



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 (1) to provide for payment of interest on the amount of taxes refunded to a taxpayer where the taxpayer receives a final determination from the board of review that is wholly or partly in favor of the appealing taxpayer and (2) to conform language regarding appeals to the tax appeal court.

SECTION 2. Section 8-12.12, Revised Ordinances of Honolulu 1990, as amended, is amended to read as follows:

“Sec. 8-12.12 Taxes paid pending appeal.

- (a) In any case of any appeal to the tax appeal court, 50 percent of the tax paid upon the amount of the assessment actually in dispute and in excess of that admitted by the taxpayer shall, pending the final determination of the appeal, be paid by the director into the “litigated claims account.” If the final determination by the tax appeal court is in whole or in part in favor of the appealing taxpayer, the director shall repay to the taxpayer out of the account, or if there is a deficit in the account, out of the general fund of the city, the amount of the tax paid upon the amount held by the court to have been excessive or nontaxable[, together with interest]. Interest at a rate to be determined by the director based upon the average interest rate earned on city investments in the general fund during the previous fiscal year shall be paid to the appealing taxpayer unless otherwise agreed to by the taxpayer and the director. Interest shall be calculated from the date of each payment by the taxpayer. The balance, if any, of the payment made by the appealing taxpayer and paid into the litigated claims [fund,] account, or the whole of the payment paid into the litigated claims [fund,] account, in case the decision is wholly in favor of the assessor, shall, upon the final determination become a realization of the general fund.
- (b) In case of an appeal to the board of review, 50 percent of the tax paid upon the amount of the assessment actually in dispute and in excess of that admitted by the taxpayer, shall during the pendency of the appeal and until and unless an appeal is taken to the tax appeal court, be held by the director in a special deposit account. [In the event of final determination of the appeal in the board of review, the director shall repay to the appealing taxpayer out of the deposit, or if there is a deficit in the account, out of the general fund of the city, the amount of



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the tax paid upon the amount held by the board to have been excessive or nontaxable, if any, the balance, if any, or the whole of the deposit, in case the decision is wholly in favor of the director to become a realization of the general fund.] If the final determination by the board of review is in whole or in part in favor of the appealing taxpayer, the director shall repay to the taxpayer out of the account, or if there is a deficit in the account, out of the general fund of the city, the amount of the tax paid upon the amount held by the board of review to have been excessive or nontaxable. Interest at a rate to be determined by the director based upon the average interest rate earned on city investments in the general fund during the previous fiscal year shall be paid to the appealing taxpayer unless otherwise agreed to by the taxpayer and the director. Interest shall be calculated from the date of each payment by the taxpayer. The balance, if any, of the payment made by the appealing taxpayer and paid into the special deposit account or the whole of the payment paid into the special deposit account, in case the decision is wholly in favor of the assessor, shall, upon the final determination become a realization of the general fund."

SECTION 3. Ordinance material to be repealed is bracketed. 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 brackets, bracketed material, or the underscoring.



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SECTION 4. This ordinance shall take effect upon approval and shall only apply to tax refunds made to the taxpayer from and after the date this ordinance takes effect, as a result of a final board of review decision of a pending appeal for which the taxpayer made tax payments from and after March 1, 2004.

INTRODUCED BY:

Todd Apo (BR)

DATE OF INTRODUCTION:

May 5, 2010
Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Guan A. Bender
Deputy Corporation Counsel

APPROVED this 2nd day of September, 2010.

[Signature]
~~MUELLER HANNEMANN, Mayor~~ KIRK W. CALDWELL, Acting Mayor
City and County of Honolulu

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
C E R T I F I C A T E

ORDINANCE **10-22**

BILL 28 (2010), CD1

Introduced: 05/05/10 By: TODD APO (BR)

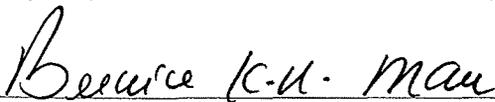
Committee: BUDGET

Title: A BILL FOR AN ORDINANCE RELATING TO REAL PROPERTY TAXATION.

Links: [BILL 28 \(2010\)](#)
[BILL 28 \(2010\), CD1](#)
[CR-175](#)
[CR-244](#)

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| COUNCIL | 05/12/10 | BILL PASSED FIRST READING AND REFERRED TO COMMITTEE ON BUDGET. | | | | |
| | ANDERSON Y | APO Y | CACHOLA Y | DELA CRUZ Y | DJOU Y | |
| | GARCIA Y | KOBAYASHI Y | OKINO Y | TAM A | | |
| NOTE: EFFECTIVE MAY 25, 2010, COUNCILMEMBER CHARLES DJOU, REPRESENTING COUNCIL DISTRICT IV, RESIGNED FROM OFFICE. (Refer to Communication CC-99) | | | | | | |
| ON JUNE 9, 2010, THE APPOINTMENT OF LEE DONOHUE WAS APPROVED (Refer to RES10-132, CD1, FD1 (VERSION A)) AND HE WAS SWORN INTO OFFICE AS A MEMBER OF THE HONOLULU CITY COUNCIL REPRESENTING DISTRICT IV TO FILL THE REMAINING TERM OF FORMER COUNCILMEMBER CHARLES DJOU. | | | | | | |
| BUDGET | 06/30/10 | CR-175 – BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON SECOND READING AS AMENDED IN CD1 FORM AND SCHEDULING OF A PUBLIC HEARING. | | | | |
| PUBLISH | 07/03/10 | PUBLIC HEARING NOTICE PUBLISHED IN THE HONOLULU STAR-ADVERTISER. | | | | |
| COUNCIL/PUBLIC HEARING | 07/14/10 | CR-175 ADOPTED. BILL PASSED SECOND READING AS AMENDED, PUBLIC HEARING CLOSED AND REFERRED TO COMMITTEE ON BUDGET. | | | | |
| | ANDERSON Y | APO Y | CACHOLA Y | DELA CRUZ Y | DONOHUE Y | |
| | GARCIA Y | KOBAYASHI Y | OKINO Y | TAM Y | | |
| PUBLISH | 07/22/10 | SECOND READING NOTICE PUBLISHED IN THE HONOLULU STAR-ADVERTISER. | | | | |
| BUDGET | 08/04/10 | CR-244 – BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON THIRD READING. | | | | |
| COUNCIL | 08/18/10 | CR-244 ADOPTED AND BILL 28 (2010), CD1 PASSED THIRD READING. | | | | |
| | ANDERSON Y | APO Y | CACHOLA Y | DELA CRUZ Y | DONOHUE Y | |
| | GARCIA Y | KOBAYASHI Y | OKINO Y | TAM Y | | |

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this BILL.


BERNICE K. N. MAU, CITY CLERK


TODD APO, CHAIR AND PRESIDING OFFICER