



A BILL FOR AN ORDINANCE

RELATING TO THE COUNTY TAX CREDIT.

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

SECTION 1. The purpose of this ordinance is to improve the effectiveness of the county tax credit.

SECTION 2. Section 8-13.2, Revised Ordinances of Honolulu 1990, is amended to read as follows:

**“Sec. 8-13.2 Real property tax credit established.**

- (a) An owner shall be entitled to a real property tax credit equal to the amount by which the taxes calculated for the property exceed four percent of the titleholders' income, provided:
- (1) The owner has been granted the home exemption under Section 8-10.4;
  - (2) The taxes owed for the tax year immediately succeeding the date of the application for the tax credit[,] exceed four percent of the titleholders' combined income for the calendar year immediately preceding the date of the application;
  - (3) The combined income of all titleholders of the property for the calendar year immediately preceding the date of the application does not exceed \$50,000;
  - (4) No titleholder owns any other real property anywhere during the applicable tax year;
  - (5) The titleholders have not violated Section 8-13.5;
  - (6) The amount of the tax after applying the credit shall not be less than the minimum tax required in Section 8-11.1(g); [and]
  - (7) If the taxes owed less any other one-time tax credit are less than or equal to four percent of all [title holder's] titleholders' combined income for the calendar year immediately preceding the date of the application, no credit shall be applied[.]; and



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- (8) The grant of the application of a tax credit shall entitle the owner to a credit only for the succeeding tax year. There shall be no carryover tax credit.
- (b) [The grant of the application of a tax credit shall entitle the owner to a credit only for the succeeding tax year. There shall be no carryover tax credit.] In lieu of the property tax credit provided in subsection (a), an owner otherwise qualifying for the tax credit under subsection (a) where any titleholder is 75 years of age or over on or before June 30th preceding the tax year for which the credit is claimed and the combined income of all titleholders to the applicable property for the calendar year immediately preceding the date of the application does not exceed \$50,000 shall be entitled to a real property tax credit equal to the amount by which the taxes calculated for the property exceed three percent of the titleholders' income.

SECTION 3. Section 8-13.3, Revised Ordinances of Honolulu 1990 ("Administration"), is amended by amending subsection (b) to read as follows:

- "(b) The owner's application for a tax credit shall be filed on or before September 30th for a credit upon taxes due in the immediately succeeding tax year. The application shall require the certification by the owner that:
- (1) The requirements of Section [8-13.2(a)(3)] 8-13.2(a) or (b) under which the credit is applied for shall be fulfilled throughout the succeeding tax year; and
  - (2) The owner's property shall continue to qualify for a home exemption under Section 8-10.4 throughout such year."

SECTION 4. Section 8-13.5, Revised Ordinances of Honolulu 1990 ("Penalties"), is amended by amending subsection (b) to read as follows:

- "(b) During the tax year for which a tax credit was granted to an owner of property pursuant to this article, if the owner fails to notify the city within 30 days that the requirements of Section 8-13.2(a) or (b) under which the credit was granted are no longer met, in addition to the consequences provided in Section 8-13.6, the owner shall be subject to a fine of \$200."



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SECTION 5. Section 8-13.6, Revised Ordinances of Honolulu 1990, is amended to read as follows:

**“Sec. 8-13.6 Revocation of credit.**

During the tax year for which a tax credit is granted to an owner of property pursuant to this article, if:

- (1) Title to the property is transferred to a new owner by gift, sale, devise, operation of law, or otherwise, except when title is transferred to a qualified surviving spouse, or
- (2) The requirements of Section 8-13.2(a) or (b) under which the credit was granted are no longer met,

then the tax credit shall be revoked and the owner shall owe property taxes in the amount of the tax credit. The additional taxes shall be billed and shall be deemed delinquent if not paid within 30 days after the date of mailing of the tax bill, or if the credit is revoked within the tax year for which the credit was granted, within 30 days after the date of mailing of the tax bill, or on or before the next installment payment date, if any, for such taxes, whichever is later.”

SECTION 6. The council is aware that at the time this bill is considered for final approval by the council, there may be other bills that were given final approval by the council but not yet enacted as an ordinance that amend the same provisions of the revised ordinances of Honolulu that this bill amends. If this bill is enacted as an ordinance, the revisor of ordinances shall give maximum effect to all amendments to the revised ordinances made in this bill and made in any other bill situated as described above. The absence in this bill of amendments made in those other bills shall not be construed as a repeal of the amendments made in those other bills.

SECTION 7. Ordinance material to be repealed is bracketed. New ordinance 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, bracketed material, or the underscoring.



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SECTION 8. This ordinance shall take effect upon its approval and shall apply to the tax years beginning July 1, 2008 and thereafter.

INTRODUCED BY:

Todd Apo

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DATE OF INTRODUCTION:

February 5, 2007  
Honolulu, Hawaii

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Councilmembers

APPROVED AS TO FORM AND LEGALITY:

*L. M. [Signature]*  
Deputy Corporation Counsel

APPROVED this 20<sup>th</sup> day of June, 2007.

*Mufi Hannemann [Signature]*  
MUFU HANNEMANN, Mayor  
City and County of Honolulu

(OCS/051607/ct)

CITY COUNCIL  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII  
CERTIFICATE

ORDINANCE 07-20

BILL 15 (2007), CD2

Introduced: 02/05/07 By: TODD APO

Committee: BUDGET

Title: A BILL FOR AN ORDINANCE RELATING TO THE COUNTY TAX CREDIT.

Links: [BILL 15 \(2007\)](#)  
[BILL 15 \(2007\), CD1](#)  
[BILL 15 \(2007\), CD2](#)  
[CR-127](#)

COUNCIL	02/21/07	BILL PASSED FIRST READING AND REFERRED TO COMMITTEE ON BUDGET.				
	APO Y	CACHOLA Y	DELA CRUZ Y	DJOU Y	GARCIA Y	
	KOBAYASHI Y	MARSHALL Y	OKINO Y	TAM Y		
SPECIAL BUDGET	02/23/07	BILL DEFERRED IN COMMITTEE.				
BUDGET	03/28/07	BILL DEFERRED IN COMMITTEE.				
SPECIAL BUDGET	04/12/07	CR-127 – BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON SECOND READING AND SCHEDULING OF A PUBLIC HEARING AS AMENDED IN CD1 FORM.				
PUBLISH	04/14/07	PUBLIC HEARING NOTICE PUBLISHED IN THE HONOLULU STAR-BULLETIN.				
SPECIAL PUBLIC HEARING	04/25/07	BILL PASSED SECOND READING AS AMENDED (BILL 15 (2007), CD1), CR-127 ADOPTED, PUBLIC HEARING CLOSED AND REFERRED TO BUDGET COMMITTEE.				
	APO Y	CACHOLA Y	DELA CRUZ E	DJOU Y	GARCIA Y	
	KOBAYASHI Y	MARSHALL Y	OKINO Y	TAM Y		
PUBLISH	04/30/07	SECOND READING NOTICE PUBLISHED IN THE HONOLULU STAR BULLETIN.				
BUDGET	05/16/07	CR-172 – BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON THIRD READING AS AMENDED IN CD2 FORM,				
COUNCIL	06/06/07	BILL PASSED THIRD READING AS AMENDED (BILL 15 (2007), CD2) AND CR-172 ADOPTED.				
	APO Y	CACHOLA Y	DELA CRUZ Y	DJOU 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

  
BARBARA MARSHALL, CHAIR AND PRESIDING OFFICER