



A BILL FOR AN ORDINANCE

RELATING TO HISTORIC PROPERTY.

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

SECTION 1. Findings and purpose. The council finds that promoting the preservation of historic business properties is vital to preserving Hawaii's culture and history. Therefore, it is the council's intent by enacting this ordinance to establish a real property tax reduction for historic commercial properties.

SECTION 2. Chapter 8, Revised Ordinances of Honolulu 1990, as amended, is hereby amended by adding a new section to be appropriately designated by the revisor of ordinances and to read as follows:

**"Sec. 8-10. Exemption — Historic commercial real property dedicated for preservation.**

- (a) An owner of commercial property which has been placed on either the National or the Hawaii Register of Historic Places after January 1, 1977 who wishes to dedicate such property for historic preservation may petition the director to obtain an exemption from real property taxation as provided herein. As used in this section, "commercial property" means properties classified for real property tax purposes as commercial and excludes properties classified for real property tax purposes as hotel and resort or industrial.
- (b) The director shall prescribe the form of the petition. The petition shall be filed with the director by September 1st of any calendar year and shall be approved or disapproved by December 15th of such year. If approved, the exemption shall be effective July 1st of the immediately following tax year.
- (c) The petition shall include a copy of a covenant that has been recorded with the bureau of conveyances or the land court, whichever is applicable. The covenant shall ensure that the public is provided reasonable visual access to the historic commercial real property and that the property is maintained in accordance with a maintenance agreement approved by the director, in consultation with the state historic preservation division, non-profit historic preservation organizations and the director of planning and permitting.
- (d) The director shall review the petition and determine whether the historic commercial landmark shall be granted the real property tax exemption. The



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director shall consult with the state historic preservation office and non-profit historic preservation organizations in making this determination.

- (e) Upon approval of the petition, 50 percent of the value of that real property or portion thereof that is designated as a historic site shall be exempt from real property taxes.
- (f) The approval of the petition by the director shall constitute a forfeiture on the part of the owner of any right to change the use of the owner's exempted property as specified in the maintenance agreement for a minimum period of ten years. The petition shall be automatically renewable for an unlimited number of additional ten-year periods.
- (g) Upon determining that the owner has failed to observe the restrictions of the covenant, the director shall cancel the exemption retroactive to the date of the dedication, and all differences in the amount of taxes that were paid and those that would have been due but for the exemption allowed by this section shall be payable together with interest at 12 percent per annum from the respective dates that these payments would have been due, provided the provision in this subsection shall not preclude the county from pursuing any other remedy to enforce the covenant on the use of the land.
- (h) An owner applicant may appeal any adverse determination as in the case of an appeal from an assessment.
- (i) The director shall adopt rules pursuant to HRS Chapter 91 as deemed necessary to accomplish the purposes of this section."

SECTION 3. 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 underscoring.



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SECTION 4. This ordinance shall take effect on July 1st immediately following the calendar year of its enactment.

INTRODUCED BY:

Ann Kobayashi

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DATE OF INTRODUCTION:

March 18, 2004  
Honolulu, Hawaii

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Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Don S. Kitaoaka  
Deputy Corporation Counsel

APPROVED this 21<sup>st</sup> day of June, 2004.

[Signature]  
JEREMY HARRIS, Mayor  
City and County of Honolulu

(OCS/052104/ct)

CITY COUNCIL  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII  
CERTIFICATE

ORDINANCE **04 - 17**

BILL **21 (2004)**

Introduced: 3/18/04 By: ANN KOBAYASHI

Committee: BUDGET

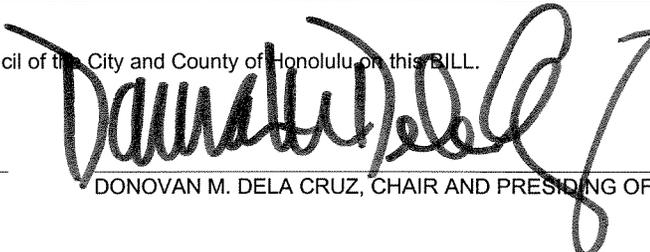
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Links: [Bill 21 \(2004\)](#)  
[Bill 21 \(2004\), CD1](#)  
[Related Communications](#)

Council	3/24/04	Passed first reading and referred to Committee on Budget. Cachola ..... Y    Dela Cruz .... Y    Djou ..... Y    Gabbard ..... Y    Garcia ... Y Kobayashi .... Y    Marshall ..... Y    Okino ..... Y    Tam ..... Y
Budget	3/31/04	Deferred in Committee.
Budget	4/29/04	CR-183 – Reported out of committee for passage on second reading and scheduling of a public hearing as amended in CD1 form.
Publish	5/1/04	Public hearing notice published in the Honolulu Star-Bulletin.
Council/ Public Hearing	5/12/04	Passed second reading, as amended (CD1), CR-183 adopted, public hearing closed and referred to Committee on Budget. Cachola ..... Y    Dela Cruz .... Y    Djou ..... Y    Gabbard ..... Y    Garcia ... Y Kobayashi .... Y    Marshall ..... Y    Okino ..... Y    Tam ..... Y
Publish	5/21/04	Second reading notice published in the Honolulu Star-Bulletin.
Budget	5/19/04	CR-212 – Reported out of committee for passage on third reading (CD1).
Council	6/4/04	CR-212 adopted. Further amended to FD1 and subsequently passed third reading as amended (Bill 21, CD1, FD1). Cachola ..... Y    Dela Cruz .... Y    Djou ..... Y    Gabbard ..... Y    Garcia ... Y Kobayashi .... Y    Marshall ..... Y    Okino ..... Y    Tam ..... Y

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

  
DENISE C. DE COSTA, CITY CLERK

  
DONOVAN M. DELA CRUZ, CHAIR AND PRESIDING OFFICER