



A BILL FOR AN ORDINANCE

RELATING TO REAL PROPERTY TAXES FOR CREDIT UNIONS.

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

SECTION 1. Purpose. The purpose of this ordinance is to amend the tax exemption for credit unions.

SECTION 2. Section 8-10.24, Revised Ordinances of Honolulu 1990, as amended, is amended to read as follows:

"Sec. 8-10.24 Partial Exemption—Credit union.

- (a) Real property owned in fee simple or leased for a period of one year or more by a federal or state credit union which is actually and exclusively used for credit union purposes shall be partially exempt from real property taxes. The partially exempt real property shall be assessed at _____ percent of its fair market value. If the property for which the partial exemption is claimed is leased, the lease agreement shall be in force and recorded in the bureau of conveyances at the time the partial exemption is claimed. As used in this section, "federal credit union" means a credit union organized under the Federal Credit Union Act of 1934, 12 U.S.C. Chapter 14, as amended, and "state credit union" means a credit union organized under the Hawaii Credit Union Act, HRS Chapter 410, as amended.
- (b) If any portion of the property which might otherwise be partially exempted under this section is used for commercial or other purposes not within the conditions necessary for the partial exemption (including any use the primary purpose of which is to produce income even though such income is to be used for or in furtherance of the exempt purposes) that portion of the premises shall not be partially exempt but the remaining portion of the premises shall not be deprived of the partial exemption if the remaining portion is used exclusively for purposes within the conditions necessary for the partial exemption. In the event of [an] a partial exemption of a portion of a building, the tax shall be assessed upon so much of the value of the building (including the land thereunder and the appurtenant premises) as the proportion of the floor space of the nonexempt portion bears to the total floor space of the building."

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 Ordinance material to be repealed is bracketed.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



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SECTION 4. This ordinance shall take effect upon approval, provided that all exemptions granted pursuant to Section 8-10.24 and in effect on the day this ordinance takes effect shall continue through the tax year beginning July 1, 2012 and shall expire on June 30, 2013.

INTRODUCED BY:

Shun Kobayashi

DATE OF INTRODUCTION:

APR 19 2012

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

FILED
APR 19 2014
PURSUANT TO ROH Sec. 1-2.4

APPROVED this _____ day of _____, 20____.

PETER B. CARLISLE, Mayor
City and County of Honolulu

2012 APR 19 09:58