

CITY COUNCIL
REFERRAL APPEAL FORM

DATE: October 1, 2021

TO: COUNCIL CHAIR

FROM: Radiant Cordero
COMMITTEE CHAIR

BILL/RESOLUTION/COMMUNICATION AND SUBJECT:

Bill 39 (2021) - REAL PROPERTY TAXATION. Amending provisions relating to the alternate energy improvements real property tax exemptions.

STATUS (Reading/PH):

Introduced 9/28/21

CURRENTLY REFERRED TO
COMMITTEE(S):

TSH

☒ DESIRED COMMITTEE(S)
RE-REFERRED TO:

Budget

OR

☐ DIRECT REFERRAL TO COUNCIL
FLOOR

Reason(s) for Appeal:

This bill relates to real property taxation.

Radiant Cordero
Committee Chair (Requestor)

Committee Chair

Tony Watson
Council Chair

10/5/21
Date

Granted ☒
Denied ☐

cc: Councilmembers
City Clerk
Council Assistance

COUNCIL COM. 351



A BILL FOR AN ORDINANCE

RELATING TO REAL PROPERTY TAXATION.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to amend the provisions relating to the alternate energy improvements real property tax exemption.

SECTION 2. Section 8-10.15, Revised Ordinances of Honolulu 1990, is amended to read as follows:

Sec. 8-10.15 Exemption—Alternate energy [~~improvements~~].

- (a) The value of all improvements [~~in the county~~] permanently affixed to land (not including a building or its structural components, except where alternate energy improvements are incorporated into the building, and then only that part of the building necessary to such improvement) and actually used for an alternate energy improvement [~~shall be exempted from the measure of the taxes imposed by this article~~] is exempt from real property taxes if a timely claim for exemption is approved by the director.
- (b) The portions of land actually used for the active production of alternate energy shall be exempt 50% of its value from the measure of the taxes imposed by this article. A State-approved special use permit or county-approved conditional use permit allowing for such production is required if the production of alternate energy is inconsistent with or not permitted by the underlying zoning. The production of alternate energy must be primarily for the use, distribution or sale to public utilities or for public consumption, and does not apply to the production of alternate energy primarily for personal use or used to sustain private enterprises or operations.
- (~~b~~) c) As used in this section "alternate energy improvement" means any construction or addition, alteration, modification, improvement or repair work undertaken upon or made to any building, property or land which results in:
 - (1) The production of energy from a source, or uses a process which does not use fossil fuels, nuclear fuels or geothermal source. Such energy source may include, but shall not be limited to, [~~solid wastes, wind or ocean waves, tides or currents~~] wind, sun, falling water, biogas, ocean water, currents and waves, biomass waste and biofuels; or



A BILL FOR AN ORDINANCE

- (2) An increased level of efficiency in the utilization of energy produced by fossil fuels or in the utilization of secondary forms of energy dependent upon fossil fuels for its generation.
- ((e)d) Application for the exemption provided by this section ~~[shall be made]~~ must be filed by the taxpayer with the director on or before September 30th, preceding the tax year for which the exemption is claimed. No improvement exemption may be claimed for devices that convert solar radiation to electricity or heat because these devices are excluded from the definition of "property" or "real property" and are not assessed. The director may require the taxpayer to furnish reasonable information in order that the director may ascertain the validity of the claim for exemption.
- ((d)) ~~[The claim for exemption, once allowed, shall continue for a period of 25 years thereafter.]~~
- (e) The director may demand from the claimant documentation to support an initial claim for exemption or the continuing qualification for the exemption. Failure to respond to the director's request is grounds for denying a claim for an exemption or disallowing an existing exemption. The director may demand documentary evidence of active production of alternative energy, such as a current, valid copy of State-approved special use permit or county-approved conditional use permit, approvals or orders from the State of Hawaii Public Utility Commission, or if the claimant is not the fee owner, a copy of the lease or agreement describing the allowable uses and period of use of real property. Failure to respond to the director's demand within 30 days is grounds for disallowance or denial of a claim for an exemption.
- (f) The director may cancel the exemption if the alternative energy improvement ceases operations which generate alternative energy, and when the production of alternative energy on land ceases or terminates.
- (g) The claimant may cancel the exemption by filing a written notice of cancellation with the director.
- (h) The exemption may not be combined with any other real property tax exemption in Chapter 8-10 or dedication program in Chapter 8-7.
- ((e)i) The director may adopt rules and regulations to implement this section.



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____
BILL 39 (2021)

A BILL FOR AN ORDINANCE

SECTION 3. Ordinance material to be repealed is bracketed and stricken. New material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Reviser of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.

SECTION 4. This ordinance takes effect upon its approval and applies to the tax years beginning July 1, 2022 and thereafter. Notwithstanding the September 30th application deadline, a one-time application period of 10 calendar days following the effective date of this ordinance is permitted. This allows eligible properties an opportunity to qualify for the stated beginning tax year and the assurance toward the correctness of the assessment lists and certification of the net taxable amounts real property.

INTRODUCED BY:

Tony Wata

(br)

DATE OF INTRODUCTION:

SEP 28 2021

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20 _____.

RICK BLANGIARDI, Mayor
City and County of Honolulu