



County of Maui
BOARD OF REVIEW
Service Center, Suite A16
70 E. Kaahumanu Avenue, Kahului, HI 96732
(808) 270-7297

REAL PROPERTY ASSESSMENT APPEAL

THE PROPERTY TAX SYSTEM

Real Property taxes are used to finance a wide variety of county government activities. The amount of tax money each property owner is required to pay is determined by two factors – the **assessed value** of a property, determined by the [Real Property Assessment Division \(RPAD\)](#) of the Department of Finance, and the **tax rate**, set by the **Maui County Council**.

REAL PROPERTY ASSESSMENT DIVISION (RPAD)

RPAD is assigned the duty of assessing all taxable real property. This involves mass appraisal of the properties in Maui County for taxation purposes. The fair market value of your property is annually assessed using the market and cost approaches.

Appraising is not an exact science, but is an opinion based on consideration of relevant facts. Differences of opinion can and do arise. To resolve such differences, an assessment appeals procedure exists.

THE APPEAL

On or before March 15, preceding each tax year, the Assessor will mail a “Notice of Property Assessment” for each taxable property. If you do not agree with the value of the property or if you were not allowed an exemption to which you are entitled, you may either discuss the matter with the Assessor’s Appraiser **or file an appeal with the [Board of Review](#)** by April 9 of the same year to appeal the assessment and /or classification. The appeal shall include the \$75 fee required by ordinance for each appeal at the time of filing.

An appeal to the Board of Review requires filing form “[Taxpayer’s Notice and Receipt of Real Property Tax Appeal](#),” with the RPAD. Two complete sets of your evidence and appeal form must be provided. Any notice of appeal without the information required shall be deemed incomplete and such notice of appeal shall not be filed or accepted by the Board.

GROUND FOR APPEAL

When you file an appeal, you must indicate the basis for your appeal. The law ([MCC 3.48.605](#)) specifies the following four grounds for appeal:

- A. Assessment of the property exceeds by more than twenty percent the assessment of market value used by the director as the real property tax base.
- B. Lack of uniformity or inequality, brought about by inability of the methods used or error in application of the methods to the property involved.
- C. Denial of an exemption to which the taxpayer is entitled and for which he has qualified.
- D. Denial of the circuit breaker tax credit for which the taxpayer is entitled and for which the taxpayer has qualified.
- E. Illegality, on any ground arising under the Constitution or laws of the United States or the laws of the State or the ordinances of the County in addition to the ground of illegality of the methods used in B above.

BOARD OF REVIEW (BOR)

The BOR is composed of five citizens who act as impartial referees between you and the Assessor. Its duty is to hear all disputes presented by you and the Assessor and decide on the evidence before them. **All documents shall be submitted to the Board of Review, not the Real Property Assessment Division.**

THE HEARING

A hearing notice will be mailed 15 days in advance of the hearing. The appellant may provide written testimony or send an authorized representative to the scheduled hearing. Any person representing you must have a letter of authorization to do so.

Be at the hearing room at the appointed time and inform the clerk of your presence.

When your case is called, go to the table and be seated. Relax and don't be nervous! The BOR understands that a hearing is not an everyday procedure for most people. Normally, you will be asked to present your case first. At that time, simply state those facts which substantiate your opinion of the correct assessment. **You are limited to 5 minutes to present your case.**

The hearing is not conducted under technical rules of evidence. You are free to submit any information to the BOR as long as it is relevant and competent – that is, of the type people normally rely upon.

EVIDENCE OF VALUE

By law, the BOR can only act on the basis of evidence presented at the hearing.

- You need to show that your property value is less than 80% of the total assessment.
- Arms-length sales from the market place are used to come up with the assessments. Sales transactions between relatives, close friends, and persons with close business relationships are usually not considered as “proper evidence”.
- A leasehold property is valued in its entirety as required by law; in other words, a fee simple value is determined.
- Sales that recorded up to June 30 of the previous year are used to determine the January 1 assessment.

INADMISSIBLE EVIDENCE

Some facts are related to taxes but are unrelated to property value. To avoid obscuring the central issue of **assessed value**, some data is inadmissible.

Inadmissible evidence includes:

1. Assessed values of other property.
Maybe used if you can show illegal methods or lack of uniformity.
2. The amount of the tax bill.
While taxes are computed on the basis of value, they are not evidence of value.
3. Prior year's assessments.
Each year's assessment is separately considered on its own merits.
4. Increases in assessed value between years.
The correctness of the current assessment is the question before the BOR – not prior years.

THE BOR'S DECISION

The BOR's primary objective is to decide what is the correct assessment for your property. It has the authority to change your assessment based on the evidence presented in the hearing. **It does not have the authority to reduce assessments simply because a person cannot afford to pay the taxes.** Neither can the Board change the tax rate.

The BOR may announce its decision at the conclusion of the hearing, or it may take the matter under consideration. In either case, you will be notified in writing of the BOR decision by mail addressed to you or your agent at the address given in the appeal.

If you disagree with the decision of the Board and wish to appeal to the Tax Appeal Court, you must file the appeal within 30 days after the filing date of the decision of the BOR.

If the BOR 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 overpaid by the taxpayer. The right to receive said earnings may be waived.

TAX APPEAL COURT

As of December 16, 2011 (Ordinance 3900), property owners may no longer appeal directly to the Tax Appeal Court. You must first appeal directly to the County Board of Review. If you disagree with the BOR'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.

Contact the Tax Appeal Court for information regarding deadlines, filing fees and procedure.

TAX PAYMENT

Even though you have an appeal pending, you must pay all taxes by the due dates or you will be charged a penalty. If you win your case, any overpayment in tax will be refunded to you.

ADDITIONAL INFORMATION

If you need additional information or do not understand some aspect of the appeals process, you may call the respective office of the Real Property Assessment Division.

- **MAUI**
BOARD OF REVIEW
70 E. Kaahumanu Avenue, A-16
Kahului, HI 96732
Phone: 808-270-7297

- **MOLOKAI**
Box 526
Kaunakakai, HI 96748
Phone: 808-553-3221

- **TAX APPEAL COURT**
777 Punchbowl Street
Honolulu, HI 96813
Phone: 808-539-4777