CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 14-54

RESOLUTION

RELATING TO REAL PROPERTY TAX COMPROMISES.

WHEREAS, Section 8-10.10(b)(1), Revised Ordinances of Honolulu 1990, as amended ("ROH") provides a real property tax exemption for real property used for school purposes; and

WHEREAS, ROH Section 8-10.10(b)(2) provides a real property tax exemption for real property used for hospital and nursing home purposes; and

WHEREAS, ROH Section 8-10.20 and ROH Section 8-10.21 provide a real property tax exemption for real property used for low-income rental housing, and ROH Section 8-10.28 provides additional terms and conditions for exemption of low-income rental housing projects on Hawaiian home lands; and

WHEREAS, the Council's policy relating to real property tax compromises was established by the adoption of Resolution 11-259, which provides for real property tax compromises when an organization that is otherwise eligible for an exemption fails to file a timely application for an exemption; and

WHEREAS, the Nanakuli Hawaiian Homestead Community Association ("NHHCA") was formed in 2001 with the mission of promoting and assisting in the betterment of the Nanakuli community, particularly in the areas of health, education and housing; and

WHEREAS, NHHCA is a domestic non-profit corporation, which on October 8, 2008, executed an agreement effective retroactively as of January 1, 2008 to lease a total of 11.96 acres of land in Nanakuli, Oahu (the "Property") from the State of Hawaii Department of Hawaiian Home Lands ("DHHL"); and

WHEREAS, in June 2012, DHHL submitted the fee simple interest in the Property to a condominium property regime ("CPR") consisting of four units and known as Nanakuli Village Center, which was recorded with the bureau of conveyances; and

WHEREAS, according to City real property tax records, real property taxes were assessed on NHHCA beginning in fiscal year ("FY") 2007-08 on the Property, and beginning in FY 2013-14 on the CPR; and

WHEREAS, NHHCA believes that CPR units 1, 2 and 3, and a portion of the undivided Property (equal to the acreage of CPR units 1, 2 and 3) qualify for the various real property tax exemptions noted above; and

RESOLUTION

WHEREAS, the relevant tax map key numbers for the parcels are as follows:

Tax Period	Tax Map Key No.
FYs 2007-08 to 2012-13, inclusive	TMK 8-9-002:001
FY 2013-14	TMK 8-9-002:001 CPR 1 TMK 8-9-002:001 CPR 2 TMK 8-9-002:001 CPR 3

and

WHEREAS, NHHCA did not meet the deadline to file for an exemption for FYs 2007-08 to 2012-13, inclusive, which resulted in a total tax delinquency (for the undivided Property) of $53,287.41 ($41,988.99 tax, $4,198.91 penalties, $7,099.51 interest); and

WHEREAS, NHHCA did not meet the deadline to file for an exemption for FY 2013-14, which resulted in total tax obligations (for CPR units 1, 2 and 3) of $11,784.83 ($10,782.10 tax, $646.92 penalties, $355.81 interest); and

WHEREAS, Section 8-1.3(l), ROH, requires the Council to approve any real property tax compromises made by the Director of Budget and Fiscal Services when the taxpayer's claim exceeds $500; and

WHEREAS, Resolution 11-259 provides: (1) for claims involving a property or a portion of a property for which property taxes are not delinquent, the policy of the Council is to approve the compromise of the claim in an amount not to exceed the minimum tax, and (2) for claims involving a property or a portion of a property for which property taxes are delinquent, the policy of the Council is to approve the compromise of the claim in an amount not to exceed the minimum tax for every six months or portion thereof that the real property taxes are delinquent; and

WHEREAS, the Council wishes to provide a compromise of certain real property taxes assessed on NHHCA for FYs 2007-08 to 2013-14, inclusive, in order to ease the tax burden on the organization; now, therefore,

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BE IT RESOLVED by the Council of the City and County of Honolulu that the Council urges the Director of Budget and Fiscal Services to submit to the Council a request to grant a compromise of certain real property taxes owed by NHHCA for FYs 2007-08 to 2013-14, inclusive; and

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor and the Director of Budget and Fiscal Services.

INTRODUCED BY:

DATE OF INTRODUCTION:

MAR 06 2014

Honolulu, Hawaii

Councilmembers

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CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

CERTIFICATE

RESOLUTION 14-54

Introduced: 03/06/14 By: KYMBERLY PINE Committee: BUDGET

Title: RESOLUTION RELATING TO REAL PROPERTY TAX COMPROMISES.

Voting Legend: * = Aye w/Reservations

03/19/14	BUDGET	CR-75 - RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION.
04/16/14	COUNCIL	CR-75 AND RESOLUTION 14-54 WERE ADOPTED. 9 AYES: ANDERSON, CHANG, FUKUNAGA, HARIMOTO, KOBAYASHI, MANAHAN, MARTIN, MENOR, PINE.

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

BERNICE K. N. MAU, CITY CLERK

ERNEST Y. MARTIN, CHAIR AND PRESIDING OFFICER