REPORT OF THE COMMITTEE ON BUDGET

Voting Members:
Val A. Okimoto, Chair; Scott Y. Nishimoto, Vice Chair;
Radiant Cordero, Esther Kia'āina, Augie Tulba, Tommy Waters

Committee Meeting Held
April 28, 2026

Honorable Tommy Waters
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, to which was referred the review and evaluation of the Real Property Tax Boards of Review I, II, and III ("Boards of Review") pursuant to Ordinance 17-44 (codified as Chapter 3, Article 15, Revised Ordinances of Honolulu 2021 ("ROH")), reports as follows:

The purpose of the review and evaluation is to determine whether the provisions of the Revised Charter of the City and County of Honolulu 1973 (Amended 2017 Edition), as amended ("Charter") establishing the Boards of Review should be retained, amended, or repealed. Ordinance 17-44 implements Charter Section 13-103.2, which mandates the periodic review and evaluation of certain City boards and commissions as provided by ordinance.

The Boards of Review were established by ROH Section 8-12.6, and have the following powers, duties, and functions:

- Hear disputes between the director and any taxpayer in all cases in which appeals have been duly taken;
- Hold public meetings at some central location in the city commencing not later than January 15 of each year and shall hear, as expeditiously as possible, all appeals assigned to it for each year;
- Base each of its decisions on the evidence before it and, as provided in ROH Section 8-1.18, the assessment made by the director shall be deemed prima facie correct;

ADOPTED ON MAY 13 2026

COMMITTEE REPORT NO. 106(26)

- Upon completion of its review of the property tax appeals for the current year, each board shall compile and submit to the mayor and the council, and shall file with the director for the use of the public, copies of a report detailing the work of the board, which is directed at meeting the objectives of ROH Chapter 8;

- Report on instances in which the director, in the application of the valuation methods selected by the director, erred as to the assessment of a particular property or particular properties not brought before the board by any appeal;

- Have the authority to subpoena witnesses, administer oaths, examine books and records, and hear and take evidence in relation to any subject pending before the board; and

- May request the tax appeal court to order the attendance of witnesses and the giving of testimony by them, and the production of books, records and papers at the hearings of the board.

ROH Section 8-12.6 establishes five boards under the Department of Budget and Fiscal Services ("BFS"), with each board consisting of five members, appointed by the Mayor and confirmed by the Council pursuant to Charter Section 13-103.

By Departmental Communication 69 (2026), dated February 4, 2026, the Boards of Review submitted to the Council a report on its accomplishments and activities, as required by Ordinance 17-44 (ROH Section 3-15.4).

At your Committee's meetings on March 3, 2026 and April 28, 2026, Steven Takara, Administrator, BFS Real Property Assessment Division, provided comments on the report and answered questions from the Committee.

No public testimony was received on the Real Property Tax Boards of Review.

Your Committee, after due consideration, makes the following findings:

- ROH Section 8-12.7(d) should be amended to allow for electronic meetings; and
- ROH Section 8-12.6 should be amended to include a mandatory training requirement.

Based on the foregoing, your Committee makes the following recommendations:

1. That the Boards of Review be retained in the ROH and continue to fulfill their powers, duties, and functions as prescribed by the ROH.
2. That the following revisions to the Boards of Review's functions under the ROH be made:
    a. ROH Section 8-12.6 should be amended to include a mandatory training requirement; and
    b. ROH Section 8-12.7(d) should be amended to allow for electronic meetings.

A draft bill implementing your Committee's recommendations is attached.

REPORT OF THE COMMITTEE ON BUDGET

Voting Members:
Val A. Okimoto, Chair; Scott Y. Nishimoto, Vice Chair;
Radiant Cordero, Esther Kia'āina, Augie Tulba, Tommy Waters

Your Committee on Budget recommends that this Committee Report be scheduled for a public hearing and be adopted by the Council as the Council's determination on the review and evaluation of the Real Property Tax Boards of Review I, II,. and III. (Ayes: Cordero, Kia'āina, Nishimoto, Okimoto, Tulba, Waters – 6; Noes: None.)

Respectfully submitted,

Val A. Okimoto

Committee Chair

HONOLULU CITY COUNCIL
Ke Kanihela o ke Kalana o Honolulu
CITY AND COUNTY OF HONOLULU

ADOPTED ON MAY 13 2026

COMMITTEE REPORT NO. 106(26)

A BILL FOR AN ORDINANCE

RELATING TO REAL PROPERTY TAX BOARDS OF REVIEW.

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

SECTION 1. Purpose. The purpose of this ordinance is to amend provisions relating to the Real Property Tax Boards of Review I, II, and III.

SECTION 2. Section 8-12.6, Revised Ordinances of Honolulu 2021, is amended to read as follows:

"§ 8-12.6 Boards of review—Appointment, removal, compensation.

(a) There shall be up to five boards of review for the City and County of Honolulu, each of which shall consist of five members. In addition to meeting the requirements established in Charter § 13-103, the members shall have resided in the State for at least three years at the time of their appointments. The appointment of a member shall be to serve on one of the boards of review for the duration of the member's appointment and, in accordance with § 8-12.7(c), to serve, temporarily, as a substitute member of one of the other [~~board~~] boards of review for meetings for which such other board is unable to establish a quorum, but not due to a vacancy on such board. Any vacancy in any of the boards shall be filled for the unexpired term as provided for in the charter.

(b) A chair and vice-chair of each board shall be elected annually from among the board's membership by its respective members. The vice-chair shall serve as the chair of the board during the chair's temporary absence from the city, illness, or disqualification. Each member may receive and be paid out of the treasury compensation for such member's services for each day's actual attendance and the member's actual traveling expenses.

(c) *Mandatory training.* No later than January 1, 2028, the city administration shall establish a real property tax training program regarding real property tax law, mass appraisal principles, and ethics, facilitated by the department of the corporation counsel as prescribed by the director of budget and fiscal services, for all board members. Each board member shall complete the training required by this section within three months following the availability of the training for members taking office before January 1, 2028, or within three months following the date a member takes office on or after January 1, 2028. Failure to complete

the training required by this section is a ground for removal of the member from the board."

SECTION 3. Section 8-12.7, Revised Ordinances of Honolulu 2021, is amended to read as follows:

"**§ 8-12.7 Boards of review—Duties, powers, procedure before.**

(a) Each board for the city shall hear disputes between the director and any taxpayer in all cases in which appeals have been duly taken. The fact that a notice of appeal has been duly filed by a taxpayer shall be conclusive evidence of the existence of a dispute. However, this subsection shall not be construed to permit a taxpayer to dispute an assessment to the extent that it is in accordance with the taxpayer's return, as may be required pursuant to this chapter, unless the taxpayer shows lack of uniformity or inequality as set forth in § 8-12.3.

(b) The assignment of particular tax appeals to a specific board of review shall be made by the director.

(c) Upon the request of the chair of one board, the chair of one of the other boards may administratively, and without requirement of formal action of that chair's board, temporarily assign a member of that board to serve as a substitute member of the requesting board for purposes of establishing a quorum at a designated meeting or designated meetings of the requesting board. The substitute member temporarily assigned under this subsection shall serve only for the particular board meeting or meetings for which the assignment is made and only so long as a quorum may not be maintained by the board to which the substitute member is assigned. During the period of the substitute member's assignment, the substitute member may participate in the discussion of and vote on all appeals before the board. Nothing herein shall prevent a member from again being assigned under this subsection.

(d) Each board shall hold public meetings at some central location in the city or by interactive conference technology pursuant to subsection (j), commencing not later than January 15 of each year and shall hear, as expeditiously as possible, all appeals assigned to it for each year. With the exception of questions involving the Constitution or laws of the United States, each board shall have the authority to decide all questions of fact and all questions of law necessary to the determination of the objections raised by the taxpayer in the notice of appeal; provided that the board shall not have the authority to determine or declare an

assessment illegal or void. Each board shall have the authority to allow or disallow exemptions pursuant to law, whether previously allowed or disallowed by the director, and to increase or lower any assessment.

(e) Each board shall base each of its decisions on the evidence before it and, as provided in § 8-1.18, the assessment made by the director shall be deemed prima facie correct. Assessments for the year upon other similar property situated in the city shall be received in evidence upon the hearing. In increasing or lowering any real property assessment, the board shall be governed by this chapter. Each board shall file with the director its written decision on each appeal, and a certified copy thereof shall be delivered or mailed by the director to the taxpayer concerned at the taxpayer's last known place of residence or business.

(f) Upon completion of its review of the property tax appeals for the current year, each board shall compile and submit to the mayor and the council, and shall file with the director for the use of the public, copies of a report detailing the work of the board, which is directed at meeting the objectives of this chapter. The board additionally shall report on instances in which the director, in the application of the valuation methods selected by the director, erred as to the assessment of a particular property or particular properties not brought before the board by any appeal. Before commencing this phase of its work, each board shall publish, during the first week of September, a notice specifying a period of at least 10 days within which complaints may be filed by any taxpayer. Each complaint shall be in writing, shall identify the particular property involved, shall state the valuation claimed by the taxpayer and the grounds of objection to the assessment, and shall be filed with the director who shall transmit the same to the appropriate board. Not earlier than one week after the close of the period allowed for filing complaints, the appropriate board shall hear the same, after first giving reasonable notice of the hearing to all interested taxpayers and the director. Like notice and hearing shall be given in order for the board to include in its report any other property not brought before it by an appeal. The board may proceed by districts designated by their tax map designation, and may from time to time publish the notice above provided for as the work proceeds by districts.

(g) The director, in the making of assessments for the succeeding year, shall give due consideration to the reports of the boards made pursuant to subsection (f).

(h) Each board, in addition to all other powers, also shall have the authority to subpoena witnesses, administer oaths, examine books and records, and hear and take evidence in relation to any subject pending before the board. It may request the tax appeal court to order the attendance of witnesses and the giving of testimony by them, and the production of books, records, and papers at the hearings of the board.

(i) In addition to any notice and publication required by State law or these ordinances, the director, on behalf of each board, shall make available on the city's website all notices of hearings, decisions by the boards, and all rules pertaining to the boards.

(j) Any meeting of a board may, by designation of, or with the approval of, the chair of the board, be held by interactive conference technology pursuant to HRS § 92-3.7."

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 2021, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.

A BILL FOR AN ORDINANCE

SECTION 5. This ordinance takes effect upon its approval.

INTRODUCED BY:

_____

_____

_____

_____

_____

_____

DATE OF INTRODUCTION: _____

_____

_____ _____

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 Boards of Review; Mandatory Training; Interactive Conference Technology; Removal; Board Members; Department of the Corporation Counsel ("COR"); Director of Budget and Fiscal Services ("BFS")

Description:
Requires the City administration to establish a real property tax training program, facilitated by COR or as prescribed by the BFS Director, for all Real Property Tax Board of Review members by January 1, 2028. Mandates all board members taking office before January 1, 2028 to complete the training within three months following the availability of the program and, for members taking office on January 1, 2028 or thereafter, within three months after taking office. Authorizes each Real Property Tax Board of Review to hold public meetings by interactive conference technology pursuant to HRS Section 92-3.7.

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