

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

MINUTES

August 15, 2006

Council Chamber

CONVENE: 1:31 p.m.

PRESENT: Councilmember Dain P. Kane, Chair
Councilmember G. Riki Hokama, Vice-Chair
Councilmember Robert Carroll, Member
Councilmember Danny A. Mateo, Member
Councilmember Michael J. Molina, Member
Councilmember Joseph Pontanilla, Member (In 1:32 p.m.)
Councilmember Charmaine Tavares, Member

EXCUSED: Councilmember Michelle Anderson, Member
Councilmember Jo Anne Johnson, Member

STAFF: Lance T. Taguchi, Legislative Analyst
Camille Sakamoto, Committee Secretary

ADMIN.: Kalbert K. Young, Director, Department of Finance
Traci Fujita Villarosa, First Deputy Corporation Counsel, Department of the
Corporation Counsel

PRESS: *Akaku: Maui Community Television, Inc.*
Ilima Loomis, The Maui News

CHAIR KANE: ...*(gavel)*... I'd like to call to order the Council's Budget and Finance Committee meeting for Tuesday, August 15th, 2006, Members. For the record, we have in attendance the Vice-Chair of the Committee, Member Hokama; as well as Members Carroll, Molina, Tavares, Kane, and Mateo. Excused from this afternoon's proceedings: Members Anderson, Johnson, and Pontanilla. Members, good afternoon. This afternoon we have one item on the agenda. It's budgeted, Budget and Finance Item Number 87, real property tax homeowner exemption.

ITEM NO. 87: REAL PROPERTY TAX HOMEOWNER EXEMPTION (C.C. No. 06-184)

CHAIR KANE: If you recall, this is an item that we had on the previous regularly scheduled meeting. And we agreed to bring that back, and we do have some clarification. So at this time, if you don't mind, Members, the Chair will provide some opening remarks. It'll be *brief* and as much as to the point as possible. We'll then ask if we have anybody in

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the...Chamber who wishes to testify. For the record, we also have in attendance Member Pontanilla.

... Members...the Committee is in receipt of County Communication No. 06-184 from Councilmember Kane, transmitting a draft bill to permanently establish a 300,000 dollar homeowner exemption; correspondence dated August 7, 2006 from the First Deputy Corporation Counsel, transmitting a proposed bill entitled: a bill for an ordinance amending Section 3.48.450, Maui County Code, pertaining to real property tax home exemption. The purpose...the pro...excuse me, the proposed bill incorporates nonsubstantive changes to the draft bill. Members, on May 23rd, 2005, this Council passed Ordinance Number 3285, which increased the homeowner exemption from 110,000 dollars to 200,000 dollars for tax years 2000, 6/30/2006, as well as into 6...June 30th, 2007. On the next year, on May 26, 2006--which we just recently completed, Members, in our tax, excuse me, in our **Budget** hearings--this Council passed Ordinance Number 3386, which further increased the homeowner exemption from 200,000 to 300,000 for the tax year ending next June 30th, 2007. **This** bill proposes to allow the 300,000 dollar exemption to apply to future tax years unless future Councils increase or **decrease** this amount. Passage of this proposed bill will clearly express this Council's preference to utilize the progressive approach of increasing the homeowner exemption to help lower- and middle-income taxpayers. Now, Members, at the last meeting, the reason for not repealing Section 3.48.465--which, I believe, was brought up by Committee Member Johnson, and it was a good question to be brought up, and therefore we deferred 'til this meeting. For taxpayers over 60 years of age, it's the age exemption that most of us are familiar with--what would happen is this would remove the safety net for the elderly homeowner 60 and over should future Council's reduce the homeowner's exemption below, if you recall, the 110,000 dollar for seniors 60 to 69 years old, as well as the 130,000 dollar...line for the seniors 70 years and over. So the repeal would not...it's not part of the proposal that you have before you. And that's just in case homeowner exemption goes below those, that number will still stay in effect and provide that safety net for our seniors between 60 and up. Finally, Members, I reconfirmed our reasoning with our Corporation Counsel this morning. And if you have any additional questions regarding this request, she is open for questions. Members, at this point, if there's anybody here in the audience that wishes to testify or if we do have anybody signed up to testify, now is that opportunity. Ms. Sakamoto?

MS. SAKAMOTO: We don't have any, Mr. Chair.

CHAIR KANE: Okay. Thank you. Members, we don't see anybody in the Chamber other than one of our people from one of our local newspapers. Anybody here signed up to testify, now's the time.

... And seeing that nobody's approaching, Members, we'll go ahead, without objections, to close public testimony.

COUNCIL MEMBERS: No objections.

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ABSENT: None.

EXC.: Councilmembers Anderson and Johnson.

MOTION CARRIED.

ACTION: Recommending **FIRST READING** of revised bill and **FILING** of communication.

CHAIR KANE: Members, this will move on to the full Council as a recommendation of this body to pass on this bill. We have no further business. Are there any announcements?

. . . Hearing none, Members, the Chair over anticipated the amount of time--

COUNCILMEMBER TAVARES: Oh . . .

CHAIR KANE: --I was banking on 15 minutes . . .

ALL: . . .(laughter). . .

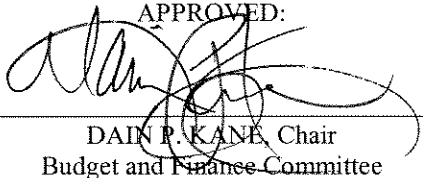
CHAIR KANE: . . . we're at 6 minutes.

COUNCILMEMBER ?: Good.

CHAIR KANE: Thank you very much. This meeting for August 15th, 2006 for the Budget and Finance Committee is adjourned . . .(gavel). . .

ADJOURN: 1:36 p.m.

APPROVED:



DAIN P. KANE, Chair
Budget and Finance Committee

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Transcribed by: Camille Sakamoto