

COUNCIL OF THE COUNTY OF MAUI

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE

September 19, 2014

**Committee
Report No.** _____

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

Chair and Members:

Your Policy and Intergovernmental Affairs Committee, having met on July 28, 2014, and September 9, 2014, makes reference to County Communication 14-164, from Councilmember G. Riki Hokama, transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48, MAUI COUNTY CODE, RELATING TO THE COMPOSITION OF THE REAL PROPERTY TAX REVIEW BOARD".

The purpose of the proposed bill is to provide that no more than two real estate agents or brokers shall serve as members of the Real Property Tax Review Board ("Board") at any one time to accommodate a more balanced range of professions on the Board.

Your Committee notes the Real Property Tax Review Board is not a Charter-established board. Sections 2.40.170 and 3.48.620, Maui County Code, provide for the establishment of the Board, while Sections 3.48.625 through 3.48.680, Maui County Code, provide for the Board's powers and duties. These provisions do not dictate the constituency of the Board, other than to require that members be citizens of the State and residents of the County; that members have resided in the State, at the time of appointment, for at least three years; and that officers or employees of the County are ineligible for appointment to the board.

An Executive Assistant, Office of the Mayor, noted there is currently a vacancy on the five-member Board. Three of the four members have real estate backgrounds. The fourth member has a business background unrelated to real estate. He noted the Administration has no objections to the proposed bill.

A Deputy Corporation Counsel noted it is helpful to have members on the Board with real estate expertise; however, it is also important for the Board to have balance.

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Your Committee debated whether the limitation on the number of real estate professionals should be confined to active agents or brokers, or should also encompass those who are inactive. Your Committee asked the Board of Ethics (“BOE”), which deals with questions over conflicts of interest, whether it had an opinion on the issue. The BOE responded it did not have authority to opine since there is no complaint before the BOE on a conflict of interest. The BOE noted the policy decision was best dealt with by the Council, but also noted there may be a potential for bias if a majority of members are all from one profession.

At the request of the Chair of your Committee, the Department of the Corporation Counsel transmitted a revised proposed bill to clarify Section 13-2(1) of the Revised Charter of the County of Maui (1983), as amended, relating to members’ terms of service, does not apply to the Board. The provision refers to boards having nine members, while the Board is comprised of five members.

The Director of Finance suggested the limitation on the number of real estate agents or brokers be broadened to apply to “members of the same or similar employment sector.” Your Committee discussed the suggestion and noted it had merit. However, your Committee concluded its preference is to focus on real estate professionals because they may have a greater influence on real property assessments.

Your Committee also decided not to confine the limitation to active real estate professionals only.

Your Committee voted 7-0 to recommend passage of the revised proposed bill on first reading and filing of the communication. Committee Chair Hokama, Vice-Chair Couch, and members Baisa, Cochran, Crivello, Guzman, and White voted “aye”. Committee members Carroll and Victorino were excused.

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Your Policy and Intergovernmental Affairs Committee RECOMMENDS the following:

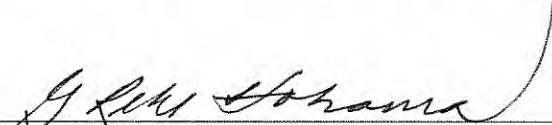
1. That Bill _____ (2014), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48, MAUI COUNTY CODE, RELATING TO THE COMPOSITION OF THE REAL PROPERTY TAX REVIEW BOARD", be PASSED ON FIRST READING and be ORDERED TO PRINT; and
2. That County Communication 14-164 be FILED.

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This report is submitted in accordance with Rule 8 of the Rules of the Council.



G. RIKI HOKAMA, Chair

ORDINANCE NO. _____

BILL NO. _____ (2014)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 3.48, MAUI COUNTY CODE,
RELATING TO THE COMPOSITION OF THE REAL PROPERTY TAX REVIEW BOARD

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

SECTION 1. Purpose. Pursuant to Section 3.48.625, Maui County Code, the Real Property Tax Review Board is charged with hearing all disputes between the Director of Finance and taxpayers in all cases in which real property tax appeals have been taken. The Board evaluates real property assessments and has the power to allow or disallow exemptions pursuant to law and to increase or lower any assessment. The purpose of this ordinance is to accommodate a more balanced range of professions on the board while also continuing to allow for the valuable guidance and opinions of real estate professionals who may choose to serve in this capacity.

SECTION 2. Section 3.48.620, Maui County Code, is amended to read as follows:

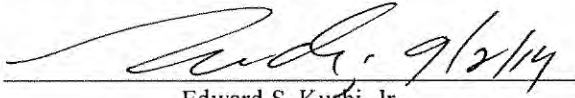
“3.48.620 [Board of review—Members--Generally.] Board of review—members—generally. There is created a board of review for the [county] County which shall consist of five members who shall be citizens of the [state] State and, at the time of appointment, residents of the [county, shall have resided at the time of appointment] County for at least three years [in the state], and shall be appointed by the mayor and confirmed by the [county] County council [as provided by charter]. Section 13-2 of the revised charter of the County of Maui (1983), as amended, shall apply to the board in the same manner as those provisions apply to boards and commissions established by the charter; provided, sections 13-2(1) and 13-2(7) of the charter shall not apply to the board. No more than two real estate agents or brokers shall serve as members of the board at any one time; provided that if there are more than two real estate agents or brokers on the board on the effective date of this ordinance, said members may continue service on the board, and the membership qualifications shall be rectified as vacancies occur. [A chairman shall be elected annually by members from the membership. The vice-chairman shall serve as the chairman of the board during the temporary absence from the county, illness, or disqualification of the

chairman. Any vacancy in the board shall be filled for the unexpired term as provided for in the charter. Each member may receive and be paid out of the treasury compensation for his services for each day's actual attendance and his actual traveling expenses.] No officer or employee of the [county] County shall be eligible for appointment to any such board.”

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 take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:



Edward S. Kushi, Jr.
Department of the Corporation Counsel
County of Maui
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