



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. The purpose of this ordinance is to provide property tax relief to certain homeowners.

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:

"§ 8-7. Valuation cap.

- (a) Real property owned and occupied by a taxpayer 65 years of age or over and granted the home exemption under § 8-10.3, must be taxed on its assessed value, provided that, on a year to year basis, any increase in valuation over the preceding tax year's assessed value must not exceed 2 percent or the rate of inflation per year, whichever is lower, except as provided below:
- (1) If real property is sold or transferred, the valuation for the tax year thereafter must be based on the fair market value of the property; or
- (2) If any improvements are undertaken on the property, and the improvements increase the fair market value of the property, the valuation must be increased based on the fair market value of the improvements undertaken.
- (b) For the purposes of this section, the following definition applies unless the context clearly indicates or requires a different meaning.

Rate of inflation. The percent change in the consumer price index for the tax year that the valuation of the real property is assessed."



A BILL FOR AN ORDINANCE

SECTION 3. Section 8-7.1, Revised Ordinances of Honolulu 2021 ("Valuation—Considerations in fixing"), is amended by amending subsection (a) to read as follows:

- "(a) ~~[The]~~ Except as provided for in § 8-7. , the director shall cause the fair market value of all taxable real property to be determined and annually assessed by the market data and cost approaches to value using appropriate systematic methods suitable for mass valuation of real property for ad valorem taxation purposes, so selected and applied to obtain, as far as possible, uniform and equalized assessments throughout the city."

SECTION 4. Ordinance material to be repealed is bracketed and stricken.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. The Revisor of Ordinances shall fill in the blank in SECTION 3 of this ordinance with the Revised Ordinances of Honolulu 2021 section number assigned to the section enacted by SECTION 2 of this ordinance.



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____

BILL 48(2023)

A BILL FOR AN ORDINANCE

SECTION 5. This ordinance takes effect upon its approval and applies to tax years beginning July 1, 2024 and thereafter.

INTRODUCED BY:

Val A. Chen

DATE OF INTRODUCTION:

AUG 9 2023

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