



# Understanding Property Taxes

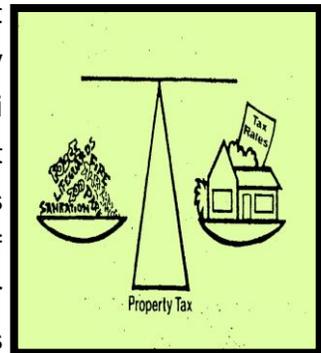


**ALAN M. ARAKAWA**  
Mayor

COUNTY OF MAUI

Each year residents of Maui, Molokai, and Lanai make an investment in their County when they pay their property taxes. Every dollar is returned in the form of vital services we often take for granted; services such as fire and police protection, street maintenance and lighting, water, sewer and refuse collection, recreational facilities, and activities.

These services are financed through a variety of revenue resources including federal and state grants, water and sewer fees, fuel tax, motor vehicle weight tax, and most importantly, real property tax. The County of Maui could not operate without the real property tax as approximately one-half of every revenue dollar collected comes from this



source. **The amount of tax money each property owner is required to pay is determined by two factors: the assessment value of your property, determined by the Real Property Assessment Division, and the tax rate, determined by the Maui County Council.**

## Real Property Tax Ordinance

Maui County Code (MCC) Chapter 3.48 is the section of the code applicable for real property taxes and can be viewed at <http://www.mauicounty.gov/>

## Tax Map Key is Important

Homeowners should know their tax map key number. Real property is mapped and indexed numerically according to a tax map key system which identifies your property. All matters concerning your property should be made in reference to the tax map key. See maps at: <http://www.co.maui.hi.us/index.aspx?nid=1032>

## Level of Assessment

Properties are assessed annually at 100% of market value by using the cost and market comparison approaches to value. County ordinance requires that leasehold properties be assessed in its entirety. Therefore, a fee simple value is determined.

## Fair Market Value

Per MCC 3.48.290 the fair market value of your property is determined. Fair market value is the most probable price (in terms of money) a property should bring in a competitive and open market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently and knowledgeably. Locating, identifying, and appraising your property at fair market value is the responsibility of the Real Property Assessment Division of the Department of Finance.



Over the years, great strides have been made to improve the methods used to assess property in a uniform and fair manner. Visit our website at <http://www.mauipropertytax.com/> to view our records or call our office regarding your assessment.

## Appraising Your Property

In the County of Maui there are in excess of 68,000 parcels and 70,000 structures that are required to be re-assessed annually. The number of appraisers in relation to the number of parcels in the county prohibits a personal inspection of each property on an annual basis. Normally, the inspection is undertaken only at the time of construction or remodeling. The "Mass Appraisal Method of Valuation" is applied using a computer assisted mass appraisal system. However, each property is given individual consideration.

Values are established **annually** as of **January 1**. These values will be used for the tax year which **begins July 1** to compute taxes, which will result in your **first billing due on August 20**.

## Exemptions to Decrease Your Net Taxable Assessment Value

As a property owner, you should be aware that there are exemptions which can reduce your net taxable assessment value. Most common is the homeowner exemption which if you own and occupy your property as your principal residence on January 1, you will be eligible for a single home exemption of \$200,000. This amount will be deducted from your property assessment before your net taxable value is calculated.

For example, if you own a house and lot valued at \$550,000 and are eligible for a single home exemption of \$200,000, your net taxable value will be \$350,000. This figure is divided by 1,000 then multiplied by the applicable tax rate, which is set by the County Council, to determine the taxes owed.



Special exemptions of \$25,000 are also available for property owners who are totally disabled, blind, deaf, or who are Hansen's Disease sufferers. These special exemptions are in addition to the basic home exemption.

If you are a totally disabled veteran due to injuries received while on active duty with the U.S. Armed Forces, your home may be exempted from all real property taxes, except the minimum tax per MCC 3.48.590.

There are other types of exemptions that may apply to your situation. Call our office or visit our website for more information.

Any person who has been allowed an exemption has a duty to report to the assessor within 30 days after that person ceases to qualify for such an exemption. Failure to make a timely report is a civil penalty.

### Deadlines

The RPA Division does not automatically apply exemptions. **You must file a claim** on a form prescribed by the Director of Finance for exemptions on or before **December 31** to be applicable for the following assessment year. Confirm when applying if **annual or one-time filing is necessary**. Most of the forms are available on our website at <http://www.mauipropertytax.com/>

## Assessment Notices

Assessment notices are **mailed** to property owners each year by **March 15**. Study your notice carefully. It lists land classification, property value, exemptions, and net taxable value. If you find an error or have questions, contact the RPAD office in a timely manner. If you do not agree with the value or classification of the property or if you were not allowed an exemption to which you have filed and are entitled, you have until **April 9 to file an appeal**.

## Appeal Process

Filing an appeal with the Board of Review is simple and requires no legal counsel. Appeals are heard by five resident commission members. The taxpayer is asked to state their case and then the appraiser explains how the assessment was determined. **There is a \$75.00 fee to appeal.** If the Board of Review finds in favor of the taxpayer, resulting in a refund to the taxpayer, the taxpayer is legally entitled to receive all earnings that were derived by the County on the taxes that were over paid by the taxpayer. The right to receive said earnings may be waived.

As of December 16, 2011 (Ordinance 3900), property owners may no longer appeal directly to the Tax Appeal Court. Taxpayers must first appeal to the County Board of Review. If you disagree with the County Board of Review's final decision, you may then file an appeal for judicial review to the Tax Appeal Court pursuant to HRS sections 91-12 and 91-14. If you disagree with the tax court, you may, within 30 days, file an appeal with the State Supreme Court.

Many property owners regretfully do not question their assessment until they receive their tax bill. The first half of the tax year's bill is mailed on July 20 and **payment is due on August 20**. The second half is mailed the following January 20 and **payment is due on February 20**. **There is no grace period.** You should remember that tax appeals can only be made between **March 15 and April 9** of the current assessment year.

Even though you have an appeal pending, you must pay all taxes by the due dates or you will be charged penalty and interest.



## Important Dates

The tax year begins on July 1 and extends until the following June 30. These are the important dates as set by law:

December 31	Deadline for filing exemption claims and ownership documents which affect the tax year
December 31	Deadline for filing circuit breaker applications
January 1	Assessments set for use during next tax year
March 15	Assessment notices mailed
April 9	Deadline for filing tax appeals
May 1	Certified assessment roll to County Council
June 20	Tax Rate set by County Council
July 1	Tax Year commences
July 20	First half year tax bills mailed
August 20	First half year tax payments due
September 1	Deadline for filing agriculture dedication petitions
January 20	Second half year tax bills mailed
February 20	Second half year tax payments due

**Location and Contact Information**

**REAL PROPERTY ASSESSMENT DIVISION**

Maui Mall Service Center  
70 East Kaahumanu Ave, Suite A-16  
Kahului, HI 96732.

Assessment Information, Exemptions & Appraisers .....270-7297

**TREASURY DIVISION**

**Real Property Tax/Fee Collections and Tax Relief Program**

Maui Mall Service Center  
70 East Kaahumanu Ave, Suite A-18  
Kahului, HI 96732.

Collection & Delinquent Accounts .....270-7697

Tax Relief/Circuit Breaker Program .....270-7697

Molokai .....800-272-0117

Lanai ..... 800-272-0125

Visit our website at [www.mauipropertytax.com](http://www.mauipropertytax.com)