



A BILL FOR AN ORDINANCE

RELATING TO REAL PROPERTY ASSESSMENT.

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

SECTION 1. Purpose. The purpose of this ordinance is to simplify the appeal process, where appeals may be settled by the director, and make conforming amendments.

SECTION 2. Section 8-1.2, Revised Ordinances of Honolulu 1990 (“Definitions”), is amended by amending the definition of “Director” to read as follows:

““Director” means the director of [finance] budget and fiscal services of the City and County of Honolulu or the director’s authorized subordinate.”

SECTION 3. Section 8-12.7, Revised Ordinances of Honolulu 1990, is amended to read as follows:

“Sec. 8-12.7 Boards of review—Duties, powers, procedure before.

- (a) Each board for the City [and County of Honolulu] shall hear disputes between the director and any taxpayer in all cases in which appeals have been duly taken. The fact that a notice of appeal has been duly filed by a taxpayer shall be conclusive evidence of the existence of a dispute. However, this provision shall not be construed to permit a taxpayer to dispute an assessment to the extent that it is in accordance with the taxpayer’s return, as may be required pursuant to this chapter, unless the taxpayer shows lack of uniformity or inequality as set forth in Section 8-12.3.
- (b) The assignment of particular tax appeals to a specific board of review shall be made by the director.
- (c) Upon the request of the chair of one board, the chair of one of the other boards may administratively, and without requirement of formal action of that chair’s board, temporarily assign a member of that board to serve as a substitute member of the requesting board for purposes of establishing a quorum at a designated meeting or designated meetings of the requesting board. The substitute member temporarily assigned under this subsection shall serve only for the particular board meeting or meetings for which the assignment is made and only so long as a quorum may not be maintained by the board to which the



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substitute member is assigned. During the period of the substitute member's assignment, the substitute member may participate in the discussion of and vote on all appeals before the board. Nothing herein shall prevent a member from again being assigned under this subsection.

- (d) Each board shall hold public meetings at some central location in the city commencing not later than January 15th of each year and shall hear, as expeditiously as possible, all appeals assigned to it for each year. With the exception of questions involving the Constitution or laws of the United States, each board shall have the authority to decide all questions of fact and all questions of law necessary to the determination of the objections raised by the taxpayer in the notice of appeal; provided, that the board shall not have the authority to determine or declare an assessment illegal or void. Each board shall have the authority to allow or disallow exemptions pursuant to law, whether or not previously allowed or disallowed by the director, and to increase or lower any assessment.
- (e) Each board shall base each of its decisions on the evidence before it and, as provided in Section 8-1.18, the assessment made by the director shall be deemed prima facie correct. Assessments for the year upon other similar property situated in the city shall be received in evidence upon the hearing. In increasing or lowering any real property assessment, the board shall be governed by this chapter. Each board shall file with the director its written decision on each appeal, and a certified copy thereof shall be delivered or mailed by the director forthwith to the taxpayer concerned at the taxpayer's last known place of residence or business.
- (f) Upon completion of its review of the property tax appeals for the current year, each board shall compile and submit to the mayor and the council, and shall file with the director for the use of the public, copies of a report detailing the work of the board, which is directed at meeting the objectives of this chapter. The board additionally shall report on instances in which the director, in the application of the valuation methods selected by the director, erred as to the assessment of a particular property or particular properties not brought before the board by any appeal. Before commencing this phase of its work, each board shall publish, during the first week of September, a notice specifying a period of at least 10 days within which complaints may be filed by any taxpayer. Each complaint shall be in writing, shall identify the particular property involved, shall state the valuation claimed by the taxpayer and the grounds of objection to the assessment, and shall be filed with the director who shall transmit the same to



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the appropriate board. Not earlier than one week after the close of the period allowed for filing complaints, the appropriate board shall hear the same, after first giving reasonable notice of the hearing to all interested taxpayers and the director. Like notice and hearing shall be given in order for the board to include in its report any other property not brought before it by an appeal. The board may proceed by districts designated by their tax map designation, and may from time to time publish the notice above provided for as the work proceeds by districts.

- (g) The director, in the making of assessments for the succeeding year, shall give due consideration to the reports of the boards made pursuant to subsection (f).
- (h) Each board, in addition to all other powers, also shall have the authority to subpoena witnesses, administer oaths, examine books and records, and hear and take evidence in relation to any subject pending before the board. It may request the tax appeal court to order the attendance of witnesses and the giving of testimony by them, and the production of books, records and papers at the hearings of the board.
- [(i) Each board may, pursuant to Section 8-12.14(d)(1), review settlement offers made by the director. Each board shall, pursuant to Section 8-12.14(e), review all settlement offers made by the director that were rejected by the taxpayer.]”

SECTION 4. Section 8-12.11, Revised Ordinances of Honolulu 1990, is amended to read as follows:

“Sec. 8-12.11 Costs—Outcome of appeal.

- [(a)] In the event of an appeal by a taxpayer to the board of review, [except appeals settled pursuant to Section 8-12.14,] if the appeal is compromised, or sustained as to 50 percent or more of the valuation in dispute, the costs deposited shall be returned to the appellant. Otherwise the entire amount of costs deposited shall be retained by the city.
- [(b)] In the event of an appeal by a taxpayer to a board of review following the taxpayer’s rejection, pursuant to Section 8-12.14(c)(3) or (e), of a settlement offer made by the director, if the board’s ultimate assessment of the real property, adjusted for any exemptions or credits allowed by the board, is greater than the director’s settlement offer, adjusted for any exemptions or credits allowed by the director, the taxpayer shall pay \$250.00, to cover all administrative and staff



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costs incurred by the city related to the taxpayer's appeal to the board of review. If the actual administrative and staff costs exceed \$1,000.00, however, the director may request, and the board of review may award, the actual costs established by the director.]”

SECTION 5. Section 8-12.14, Revised Ordinances of Honolulu 1990, is amended to read as follows:

“Sec. 8-12.14 Appeals settled by director.

- (a) The director may review any appeal prior to a hearing by the board of review to which the appeal is assigned. The director shall notify the board of review to which the appeal is assigned of [his/her] the director's review of the appeal.
- (b) For each appeal reviewed by the director, the director [shall:
 - (1) Make a conditional] may make an offer of settlement of the appeal, subject to further review and approval by the board of review pursuant to Section 8-12.7(a), by allowing or disallowing exemptions or credits pursuant to law, and/or increasing or lowering the assessment [amount; or] amount.
 - [(2) Notify the board of review to which the appeal is assigned that the director will not be making a conditional offer of settlement for the appeal.

If the director gives the notification of subdivision (2), the board shall review the appeal.

- (c) If making a conditional offer of settlement, the director shall deliver or mail the offer to the taxpayer concerned at the taxpayer's last known place of residence or business. The date of delivery or mailing shall be printed on the offer. The offer shall be accompanied by notice to the taxpayer that:
 - (1) Even if the taxpayer accepts the conditional settlement offer, the offer may be rejected by the board, within 45 days of the director's notice to the board that the taxpayer accepted the offer;
 - (2) If the taxpayer rejects the offer, the board shall review the appeal but the taxpayer may be liable for all administrative and staff costs for the appeal pursuant to Section 8-12.11(b); and



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- (3) The taxpayer may accept or reject the director's settlement offer by providing to the director, by personal delivery or certified mail, notice of the taxpayer's acceptance or rejection of the offer. If the director does not receive a notice of acceptance or rejection within 30 days of delivering or mailing the offer to the taxpayer, the offer shall be deemed rejected.
- (d) If the taxpayer accepts the conditional settlement offer, the director shall notify the board to which the appeal is assigned in writing of the conditional settlement offer and the taxpayer's acceptance thereof.
- (1) Pursuant to Section 8-12.7(i), the board to which the appeal is assigned may review the director's accepted conditional settlement offer. Written notice shall be provided by the board of its decision to approve or reject the director's offer within 45 days of the date of the director's notification. The notice shall be delivered or mailed to the taxpayer concerned at the taxpayer's last known place of residence or business. The board's decision shall be final.
- (2) If the board either approves the director's accepted settlement offer or fails to reject the offer within 45 days of the director's notification, the director's accepted settlement offer shall be final.
- (e) If the taxpayer rejects the director's conditional settlement offer, the director shall notify the assigned board of the rejection. The board shall then review the appeal.
- (f)](c) No later than 90 days following the close of each tax year, the director shall submit to the city clerk a report of all settlements entered into by the director and approved by the board during the tax year, detailing the name of the taxpayer, the tax parcel involved, and the amount of the assessment as initially determined and as settled."

SECTION 6. 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 7. This ordinance shall take effect upon its approval.

INTRODUCED BY:

Barbara Marshall (BR)

DATE OF INTRODUCTION:

September 13, 2007
Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Lu M. Gee
Deputy Corporation Counsel

APPROVED this 26th day of November, 2007.

Mufi Hannemann
MUFU HANNEMANN, Mayor
City and County of Honolulu

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
CERTIFICATE

ORDINANCE 07-47

BILL 71 (2007), CD1

Introduced: 09/13/07 By: BARBARA MARSHALL (BR)

Committee: BUDGET

Title: A BILL FOR AN ORDINANCE RELATING TO REAL PROPERTY ASSESSMENT.

Links: [BILL 71 \(2007\)](#)
[BILL 71 \(2007\), CD1](#)
[D-702\(07\)](#)
[CR-347](#)

COUNCIL	09/19/07	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
BUDGET	09/26/07	CR-347 - BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON SECOND READING AND SCHEDULING OF A PUBLIC HEARING AS AMENDED IN CD1 FORM.
PUBLISH	10/06/07	PUBLIC HEARING NOTICE PUBLISHED IN THE HONOLULU STAR BULLETIN.
COUNCIL/PUBLIC HEARING	10/17/07	CR-347 ADOPTED, BILL AS AMENDED (BILL 71 (2007), CD1) PASSED SECOND READING, PUBLIC HEARING CLOSED AND REFERRED TO COMMITTEE ON BUDGET.
	APO Y	CACHOLA E DELA CRUZ Y DJOU Y GARCIA A
	KOBAYASHI Y	MARSHALL Y OKINO Y TAM Y
PUBLISH	10/22/07	SECOND READING NOTICE PUBLISHED IN THE HONOLULU STAR BULLETIN.
BUDGET	10/24/07	CR-392 - BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON THIRD READING.
COUNCIL	11/07/07	CR-392 ADOPTED AND BILL 71 (2007), CD1 PASSED THIRD READING.
	APO E	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