



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. Findings and Purpose. The purpose of this ordinance is to address transparency in the taxation of real property.

The City Council ("Council") of the City and County of Honolulu ("City") finds that despite real property tax rates remaining relatively unchanged, the City's real property tax collections grow larger and larger because of continual increases in assessed property valuations, particularly in the residential property classification. In tax year 2023, overall assessed valuations for the residential property classification increased by 13 percent. For example, homeowners on the North Shore experienced the highest increase in aggregate assessed valuations at 20 percent, while East Honolulu homeowners experienced the lowest increase in aggregate assessed valuations at 10 percent. It is these sharply increased assessed valuations which drive City homeowners' tax bills up despite tax rates remaining flat. The Council further finds that, on an island with one of the nation's highest costs of living coupled with an equally steep cost of doing business, spiking tax bills do not allow City taxpayers to adequately budget or plan. Taxpayers' only notice is a document regarding the increased property taxes that is received months after the valuations, which destroys the taxpayer's platform to express their opinion regarding property taxes. These problems are exacerbated for kupuna and fixed income residents. Although property taxes are a main source of revenue for the City, the taxes should not create such an unexpected burden for taxpayers.

The Council further finds that the City's tax program is in need of enhanced transparency and greater public discussion whenever assessed valuations are set to increase by at least 5 percent. Property truth in taxation public hearings are an effective mechanism to hold the City accountable when taxpayers' tax bills are going to be significantly raised due to increases in assessed valuations even as tax rates remain unchanged.

The Council finally finds that one of the key goals of the property truth in taxation public hearings should be a forthright discussion between the public, the City Administration, and the Council about property tax rate adjustment proposals for the annual Council budget bill.

SECTION 2. Chapter 8, Article 7, Revised Ordinances of Honolulu 2021 ("Valuations"), is amended by adding a new section to be appropriately designated by the Revisor of Ordinances and to read as follows:



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____

BILL 22(2023)

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"§ 8-7. Property truth in taxation public hearing.

When the gross valuation of real property within a council district increases by at least 5 percent in any one real property classification, the director shall hold a property truth in taxation public hearing in the affected council district. The public hearing must take place on or before February 28. The director shall advertise the date, time, and place of the public hearing in accordance with the law. The date of the public hearing must be not less than 10 days after the advertisement is first published. The director shall invite the councilmember representing the council district where the public hearing is held to participate in the public hearing."

SECTION 3. 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 underscoring.



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SECTION 4. This ordinance takes effect upon its approval.

INTRODUCED BY:

A. Spola

DATE OF INTRODUCTION:

MAR 14 2023

Honolulu, Hawai'i

APPROVED AS TO FORM AND LEGALITY:

Councilmembers
FILED

MAR 14 2025

PURSUANT TO ROH Sec. 1-2.4

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20 _____.

RICK BLANGIARDI, Mayor
City and County of Honolulu