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COUNTY COUNCIL

May 10, 2019

MEMO TO: EDB-24(11) File

Keani Rawlins-Fernandez

F R O M: Keani N.W. Rawlins-Fernandez, Chair
Economic Development and Budget Committee

SUBJECT: **TRANSMITTAL OF LEGISLATIVE PROPOSAL RELATING TO
COUNTY TAX REFORM** (EDB-24(11))

The attached proposal pertains to Item 24(11) on the Committee's agenda.

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Attachment

**Temporary Investigative Group (TIG)
of the
Economic Development and Budget Committee**

Purpose of investigation:

To make findings and recommendations on policies relating to county tax reform.

Scope of investigation:

The scope of investigation may include the following:

1. As its first order of business, the temporary investigative group will work with the Director of Finance or the Director's representatives to explore the following:
 - a. Simplifying Chapter 3.48, Maui County Code, relating to Real Property Tax, and streamlining classification and assessment methods.
 - b. Reviewing tax classifications generally.
 - c. Considering the possibility of merging valuations or rates for land and buildings.
 - d. Considering the possible repeal of or amendment to Subsection 3.48.305(C), Maui County Code, relating to properties subdivided into condominium property regimes.
 - e. Creating a long-term rental home exemption.
 - f. Identifying and amending potential loopholes in tax classifications.
 - g. Considering a tiered real property tax rate and plan for implementation.
 - h. Considering amendments to the minimum tax.
 - i. Reviewing the Kuleana tax exemption.
 - j. Reviewing the Hawaiian Homestead tax exemption.
2. During its investigation, the temporary investigative group may:
 - a. Conduct interviews and discussions with County personnel related to the goals of tax reform, including personnel from the following agencies: Department of Finance, Office of the Mayor, and Department of the Corporation Counsel.
 - b. Conduct interviews and discussions with individuals with expertise in the issues identified above to create tax reform solutions, identify

barriers to creating tax reform, and recommend steps the County can take to facilitate tax reform.

- c. Consult with representatives from the following groups: Tax reform advocates, real property mass appraisal and tax policy industry experts, finance experts, other municipalities, local landowners, and real estate, business, and financial communities.
 - d. Research other counties' real property tax structures.
3. At the conclusion of its investigation, the temporary investigative group is requested to:
 - a. Prioritize and rank in order of importance the top strategies and opportunities for creating tax reform;
 - b. Identify which of the top strategies and opportunities require legislative proposals and action by the Council; and
 - c. Identify which of the top strategies and opportunities would benefit by action of County departments.

General rules:

1. Discussion of matters relating to the purpose and scope of the investigation is restricted to only those Council members appointed as TIG members by the Economic Development and Budget Committee;
2. The physical presence of three TIG members for a discussion called and convened by the TIG Chair shall constitute a quorum;
3. Discussion of matters relating to the purpose and scope of the investigation is only permitted during a discussion called and convened by the TIG Chair, or in the absence or disability of the TIG Chair, the TIG Vice-Chair;
4. Three affirmative votes shall be required to establish a recommendation of the TIG. Items that do not receive three affirmative votes shall be disclosed as findings;
5. The TIG Chair shall submit a report of the group's findings, recommendations, and legislative proposals, if any, to the Economic Development and Budget Committee no later than September 19, 2019; and
6. The TIG shall be dissolved upon presentation of its findings, recommendations, and legislative proposals to the Economic Development and Budget Committee.

Membership:

_____, TIG Chair

_____, TIG Vice-Chair

_____, TIG member

_____, TIG member

Authority:

Call, convene, and facilitate TIG discussions; request staff assistance from the Council Chair and the Administration; report the TIG's findings and recommendations, if any, to the Economic Development and Budget Committee; establish and enforce parliamentary procedure.

In the absence or disability of the Chair, the Vice-Chair shall assume the duties of the Chair.

Voting member.

Voting member.