



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____
BILL 82 (2018)

A BILL FOR AN ORDINANCE

ESTABLISHING A REAL PROPERTY TAX INCENTIVE PROGRAM FOR THE DEVELOPMENT OF HOMELESS SOLUTIONS.

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

SECTION 1. Purpose. The purpose of this ordinance is to establish a real property tax incentive program to promote the development of homeless solutions.

SECTION 2. Chapter 8, Revised Ordinances of Honolulu 1990, as amended ("Real Property Tax"), is amended by adding a new article to be appropriately designated by the Revisor of Ordinances, and to read as follows:

"Article __. Tax Credit for the Development of Homeless Facilities or Support Services

Sec. 8-__1 Definitions.

For purposes of this article:

"Facilities" mean a facility that provides temporary housing or shelter, or support services for homeless or unsheltered individuals or families.

"Investment contribution" means the amount contributed by the taxpayer to a nonprofit organization or the city for the development of homeless facilities or support services, as determined and certified by the department of community services.

"Support services" mean services for homeless or unsheltered individuals or families related to their medical, psychological, social, vocational, and legal needs, and may include but is not limited to, related wraparound supportive services or programs, such as a medical care and mental health referrals, hygiene centers, drug treatment and substance counseling, incarceration diversion programs, case management program and services, and employment training.

"Taxpayer" means an individual, partnership, association, corporation, limited liability company, or any other form of legal entity, who owns property subject to real property taxes in the city.



A BILL FOR AN ORDINANCE

Sec. 8-__2 Homeless facilities and support services tax credit established.

- (a) There shall be allowed to each taxpayer licensed under HRS Chapter 444 ("Contractors") or Chapter 464 ("Professional Engineers, Architects, Surveyors and Landscape Architects") and who does not owe the city delinquent taxes, penalties, or interest, a credit for the value of the taxpayer's contributions of in-kind goods or services to a nonprofit organization or the city for the development of homeless facilities or support services in the city.
- (b) There shall be allowed to each taxpayer who does not owe the city delinquent taxes, penalties, or interest, a credit for investment contributions made to a nonprofit organization or the city for the development of homeless facilities or support services in the city.
- (c) The amount of the tax credit shall not exceed ____ percent of the value of the in-kind goods or services or investment contribution provided by the taxpayer; provided that the aggregate value of the contributions of in-kind services or investment contributions claimed by a taxpayer shall not exceed \$_____; and provided further that the amount of the resultant tax shall not be less than the minimum tax required under Section 8-11.1(g). The tax credit shall entitle the taxpayer to a credit that may be carried over for a maximum of ____ tax years.
- (d) An application for the credit may be filed only after the in-kind goods have been delivered and verified by the director of community services, in-kind services have been rendered and verified by the director of community services, or the investment contribution has been made and verified by the department of community services.
- (e) The director of community services shall maintain records of the names of taxpayers eligible for the credit and the total value of in-kind goods or services rendered and verified or investment contributions made and verified. The director of community services shall issue a certificate to each taxpayer qualifying for the credit certifying:
 - (1) The value of the contribution;
 - (2) Where the credit is for the value of in-kind goods or services, that the director of community services has verified that the taxpayer is licensed under HRS Chapter 444 or 464; and



A BILL FOR AN ORDINANCE

- (3) That the taxpayer has obtained a current and valid certificate signed by the director of budget and fiscal services, showing that the taxpayer does not owe the city any delinquent taxes, penalties, or interest. The taxpayer shall file the certificate from the director of community services with the taxpayer's application for the tax credit.

Sec. 8-__3 Administration--Rules.

- (a) The taxpayer shall file the application for a credit under this article with the director of budget and fiscal services. Application must be filed on or before September 30th preceding the tax year in which the credit would be provided.
- (b) The director of budget and fiscal services shall determine the eligibility of the taxpayer for the tax credit upon verification of the certificate from the director of community services.
- (c) The director of budget and fiscal services shall adopt rules having the force and effect of law for the administration, implementation, and enforcement of this article."



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SECTION 3. This ordinance takes effect upon its approval.

INTRODUCED BY:

Carol Fukumaga

DATE OF INTRODUCTION:

NOV 8 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