

HONOLULU CITY COUNCIL
KE KANIHELA O KE KALANA O HONOLULU
CITY AND COUNTY OF HONOLULU

ORDINANCE _____
BILL 60 (2026)

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. The purpose of this ordinance is to amend provisions related to real property taxation.

SECTION 2. Chapter 8, Article 1, Revised Ordinances of Honolulu 2021 ("Administration"), is amended by adding a new section to be appropriately designated by the Revisor of Ordinances and to read as follows:

"§ 8-1. Automated eligibility screening system.

- (a) Definitions. For the purposes of this section, the following definitions apply unless the context clearly indicates or requires a different meaning.

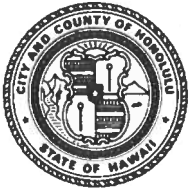
Automated Eligibility Screening System or Screening System. A system that includes an electronic data-processing platform configured to systematically scan, ingest, cross-reference, and audit claims for real property tax adjustments against other internal and external datasets, such as voter registration data, federal and state tax filings, utility bills, and motor vehicle registration, without requiring sequential human data entry.

Claim. A request for a real property tax adjustment based on the eligibility of the real property or the real property owner.

Real Property Tax Adjustment. An exemption, credit, or dedication established by this chapter.

- (b) **Automated eligibility screening system.** The director shall establish policies, procedures, and internal controls, including implementing and maintaining a screening system, to verify whether claims satisfy eligibility criteria. The director shall use the screening system to verify whether claims, including those with continuing effect, satisfy eligibility criteria for each tax year.

The screening system must be designed to programmatically cross-reference city real property tax data with other government and private datasets. When the screening system encounters a conflict, a mismatch, incomplete data fields, or a failure to satisfy eligibility criteria, the screening system must flag the claim for



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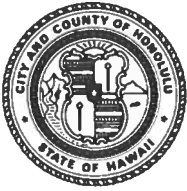
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manual administrative review.

- (c) Security and data protection standards. Any automated data path, transmission channel, or query network established under subsection (b) must strictly conform to the cybersecurity standards dictated by the department of information technology and applicable law. The department of budget and fiscal services, in conjunction with the department of information technology, shall ensure that all automated data exchanges comply with standard cybersecurity frameworks and privacy laws.
- (d) Immutable audit logs. The screening system must generate automatic, tamper-evident audit logs documenting every transaction, query, eligibility determination, and instances of manual review. The logs must be securely retained by the department of information technology for a period of not less than three years.
- (e) Report. On or before July 30 of each year, the director shall submit to the council a report on the screening system for the preceding tax year, including but not limited to:
 - (1) A list of claims, identified by the real property owner, address, and tax map key number, that were flagged as failing to satisfy eligibility criteria;
 - (2) For each claim listed in paragraph (1), the type and value of the claim and whether, after manual administrative review, the claim was allowed or denied; and
 - (3) An evaluation of the operation and effectiveness of the screening system and recommendations for improvement, if any.
- (f) Rules. The director, in consultation with the director of information technology, may adopt rules pursuant to HRS Chapter 91 for the implementation, administration, and enforcement of this section."

SECTION 3. New ordinance 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. The Revisor of Ordinances shall, pursuant to the Revisor's authority under SECTION 2 of Ordinance 23-7, update the Reporting Requirements Table to include the reporting requirements enacted by SECTION 2 of this ordinance.



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SECTION 4. This ordinance takes effect upon its approval and applies to the tax years beginning July 1, 2028, and thereafter.

INTRODUCED BY:

Tony Wata

DATE OF INTRODUCTION:

OCT 1 2026

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"); Exemption; Credit; Dedication; Verification; Automated; Electronic; Databases; Screening System; Cross-checking; Claim; Real Property Tax Adjustment; Eligibility; Report; Department of Budget and Fiscal Services ("BFS")

Description:

Requires the BFS Director to implement and maintain an automated eligibility screening system utilizing cross-checking procedures to verify eligibility for real property tax exemptions, credits, and dedications. Establishes a reporting requirement. Applies to tax years beginning July 1, 2028, and thereafter.

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