

AN ORDINANCE AMENDING CHAPTER 19, ARTICLE 7, SECTION 19-53, OF THE HAWAI‘I COUNTY CODE 1983 (2016 EDITION, AS AMENDED); RELATING TO REAL PROPERTY TAX VALUATION; CONSIDERATIONS IN FIXING.

BE IT ORDAINED BY THE COUNCIL OF THE COUNTY OF HAWAI‘I:

SECTION 1. Purpose. The purpose of this ordinance is to expand the limitations on property assessments to all tax classes, excluding residential. This will allow property owners to plan and adjust accordingly in the event the real estate market spikes.

SECTION 2. Chapter 19, article 7, section 19-53, of the Hawai‘i County Code 1983 (2016 Edition, as amended), is amended by amending subsections (g) and (h) to read as follows:

“(g) Limitation on [~~homeowner assessment.~~] property assessments.

(1) Homeowner assessment.

For properties in the homeowner class as of January 1, 2004, the assessed value of the property shall not increase more than three percent per tax year until the parcel is sold or any portion thereof sold by way of conveyance which is subject to conveyance tax under terms of chapter 247, Hawai‘i Revised Statutes, at which time the property will be assessed at market value. In addition to the three percent limit of this subsection, any improvements undertaken on the property within the tax year shall be assessed at market value. All parcels entering this class after January 1, 2004, shall have the assessed value as of January 1 of the following year and be subject to the above provisions.

(2) Affordable rental housing assessment.

For properties in the affordable rental housing class as of January 1, 2008, the assessed value of the property shall not increase more than three percent per tax year until the parcel is sold or any portion thereof sold by way of conveyance which is subject to conveyance tax under terms of chapter 247, Hawai‘i Revised Statutes, at which time the property will be assessed at market value. In addition to the three percent limit of this subsection, any improvements undertaken on the property within the tax year shall be assessed at market value. All parcels entering this class after January 1, 2008, shall have the assessed value as of January 1 of the following year and be subject to the above provisions.

- (3) Apartment, hotel and resort, commercial, industrial, agricultural or native forests, and conservation assessments.

For properties in the apartment, hotel and resort, commercial, industrial, agricultural or native forests, and conservation classes as of January 1, 2022, the assessed value of the property shall not increase more than fifteen percent per tax year until the parcel is sold or any portion thereof sold by way of conveyance which is subject to conveyance tax under terms of chapter 247, Hawai'i Revised Statutes, at which time the property will be assessed at market value. In addition to the fifteen percent limit of this subsection, any improvements undertaken on the property within the tax year shall be assessed at market value. All parcels entering this class after January 1, 2022, shall have the assessed value as of January 1 of the following year and be subject to the above provisions.

- (h) Eligibility for affordable rental housing class.

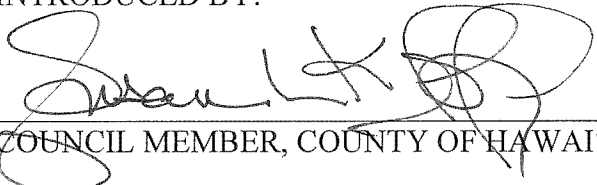
- (1) Real property occupied as affordable rental housing must be rented at a rate not to exceed the affordable rental rate for the entire calendar year claimed and must be legally permitted by all codes.
- (2) All rental units on affordable rental housing properties must be rented at the affordable rental rates.
- (3) Affordable rental housing properties shall not be excluded by the owner's principal residence also being on the property.
- ~~[(4) For properties in the affordable rental housing class as of January 1, 2008, the assessed value of the property shall not increase more than three percent per tax year until the parcel is sold or any portion thereof sold by way of conveyance which is subject to conveyance tax under terms of chapter 247, Hawai'i Revised Statutes, at which time the property will be assessed at market value. In addition to the three percent limit of this subsection, any improvements undertaken on the property within the tax year shall be assessed at market value. All parcels entering this class after January 1, 2008, shall have the assessed value as of January 1 of the following year and be subject to the above provisions.]”~~

SECTION 3. Material to be repealed is bracketed and stricken. New material is underscored. In printing this ordinance, the brackets, bracketed and stricken material, and underscoring need not be included.

SECTION 4. Severability. If any provision of this ordinance, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable.

SECTION 5. This ordinance shall take effect upon its approval.

INTRODUCED BY:



COUNCIL MEMBER, COUNTY OF HAWAI'I

_____, Hawai'i
Date of Introduction:
Date of 1st Reading:
Date of 2nd Reading:
Effective Date:

REFERENCE Comm. 739