



A BILL FOR AN ORDINANCE

RELATING TO SEWER SERVICE CHARGES.

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

SECTION 1. Purpose. The purpose of this ordinance is to set a cap on sewer service charges for limited income households.

SECTION 2. Chapter 14, Revised Ordinances of Honolulu 1990, as amended ("Public Works Infrastructure Requirements Including Fees and Services"), is amended by adding a new article to be appropriately designated by the revisor of ordinances and to read as follows:

**"Article \_\_\_\_ . Sewer Service Charge Cap.**

**Sec. 14-\_\_\_\_.1 Definitions.**

When used in this article:

"City" means the City and County of Honolulu.

"Director" means the director of the department of environmental services or the director's authorized representative.

"Income" means the sum of federal total income as defined in the Internal Revenue Code of the United States of 1954, as amended, and all nontaxable income, including but not limited to (1) tax-exempt interest received from the federal government or any of its instrumentalities, (2) the gross amount of any IRA distribution, pension or annuity benefits received (including Railroad Retirement Act benefits and veterans disability pensions), excluding rollovers, (3) all payments received under the federal Social Security and state unemployment insurance laws, (4) nontaxable contributions to public or private pension, annuity and/or deferred compensation plans, and (5) federal cost of living allowances. All income set forth in the tax return filed by the titleholder, whether the tax return is a joint tax return or an individual tax return, shall be considered the titleholder's income. "Income" does not include nonmonetary gifts from private sources, or surplus foods or other relief in kind provided by public or private agencies.

"Qualified surviving spouse" means a person who:

- (1) Is the surviving spouse of a residential customer who, at the time of death, was the owner of property which was granted the sewer service charge cap under this article;



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- (2) Is a transferee of the property directly from the deceased property owner or the estate thereof; and
- (3) Qualifies under this article for the cap on the same property.

“Residential customer” means a residential customer as classified under Section 14-6.3(a).

“Sewer services charge” means the residential sewer service charge calculated for residential customers under Appendix 14-B of Chapter 14.

“Titleholder” means the property owner and any other entity listed on the deed or any other legal instrument establishing the entity’s ownership right in the property. The term includes corporations and other business entities and trusts. The term does not include mortgage lenders.

**Sec. 14-\_\_\_\_.2 Sewer service charge cap established.**

For residential customers only, the monthly sewer service charge shall not exceed \_\_\_\_\_% of the combined annual income of the titleholders, provided that:

- (1) The combined income of all titleholders of the property for the calendar year immediately preceding the date of the application does not exceed \$50,000;
- (2) The titleholder(s) of the property filed income tax returns, if required under Hawaii income tax law and under Internal Revenue Service regulations, on or before filing an application for the sewer service charge cap; and
- (3) The sewer service charge cap shall only apply for one year.

**Sec. 14-\_\_\_\_.3 Administration.**

- (a) The director shall determine the eligibility of the owner for the sewer service charge cap upon review and verification of each application for the cap. The application form shall be as prescribed by the director. To verify information in the application, the director shall require proof of the income of each of the titleholders.

The director shall require that each titleholder provide copies of: (1) a tax return transcript from the Internal Revenue Service, (2) a tax account transcript, if



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applicable, from the Internal Revenue Service, and (3) any accompanying forms and schedules as the director may require to verify the veracity of the transcripts. For titleholders who did not have to file and therefore did not file an income tax return under Hawaii income tax law and under Internal Revenue Service regulations, the director shall require proof of the titleholders' income which may include bank statements or other financial records as verification. The director may require proof of nonreceipt of income from relief programs such as social security, welfare, and unemployment compensation, etc. and may require such authorization from the titleholders to enable the director to fully verify the titleholders' income.

The applicant may refuse to provide such records, information or authorization. However, upon such refusal to submit a true and complete application, the director may deny the application for the cap.

- (b) The owner's application for the cap shall be filed on or before September 30<sup>th</sup> for the cap to apply to sewer service charges due beginning July 1<sup>st</sup> of the succeeding year.

**Sec. 14-\_\_\_.4 Penalties.**

Any person who:

- (1) Files a fraudulent application or attests to any false statement with the intent to defraud the city or evade the payment of sewer service charges; or
- (2) In any manner intentionally deceives or attempts to deceive the city,

shall be guilty of a violation and be subject to a criminal fine of not more than \$2,000, in addition to being responsible for paying any outstanding fees, interest and penalties.

**Sec. 14-\_\_\_.5 Revocation of the sewer service charge cap.**

During the year for which the sewer service charge cap is granted to a residential customer pursuant to this article, if title to the property is transferred to a new owner by gift, sale, devise, operation of law, or otherwise, except when title is transferred to a qualified surviving spouse, then the cap shall be revoked and the new owner shall no longer be eligible for the cap and shall owe the entire monthly sewer service charge."



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SECTION 3. This ordinance shall take effect upon approval and shall apply to sewer service charges due beginning December 31, 2012.

INTRODUCED BY:

Ann Kobayashi

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DATE OF INTRODUCTION:

November 15, 2010  
Honolulu, Hawaii

\_\_\_\_\_ Councilmembers

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Deputy Corporation Counsel

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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PETER B. CARLISLE, Mayor  
City and County of Honolulu