

ORDINANCE NO. \_\_\_\_\_

BILL NO. **131, FD1** (2023)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48,  
MAUI COUNTY CODE, RELATING TO THE  
AUGUST 2023 WILDFIRES LONG-TERM RENTAL EXEMPTION

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

SECTION 1. Chapter 3.48, Maui County Code, is amended by adding a  
new section to be appropriately designated and to read as follows:

**“3.48.551 August 2023 Maui wildfires long-term rental exemption.** A. Starting January 1, 2024, a dwelling unit or a portion of a dwelling unit that was not occupied as a long-term rental at the time of the August 2023 Maui wildfires and that has since the wildfires been occupied as a long-term rental under a signed contract to lease for a term of at least one year to an individual who was directly displaced by the August 2023 Maui wildfires, without evicting a prior long-term tenant, is exempt from taxation, as follows:

1. The exemption from taxation in this section must be allowed from the next tax payment date, February 20, 2024, through June 30, 2025, if the applicant filed a claim with the department of finance on or before January 31, 2024, on a form prescribed by the department and the term of the lease is in effect by February 1, 2024.

2. The exemption from taxation in this section must be allowed from July 1, 2024, through June 30, 2025, if the applicant filed a claim with the department of finance on or before March 15, 2024, on a form prescribed by the department and the term of the lease is in effect by March 16, 2024.

B. Subsection A’s provisions are subject to the following conditions:

1. The exemption may be allowed for multiple dwelling units for any one taxpayer if the dwelling units are located on different parcels.

2. If a portion of the real property is not used as an August 2023 Maui wildfires long-term rental as described in

subsection A, that portion of the real property is not entitled to the exemption.

3. If the parcel is exclusively occupied by an individual who was directly displaced by the August 2023 Maui wildfires, the parcel is exempt from any real property tax, including the minimum real property tax.

4. The exemption is not allowed if the long-term rental lease is granted to any of the following lessees:

a. A natural person who has an ownership interest in the property, including a natural person who is considered an owner under section 3.48.150.

b. An officer or member of a corporation that has an ownership interest in the property.

c. A partner in a partnership that has an ownership interest in the property.

d. A business, corporation, partnership, or any entity unless the occupant of the dwelling unit is an individual who was directly displaced by the August 2023 Maui wildfires.

5. If the occupant of the dwelling unit maintains a permanent place of abode in addition to the exempt dwelling unit, the exemption is not allowed.

C. Upon the timely filing of a claim under subsection A, the applicant must provide the director a copy of the signed lease and all required documentation requested by the director to confirm the long-term rental use, including contact information to be used to verify continued qualification for the exemption. Failure to respond to the director's demand within thirty days will be grounds for denial of a claim for the exemption.

D. If the director obtains evidence that any use other than the August 2023 Maui wildfires long-term rental use is occurring, the evidence is prima facie proof that the real property does not qualify for the exemption, and the director must provide written notice to the owner by mail that the real property does not qualify for the exemption or continued exemption under this section. The evidence may include evidence that the dwelling unit is being advertised for occupancy by transient tenants for periods of less than six consecutive months for any period during the assessment year.

E. If, during any tax year, the August 2023 Maui wildfires long-term rental exemption for a property is revoked, the taxes for the entire tax year will be recalculated without the exemption.

F. If, during the assessment year, any portion of the dwelling unit is used as a transient vacation rental or short-term rental home, the exemption must be revoked and the taxes for the entire year recalculated without the exemption.

G. The real property owner must report any change in use or occupancy within thirty days of the change. The director may investigate any real property, and, if the director determines that the actual use differs from an August 2023 Maui wildfires long-term rental, may reassess the real property.

H. The director may adopt rules and prescribe forms to carry out this section.

I. As used in this section, “directly displaced by the August 2023 Maui wildfires” means:

1. The leased property’s occupant:

a. Maintained a permanent place of abode within the red or yellow reentry zone in Lahaina, as established by the County in its reentry map of impacted areas, or a permanent place of abode for which access was restricted to certain hours by the government as of November 15, 2023; and

b. Had no other permanent place of abode as of August 8, 2023; or

2. The leased property’s occupant maintained a permanent place of abode that was destroyed, damaged, or impacted by the August 2023 Maui wildfires and had no other permanent place of abode as of August 8, 2023.”

SECTION 2. New material is underscored. In printing this bill, the County

Clerk need not include the underscoring.

SECTION 3. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND LEGALITY:



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KRISTINA C. TOSHIKIYO  
Deputy Corporation Counsel  
Department of the Corporation Counsel  
County of Maui

paf:cmn:23-354a

INTRODUCED BY:

A handwritten signature in cursive script, appearing to read "Chris Lee". The signature is written in black ink and is positioned above a horizontal line.

Upon the request of the Mayor.

DIGEST

ORDINANCE NO. \_\_\_\_\_  
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A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48,  
MAUI COUNTY CODE, RELATING TO THE  
AUGUST 2023 WILDFIRES LONG-TERM RENTAL EXEMPTION

This bill proposes conditional real property tax exemptions for dwelling units or portions of dwelling units not occupied as a long-term rental at the time of the August 2023 Maui wildfires but that became a long-term rental following the August 2023 wildfires under a signed contract to lease for a term of at least one year. The long-term rental must be to an individual directly displaced by the August 2023 Maui wildfires, and must not involve the eviction of a prior long-term tenant. Real property tax exemptions covering the time period of February 20, 2024 through June 30, 2025 may be granted if an applicant files a claim with the Department of Finance by January 30, 2024. The term of the lease must be in effect by February 1, 2024. Real property tax exemptions will also be allowed from July 1, 2024, through June 30, 2025, if the applicant filed a claim with the department of finance by March 15, 2024, with the term of the lease going into effect by March 16, 2024.

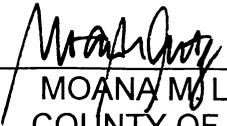
I, MOANA M. LUTEY, County Clerk of the County of Maui, State of Hawaii, DO  
HEREBY CERTIFY that the foregoing BILL NO. 131, FD1 (2023) was passed on First  
Reading by the Council of the County of Maui, State of Hawaii, on the 5th day of  
December, 2023, by the following vote:

AYES: Councilmembers Tom Cook, Tamara A. M. Paltin, Keani N. W.  
Rawlins-Fernandez, Shane M. Sinenci, Vice-Chair Yuki Lei K.  
Sugimura, and Chair Alice L. Lee.

NOES: None.

EXCUSED: Councilmembers Gabriel Johnson, Natalie A. Kama, and Nohelani  
U'u-Hodgins.

DATED at Wailuku, Maui, Hawaii, this 8th of December, 2023.

  
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MOANA M. LUTEY, 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.