valuation for the following tier amounts. (TP)

***If tiers are to be changed, please request a new complete certification from Finance to ensure that values balance.*

APPROVED FOR TRANSMITTAL

for 4/27/23
Mayor Date

MAUI COUNTY 2023 SUMMARY OF TAXABLE PROPERTIES BY LAND CLASS CLASS TOTAL 1 NON-OWNER-OCCUPIED			
		REAL PROPERTY	
1. ASSESSOR'S GROSS VALUATION AS OF APRIL 19, 2023		18,826,681,800	
2. TOTAL EXEMPTIONS		1,116,342,800	
3. ASSESSOR'S NET TAXABLE VALUATION		17,710,339,000	
4. VALUATION ON APPEAL		71,944,710	
5. TAXPAYER'S VALUATION		17,638,394,290	
6. 50 PERCENT OF VALUATION ON APPEAL		35,972,355	
7. VALUATION FOR TAX RATE PURPOSE	0 - 800,000	9,622,934,050	
	800,001-1,500,000	2,790,608,980	
	1,500,001 +	5,260,823,615	

MAUI COUNTY 2023 SUMMARY OF TAXABLE PROPERTIES BY LAND CLASS CLASS TOTAL 1 NON-OWNER-OCCUPIED			
		REAL PROPERTY	
1. ASSESSOR'S GROSS VALUATION AS OF APRIL 19, 2023		18,826,681,800	
2. TOTAL EXEMPTIONS		1,116,342,800	
3. ASSESSOR'S NET TAXABLE VALUATION		17,710,339,000	
4. VALUATION ON APPEAL		71,944,710	
5. TAXPAYER'S VALUATION		17,638,394,290	
6. 50 PERCENT OF VALUATION ON APPEAL		35,972,355	
7. VALUATION FOR TAX RATE PURPOSE	0 - 1,000,000	10,733,245,090	
	1,000,001-3,000,000	3,883,421,335	
	3,000,001 +	3,057,700,220	

MAUI COUNTY 2023 SUMMARY OF TAXABLE PROPERTIES BY LAND CLASS CLASS TOTAL 1 NON-OWNER-OCCUPIED		
		REAL PROPERTY
1. ASSESSOR'S GROSS VALUATION AS OF APRIL 19, 2023		18,826,681,800
2. TOTAL EXEMPTIONS		1,116,342,800
3. ASSESSOR'S NET TAXABLE VALUATION		17,710,339,000
4. VALUATION ON APPEAL		71,944,710
5. TAXPAYER'S VALUATION		17,638,394,290
6. 50 PERCENT OF VALUATION ON APPEAL		35,972,355
7. VALUATION FOR TAX RATE PURPOSE	0 - 1,000,000	10,733,245,090
	1,000,001-2,000,000	2,684,360,840
	2,000,001 +	4,256,760,715

MAUI COUNTY 2023 SUMMARY OF TAXABLE PROPERTIES BY LAND CLASS CLASS TOTAL 12 LONG TERM RENTAL		
		REAL PROPERTY
1. ASSESSOR'S GROSS VALUATION AS OF APRIL 19, 2023		2,525,264,000
2. TOTAL EXEMPTIONS		621,345,900
3. ASSESSOR'S NET TAXABLE VALUATION		1,903,918,100
4. VALUATION ON APPEAL		4,789,730
5. TAXPAYER'S VALUATION		1,899,128,370
6. 50 PERCENT OF VALUATION ON APPEAL		2,394,865
7. VALUATION FOR TAX RATE PURPOSE	0 - 1,000,000	1,676,758,695
	1,000,001-2,500,000	156,674,440
	2,500,001 +	68,090,100

2. Real property tax rate changes from the prior year (page 1 Selected Real Property Statistics for Budget Consideration)

CLASS	CLASSIFICATION	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24*
0	TIMESHARE	\$15.41	\$14.40	\$14.40	\$14.60	\$14.60	\$14.60
1	NON-OWNER-OCCUPIED	\$5.52	\$5.60	\$5.89**	\$6.13**	\$7.07**	\$7.22**
	Tier 1 - up to \$800,000			\$5.45	\$5.45		
	Tier 2 - \$800,001 to \$1,500,000			\$6.05	\$6.05		
	Tier 3 - more than \$1,500,000			\$6.90	\$8.00		
	Tier 1 - up to \$1,000,000					\$5.85	\$5.85
	Tier 2 - \$1,000,001 to \$4,500,000					\$8.00	\$8.00
	Tier 3 - more than \$4,500,000					\$12.50	\$12.50
10	COMMERCIALIZED RES.	\$4.55	\$4.60	\$4.40	\$4.40	\$4.40	\$4.40
11	TVR-STRH	9	\$10.75	\$11.08	\$11.13**	\$11.85	\$11.85
	Tier 1 - up to \$800,000				\$11.11		
	Tier 2 - \$800,001 to \$1,500,000				\$11.15		
	Tier 3 - more than \$1,500,000				\$11.20		
12	LONG-TERM RENTAL	N/A	N/A	N/A	N/A	\$3.31**	\$3.32**
	Tier 1 - up to \$1,000,000					\$3.00	\$3.00
	Tier 2 - \$1,000,001 to \$3,000,000					\$5.00	\$5.00
	Tier 3 - more than \$3,000,000					\$8.00	\$8.00
2	APARTMENT	\$6.31	\$6.31	\$5.55	\$5.55	\$3.50	\$3.50
3	COMMERCIAL	\$7.25	\$7.39	\$6.29	\$6.29	\$6.05	\$6.05
4	INDUSTRIAL	\$7.45	\$7.48	\$7.20	\$7.20	\$7.05	\$7.05
5	AGRICULTURAL	\$6.00	\$5.94	\$5.94	\$5.94	\$5.74	\$5.74
6	CONSERVATION	\$6.35	\$6.43	\$6.43	\$6.43	\$6.43	\$6.43
7	HOTEL/RESORT	\$9.37	\$11.00	\$10.70	\$11.75	\$11.75	\$11.75
9	OWNER-OCCUPIED	\$2.85	\$2.90	\$2.52**	\$2.44**	\$2.03**	\$1.94**
	Tier 1 - up to \$800,000			\$2.51	\$2.41		
	Tier 2 - \$800,001 to \$1,500,000			\$2.56	\$2.51		
	Tier 3 - more than \$1,500,000			\$2.61	\$2.71		
	Tier 1 - up to \$1,000,000					\$2.00	\$1.90
	Tier 2 - \$1,000,001 to \$3,000,000					\$2.10	\$2.00
	Tier 3 - more than \$3,000,000					\$2.71	\$2.75

*FY 24 rates are proposed.

**The overall rate displayed for the tiered classes is the effective tax rate for the class.

3. What is the status of the referenced time share court case? (TP)

The Department of Finance must defer this question to Corporation Counsel.

4. Below is the TVR-STRH class count by value and council residency area. (TP)



COUNTY OF MAUI

REAL PROPERTY ASSESSMENT DIVISION

**TVR-STRH CLASS COUNT
BY VALUE AND COUNCIL DISTRICT
FISCAL YEAR 2023 - 2024**

Value Range	HAN	KM	LAN	MOL	MPH	UPC	WM	WWW	Grand Total
0-499999	9	378	5	560	8		473	2	1,435
500000-999999	29	3,523	9	2	51	5	3,171	5	6,795
1000000-1499999	7	1,395			16	1	1,405		2,824
1500000-1999999	3	485	1		7	1	588		1,085
2000000-2499999	1	109			5		193		308
2500000-2999999		55		1	7		146		209
3000000-3499999		97			4		139		240
3500000-3999999		108			1		103		212
4000000-4499999		116			2		97		215
4500000-4999999		73			1		30		104
5000000-5499999		49			3		52		104
5500000-5999999		33					49		82
6000000-6499999		17					9		26
6500000-6999999		4					8		12
7000000-7499999		13			1		1		15
7500000-7999999		12			1		18		31
8000000-8499999		11					8		19
8500000-8999999		3							3
9000000-9499999		9							9
9500000-9999999		12							12
10000000-10499999		5					8		13
10500000-10999999		3					1		4
11000000-11499999		4							4
11500000-11999999		3							3
12000000-12499999		7							7
12500000-12999999		7							7
13000000-13499999		8					1		9
13500000-13999999		4			1				5
14500000-15000000		1							1
>15000000		14					1		15
Grand Total	49	6,558	15	563	108	7	6,501	7	13,808

5. When is the Maui County's next bond rating anticipated? (TP)

Bond ratings typically occur in conjunction with a Bond Issuance. If there is not an annual bond issuance, the rating agencies may do annual surveillance to review the County's rating as part of its duty to maintain/update ratings on outstanding bonds. The

Administration is still in the process of determining when the next Bond Issuance will be needed.

6. Would the Department recommend changing the funding of the Lanai Youth Center through cash instead of bond fund? (KRF)

As provided in the County's Debt Management Policy, in an effort to conserve County debt capacity, the County shall borrow only when necessary and utilize pay-as-you go financing to the extent possible. In this case, the Department of Finance highly recommends that this project be funded by the General Fund, instead of General Obligation Bond Fund.

7. Below is the location, parcel size, and valuation of the Aina Kupuna program recipients.
(TK)

AINA KUPUNA 4/20/2023						
PARID	CLASS	PARCEL SIZE (IN ACRE)	GROSS ASSESSED VALUE	ADDRESS		
130020260000	AGRICULTURAL	8.712	731,800	ULAINO	RD	HANA
130020290000	AGRICULTURAL	7.807	230,500	ULAINO	RD	HANA
	CONSERVATION	2.87	100	ULAINO	RD	HANA
130020350000	NON-OWNER-OCCUPIED	16.788	777,100	HANA	HWY	HANA
150040070000	AGRICULTURAL	9.87	414,700	HANA	HWY	HANA
150050090000	NON-OWNER-OCCUPIED	1.96	593,600	46637 HANA	HWY	HANA
150050100000	NON-OWNER-OCCUPIED	2.74	659,100	HANA	HWY	HANA
160090100000	NON-OWNER-OCCUPIED	4.878	866,900	39790 HANA	HWY	HANA
170030120000	AGRICULTURAL	7.45	221,300	PIILANI	HWY	HANA
	CONSERVATION	6.26	135,200	PIILANI	HWY	HANA
210070080000	NON-OWNER-OCCUPIED	3.119	6,168,600	4800 MAKENA ALANUI	RD	KIHEI
210070120000	NON-OWNER-OCCUPIED	5.73	9,505,700	5075 MAKENA	RD	KIHEI
210070790000	NON-OWNER-OCCUPIED	0.811	12,388,800	5034 MAKENA	RD	KIHEI
210070880000	COMMERCIALIZED RESIDENTIAL	0.3352	6,800,200	5100 MAKENA	RD	KIHEI
260020160000	NON-OWNER-OCCUPIED	0.2176	1,865,500	17 AE	PL	PAIA
260020170000	NON-OWNER-OCCUPIED	0.1989	1,924,500	25 AE	PL	PAIA
260020180000	NON-OWNER-OCCUPIED	0.387	2,574,100	37 AE	PL	PAIA
260040280000	NON-OWNER-OCCUPIED	0.2614	2,678,100	29 HOMELANI	PL	PAIA
260080160000	NON-OWNER-OCCUPIED	0.7007	2,664,900	15 LAE	PL	PAIA
260100330000	NON-OWNER-OCCUPIED	0.3932	3,123,400	579 HANA	HWY	PAIA
260110130000	NON-OWNER-OCCUPIED	0.4345	3,902,300	73 ALEIKI	PL	PAIA
290010060000	AGRICULTURAL	5.7	432,600	PUNIAWA	RD	HAIKU
290010140000	NON-OWNER-OCCUPIED	20.81	813,800	760 HONOPOU	RD	HAIKU
	CONSERVATION	2.0	45,200	760 HONOPOU	RD	HAIKU
290030350000	AGRICULTURAL	15.84	499,000	HONOPOU	RD	HAIKU
290070760000	NON-OWNER-OCCUPIED	8.1	1,683,100	186 DOOR OF FAITH ROAD		HAIKU
	CONSERVATION	0.31	100	186 DOOR OF FAITH ROAD		HAIKU
410010110000	OWNER-OCCUPIED	1.25	1,818,800	7605 HONOAPIILANI	HWY	LAHAINA
430050190000	NON-OWNER-OCCUPIED	0.61	4,187,600	4495 LOWER HONOAPIILANI	RD	LAHAINA
430150360001	NON-OWNER-OCCUPIED	0.4696	3,030,300	4695 LOWER HONOAPIILANI	RD	LAHAINA
430150360002	NON-OWNER-OCCUPIED	0.2517	2,048,500	4695 LOWER HONOAPIILANI	RD	LAHAINA
430150360003	NON-OWNER-OCCUPIED	0.7332	3,522,200	4695 LOWER HONOAPIILANI	RD	LAHAINA
430150360004	NON-OWNER-OCCUPIED	0.4397	3,154,700	4695 LOWER HONOAPIILANI	RD	LAHAINA
460030150000	NON-OWNER-OCCUPIED	0.2044	2,771,600	399 FRONT	ST	LAHAINA
570010680000	NON-OWNER-OCCUPIED	0.4448	809,100	KAMEHAMEHA V	HWY	KAUNAKAKAI

Count: 31

8. Does the Department recommend moving the dates of assessment certification, appeal deadline, and other referenced deadlines related to the certified real property assessment? (YLS)

Due to the number of time share appeals, it would be desirable to move the assessment notice and appeal deadlines back about two weeks as follows:

Event	Date
Market data up to	6/30/23
Exemption/deed deadline	12/31/23
Assessment date	1/1/24
Notices Mailed	3/1/24
Mayors budget due	3/25/24
Appeal deadline	3/26/24
Certification	4/19/24

If the desire is to have certified real property assessment data in the Mayor's proposed budget, many dates would have to be moved back significantly (about 2 to 3 months). Kauai and the City and County of Honolulu have assessment dates that would accommodate this purpose.

<u>Honolulu Current</u>		
Event	Date	Days
Assessment date	1-Oct	
Notices Mailed	15-Dec	
Appeal deadline	15-Jan	31
Certification	31-Jan	16

<u>Kauai Current</u>		
Event	Date	Days
Assessment date	1-Oct	
Notices Mailed	1-Dec	
Appeal deadline	31-Dec	30
Certification	15-Mar	74

If the County of Maui moves to a calendar like Kauai and Honolulu, the challenge will be exemptions. The County of Maui's home and long-term rental exemptions provide significant tax relief. Currently applicants receive the exemption 1.5 to .5 years after a purchase. If the assessment date is moved back 2 or 3 months, the waiting period becomes longer.


Another challenge would be the shorter initial assessment year. The Real Property Assessment Division is short staffed. In addition, on April 24, 2023, the County Council de funded three positions. Given the loss of three positions, the division would not be able to complete a thorough revaluation of all parcels if the assessment date was moved back two to three months. Further, the decision to move back the dates would need to be done early in the year (prior to July 1) to give the division time to prepare. Another challenge would be notifying the public. Because, a large percentage of our owners do not live locally, a pre-notice may have to be mailed to educate owners on the date change and the implications.

9. Please explain how restricting our General Fund affects our bond rating. (KRF)

I am unable to support a answer at this time. More time would be needed for a formal response.

Should you have any questions, please feel free to contact me at extension no. 7474 or Deputy Director Steve Tesoro at extension no. 7475.

Sincerely,



SCOTT K. TERUYA
Director of Finance

Attachment

BFED Committee

From: Michelle Santos <Michelle.Santos@co.maui.hi.us>
Sent: Thursday, April 27, 2023 10:52 AM
To: BFED Committee
Cc: Cynthia Lallo; Cynthia Sasada; Didi Hamai; Josiah Nishita; Kekuhaupio Akana; Leo Caires; Pili Nahooikaika; Scott Teruya; Steve Tesoro
Subject: MT#10189
Attachments: MT#10189-BFED Committee.pdf

NOTE: PLEASE DO NOT FORWARD MY EMAIL TO ANYONE OUTSIDE OF THE COUNTY OF MAUI. YOU MAY CLICK ON THE ATTACHMENT ITSELF AND CREATE YOUR OWN EMAIL TO FORWARD THE DOCUMENT TO ANOTHER PERSON OUTSIDE OF THE COUNTY.

Michelle L. Santos

Office Operations Assistant

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County of Maui
200 S. High Street 9th Floor
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