

COUNCIL OF THE COUNTY OF MAUI

# BUDGET AND FINANCE COMMITTEE

July 7, 2009

**Committee  
Report No.** \_\_\_\_\_

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Budget and Finance Committee, having met on June 16, 2009, makes reference to County Communication No. 09-75, from the Director of Finance, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING SECTIONS 3.48.415 AND 3.48.558, MAUI COUNTY CODE, PERTAINING TO REAL PROPERTY TAX CHILD CARE FACILITIES EXEMPTIONS".

The purpose of the proposed bill is to establish that an annual application is required to be filed with the Department of Finance in order for an individual or business to receive a real property tax exemption for a child care facility.

The Director of Finance explained that operators of child care facilities may apply for a real property tax exemption. Once the application is approved, it is difficult for the Department to determine when the exemption is no longer valid. The proposed bill revises the existing policy to require operators of child care facilities to file a new application for a real property tax exemption each tax year. The Director informed your Committee that 24 child care facilities currently receive a real property tax exemption.

Your Committee voted 8-0 to recommend passage of the proposed bill on first reading and filing of the communication. Committee Chair Pontanilla, Vice-Chair Mateo, and members Baisa, Johnson, Kaho`ohalahala, Medeiros, Molina, and Nishiki voted "aye". Committee member Victorino was excused.

Your Budget and Finance Committee RECOMMENDS the following:

1. That Bill No. \_\_\_\_\_ (2009), attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING SECTIONS 3.48.415 AND 3.48.558, MAUI COUNTY CODE, PERTAINING TO REAL PROPERTY TAX CHILD CARE FACILITIES EXEMPTIONS", be PASSED ON FIRST READING and be ORDERED TO PRINT; and

COUNCIL OF THE COUNTY OF MAUI  
**BUDGET AND FINANCE COMMITTEE**

July 7, 2009  
Page 2

Committee  
Report No. \_\_\_\_\_

2. That County Communication No. 09-75 be FILED.

This report is submitted in accordance with Rule 7 of the Rules of the Council.

  
JOSEPH PONTANILLA, Chair

bf:cr:09027aa:ghr

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

BILL NO. \_\_\_\_\_ (2009)

A BILL FOR AN ORDINANCE AMENDING SECTIONS  
3.48.415 AND 3.48.558, MAUI COUNTY CODE, PERTAINING  
TO REAL PROPERTY TAX CHILD CARE FACILITIES EXEMPTIONS

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

SECTION 1. Section 3.48.415, Maui County Code, is amended to  
read as follows:

"3.48.415 Claims--Effect. [A] Except for child care facilities exemptions as set forth in section 3.48.558, a claim for exemption once allowed shall have continuing effect until:

- A. The exemption is disallowed;
- B. The assessor voids the claim after first giving notice, either to the claimant or to all claimants in the manner provided for by ordinance, that the claim or claims on file will be voided on a certain date, not less than thirty days after such notice;
- C. The five-year period for exemption, as allowed in section 3.48.500, expires; or
- D. The claimant makes the report required by section 3.48.425."

SECTION 2. Section 3.48.558, Maui County Code, is amended to  
read as follows:

"3.48.558 Child care facilities. A. Real property used for the operation of a child care home, day care home, nursery, babysitting service, or other like child care facility shall be exempt from property taxes to the extent provided below, provided that the child care provider operating the facility has been licensed by the state department of human services for one year or more and is actually and actively engaged in providing child care services in the facility, and that the facility conforms with zoning requirements set forth in title 19 of this code:

1. The child care facility shall be totally exempt where the value of the property is not in excess of \$50,000.
2. Where the value of the property is in excess of \$50,000, the exemption shall be in the amount of \$50,000.

B. Notwithstanding any other provision in this chapter, if the child care facility is property with regard to which the child care provider filed and was granted a home exemption claim under section 3.48.450, the exemption provided in this section shall be in addition to the exemption granted under section 3.48.450.

C. No exemption shall be granted pursuant to this section unless an application for exemption is filed with the department of finance. Applications shall be submitted during the period beginning August 1 and ending December 31 immediately preceding the tax year for which an exemption is claimed. A new application shall be filed for each tax year for which an exemption is claimed."

SECTION 3. Material to be repealed is bracketed. New material is underscored. In printing this bill, the County Clerk need not include the brackets, the bracketed material, or the underscoring.

SECTION 4. This ordinance shall be effective for child care facilities exemptions for tax years beginning on or after July 1, 2010.

APPROVED AS TO FORM  
AND LEGALITY:

  
\_\_\_\_\_  
TRACI FUNITA VILLAROSA  
First Deputy Corporation Counsel  
County of Maui

S:\ALL\TFV\Ord\3.48.415 3.48.558amd1208.wpd