

Sept. 16, 2025, 1:30 p.m.

Kalana O Maui Building

To: Maui County Council, Special Committee on Real Property Tax Reform

Alice Lee, Chair

Keani Rawlins-Fernandez, Vice Chair

From: Grassroot Institute of Hawaii

Jonathan Helton, Policy Analyst

Re: REAL PROPERTY TAX REFORM

Aloha Chair Lee, Vice Chair Rawlins-Fernandez and other members of the Committee,

The Grassroot Institute of Hawaii offers **comments** on Maui's property tax system, including the bills already proposed in this committee, which has been established to review Maui's property tax system and make recommendations on how to reform it.

In general, Grassroot believes that Maui's property tax system should strive to minimize tax burdens and ensure transparency and fairness to all taxpayers.

For context, Maui property taxes have increased significantly over the past decade. In fiscal year 2016, the County collected \$254 million in property taxes.¹ For fiscal year 2026 the County is expected to take in almost \$660 million² — a 91% increase, even when accounting for inflation.³

Maui's tax system is also complicated, and many parts are outdated. For example, it appears that the County still relies on a 40-year-old document to help guide its assessment of agricultural land⁴ — no doubt causing discrepancies in how some parcels are valued and taxed.

¹ ["County of Maui Real Property Tax Valuation for Fiscal Year 2015 - 2016,"](#) Technical Branch, Real Property Assessment Division, Honolulu Department of Budget and Fiscal Services.

² ["County of Maui Real Property Tax Valuation for Fiscal Year 2025 - 2026,"](#) Technical Branch, Real Property Assessment Division, Honolulu Department of Budget and Fiscal Services, July 2025.

³ ["CPI Inflation Calculator,"](#) U.S. Bureau of Labor Statistics, comparing July 2015 and July 2025.

⁴ ["Rules and Regulations of the Director of Finance Relating to the Assessment of Agricultural Lands and the Imposition of the Deferred Tax Under Section 3.48.325; Maui County Code,"](#) Maui Department of Finance, Sept. 21, 1981.

Grassroot encourages the Committee to revisit its policies regarding the valuation and taxation of agricultural land with the goal of improving fairness and transparency, while keeping the tax burden low for all farmers and ranchers.

Grassroot takes no position at this time on the bills on the Committee's agenda — except for [Bill 113 \(2025\)](#), which would allow Maui property owners who file for the long-term rental or home exemptions to obtain partial tax relief if they file after the Dec. 31 deadline and before Sept. 30 of the next year.

Grassroot supports this measure because there are many situations in which an owner might forget to file before the deadline. Some Maui property owners simply do not know that the County offers these tax-relief programs. Others might purchase a home or start using a property as a long-rental halfway through the year and would like to avoid the high taxes they could otherwise face if the property were classified as short-term rental or non-owner occupied.

Grassroot will continue to evaluate the proposals submitted to this Committee, and we would welcome dialogue about other reforms the committee could propose to improve Maui's tax system.

Thank you for the opportunity to testify.

Jonathan Helton
Policy Analyst
Grassroot Institute of Hawaii