

Long-Term Rental Bill

Q & A

(Updated June 7th, 2024)

1. Q: What is the intent of Bill 104-23?

A: The intent of the Long-Term Rental Bill (104-23) is to separate long-term rental properties from the Residential Tax Class by creating a Long-Term Rental Class. The current Residential Tax Class includes vacation rentals and vacant properties along with long-term rentals. This separation will allow the county to appropriately tax these different tax classes.

2. Q: How do I move my current Residential Class property into the Long-Term Rental Tax Class and what is the criteria?

A: This is a voluntary program. There will be a form that you will need to fill out, annually, similar to the form for the Affordable Housing Program. To meet the criteria, you will need to provide a rental lease of 6 months or longer and be planning to rent the property for the full 12 months. Vacation rentals are not allowed.

3. What are the tax incentives for those entering the Long-Term Rental Program?

A: The Council will set tax rates for the new Long-Term Rental Class as well as all other Tax Classes in May/June 2025. We will be proposing lower rates for the Long-Term Rental Tax Class in comparison with the Residential Tax Class.

4. Q: When will the Long-Term Rental Program go into effect?

A: The new Long-Term Rental Program will begin January 1, 2026.

5. Q: If I have a long-term renter whose lease will be up mid-year, will I still qualify for this program?

A: Yes, a copy of the current contract reflecting the original lease that was for a term of at least 6 months then going month-to-month needs to be provided.
(This will be defined in Admin. Rules & Regulations)*

6. Q: If I've been renting my property to a long-term tenant but their lease has now gone to a month-to-month lease, am I still eligible to participate in the proposed Long-Term Rental Program?

A: Yes, however, a new contract would need to be signed with a term of at least 6 months when first entering this program, after which a month-to-month lease is acceptable.
(This will be defined in Admin. Rules & Regulations)*

7. **Q: If I need to do renovations between long-term tenants, will I become ineligible for the program?**

A: Not necessarily, however, the contract of the most recent tenant needs to be provided and only 1 year is allowed for renovations otherwise it will be ineligible for the long-term rental class. (This will be defined in Admin. Rules & Regulations)*

8. **Q: If I have a multi-family property with several units and I have to do major repairs on one unit that takes several months, will the entire property become ineligible for the program?**

A: No. Refer to #7

9. **If I use electronic leases for my tenants, will I have to print out all the pages and send in hard copies, or can I send electronic copies?**

A: An electronic copy (pdf form) can be sent in with the application to rptclerical@hawaiicounty.gov

**Real Property Tax's intent is to align the rules and regulations for this new program with similar programs, such as the Affordable Rental Program, when possible. This makes things simpler for their staff and the public.*