



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

FILED
JAN 14 2024
PURSUANT TO ROH Sec. 1-2.4

ORDINANCE
3 (2022)

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 and Findings. The purpose of this ordinance is to amend provisions related to the notices of real property valuation assessments for real property taxation purposes.

The Council finds that the real property taxpayers of the City and County of Honolulu ("City") are often subject to unexpected increases in real property valuations and are provided with little or no information about the City's valuation process. Sudden increases to real property valuations for tax purposes, which result in unexpected increased real property taxes, can significantly impact residents of the City.

Furthermore, requiring City property taxpayers to file an appeal to learn how their properties were assessed is burdensome to the taxpayer and lacks transparency. It may also waste the time and resources of the taxpayer, City employees, and volunteer members of the Real Property Tax Boards of Review.

Under Resolution 17-112, as amended by Resolution 19-199, the Council established an Oahu Real Property Tax Advisory Commission ("ORPTAC") to conduct a systematic review of the City's real property tax system's valuation methodologies, classes, exemptions, credits, and minimum property tax to make the current system more equitable and efficient.

On December 29, 2021, the ORPTAC filed its interim report, which was filed as Council Communication 439 (2021). The report's first recommendation was for greater transparency from the Real Property Assessment Division ("RPAD"). Specifically, the ORPTAC reported that there was a lack of transparency regarding the real property valuation process and noted that it was unclear as to why RPAD remains resistant to providing information about the real property tax valuation process to the public.

In concurrence with the findings of the ORPTAC, and in the interest of transparency for City taxpayers, the Council finds that the form of the City's real property assessment notices should be amended to provide information on how real property valuations are determined.



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SECTION 2. Section 8-2.1, Revised Ordinances of Honolulu 1990 ("Notice of assessments—Addresses of persons entitled to notice"), is amended by amending subsection (a) to read as follows:

"(a) On or before December ~~[15th]~~ 15 preceding the tax year, the director shall give written notice of the assessment for the tax year [against] to each known owner~~[, by personal delivery to the owner or by mailing to the owner on or before such date postage prepaid and addressed to the owner at the owner's last known place of residence or address a written notice identifying]~~ of real property that includes the following information:

- (1) The tax key of the real property [involved by the tax key and the];
- (2) The general class of the real property, as established in accordance with Section 8-7.1(c) [and setting forth the], set forth in clear and descriptive language, without abbreviation or reference to a code of any kind;
- (3) The valuation placed upon the real property, determined pursuant to Section 8-7.1(a), [the] and an explanation of the valuation to include, at minimum, the following:
 - (A) The market data approach factors utilized to calculate the valuation, including, but not limited to, sales of comparable properties and any adjustments made between the comparable properties and the subject property; and
 - (B) The cost approach factors utilized to calculate the valuation, including, but not limited to, the estimated land value, replacement cost of any improvements, and depreciation;
- (4) The exemption, if any, allowed or denied, as the case may be[, and the]; and
- (5) The net taxable value of the real property.

~~[The general class of the property shall be set forth in clear and descriptive language as used in Section 8-7.1(c)(1) without abbreviation and without reference to a code of any kind on the notice of assessment. In lieu of the notification methods set forth in this paragraph, the director shall, at]~~ The director shall provide the notice of assessment to the owner by personal delivery or by mail, addressed to the owner at the owner's last known place of residence or address. At the option of the owner, the director may also give notice of the assessment by electronic transmission."



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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 Revisor 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, 2023 and thereafter.

INTRODUCED BY:

Tony Wata
Esther Kia'ania

DATE OF INTRODUCTION:

JAN 14 2022

Honolulu, Hawai'i

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20 _____.

RICK BLANGIARDI, Mayor
City and County of Honolulu

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