HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

ORDINANCE _____

BILL 67 (2025)

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) *When valuation cap applies.* 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 of the property 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 the 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 constructed 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 constructed improvements.

(b) *Definition.* 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."

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 Ordinance material to be repealed is bracketed and stricken.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.

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SECTION 5. This ordinance takes effect upon its approval and applies to tax years beginning July 1, 2027 and thereafter.

INTRODUCED BY:

Val A. Okimoto

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_____

DATE OF INTRODUCTION:

_____

_____

OCT 21 2025

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

Report Title:
Real Property Tax ("RPT"); Real Property; Assessed Value; Valuation; Valuation Cap; RPT Relief; Owner-Occupied; Homeowner; Home Exemption; Sixty-Five Years or Older; Department of Budget and Fiscal Services ("BFS")

Description:
Establishes a valuation cap (either 2 percent of the preceding tax year's assessed value of the real property or the rate of inflation per year, whichever is lower) for real property owned and occupied by a taxpayer 65 years or age or older. Specifies certain exceptions to the valuation cap. Effective for tax years beginning July 1, 2027.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.