



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 promote fairness by providing for the periodic adjustment of the threshold of assessed value that qualifies properties for the "Residential A" real property class.

SECTION 2. Section 8-7.1, Revised Ordinances of Honolulu 1990 ("Valuation-- Considerations in fixing"), is amended by amending subsection (i) to read as follows:

"(i) "Residential A" shall mean a parcel, or portion thereof, which:

- (1) Is improved with no more than two single family dwelling units; and
 - (A) Has an assessed value [~~of \$1,000,000 or more~~] equal to or greater than the threshold established under subdivision (4) of this subsection;
 - (B) Does not have a home exemption; and
 - (C) Is zoned R-3.5, R-5, R-7.5, R-10 or R-20 or is dedicated for residential use;
- (2) Is vacant land zoned R-3.5, R-5, R-7.5, R-10 or R-20 and has an assessed value [~~of \$1,000,000 or more~~] equal to or greater than the threshold established under subdivision (4) of this subsection; or
- (3) Is a condominium unit with an assessed valuation [~~of \$1,000,000 or more~~] equal to or greater than the threshold established under subdivision (4) of this subsection and does not have a home exemption.
- (4) For the tax year beginning July 1, 2018, the threshold is \$1,000,000 in assessed value. For tax years beginning July 1, 2019 and thereafter, the threshold will be determined by applying a factor to the threshold of the preceding tax year. This factor will be the ratio of the median assessed value of all properties classified Residential or Residential A, as of October 1st of the preceding tax year, to the median assessed value of all properties classified Residential or Residential A, as of October 1st of two tax years prior.



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____

BILL 3(2018)

A BILL FOR AN ORDINANCE

Residential A excludes any parcel, or portion thereof, improved with military housing located on or outside of a military base."

SECTION 3. Section 8-11.1, Revised Ordinances of Honolulu 1990 ("Real property tax--Determination of rates"), is amended by amending subsection (h) to read as follows:

"(h) Notwithstanding any provision to the contrary, rates for property classified as residential A must be assigned to two tiers based on the valuation of the property. The tiers are as follows:

- (1) Residential A Tier 1 tax rate: applied to the net taxable value of the property up to [~~\$1,000,000~~] the threshold provided by Section 8-7.1(i)(4); and
- (2) Residential A Tier 2 tax rate: applied to the net taxable value of the property equal to or in excess of [~~\$1,000,000~~] the threshold provided by Section 8-7.1(i)(4)."

SECTION 4. Ordinance material to be repealed is bracketed and stricken. 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 material that has been bracketed and stricken, or the underscoring.



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HONOLULU, HAWAII

ORDINANCE _____
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SECTION 5. This ordinance takes effect upon its approval and applies to the tax years beginning July 1, 2018 and thereafter.

INTRODUCED BY:

[Handwritten signature]

02 JAN 19 2018
CITY CLERK

DATE OF INTRODUCTION:

JAN 19 2018

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20 _____.

KIRK CALDWELL, Mayor
City and County of Honolulu

FILED
JAN 19 2018
PURSUANT TO ROH Sec. 1-2.4