

DEPARTMENT OF FINANCE  
OF THE CITY AND COUNTY OF HONOLULU  
STATE OF HAWAII

TITLE 4

SUBTITLE 5 REAL PROPERTY TAXATION

CHAPTER 12

TAX MORATORIUM ON BUILDING-REHABILITATION PROJECTS

RULES AND REGULATIONS OF THE DIRECTOR OF FINANCE  
RELATING TO EXEMPTION FROM INCREASED VALUATION DUE  
TO CERTAIN IMPROVEMENTS TO BUILDINGS UNDER SECTION 8-7.1,  
REVISED ORDINANCES OF HONOLULU, TO BE DESIGNATED  
"PART XXII" AND TO READ AS FOLLOWS:

PART XXII

- Sec. 4-12-1 Purpose of rules
- Sec. 4-12-2 Definitions
- Sec. 4-12-3 Eligibility requirements
- Sec. 4-12-4 Filing of claim
- Sec. 4-12-5 Determination and certification
- Sec. 4-12-6 Extent of the tax moratorium
- Sec. 3-12-7 Appeal

Sec. 4-12-1 Purpose of rules. These rules and regulations are intended to clarify and implement Section 8-7.1(g), of the Revised Ordinances of Honolulu, which provides that the assessed valuation of certain building undertaken or made by the owner-occupant pursuant to the requirements of any urban redevelopment, rehabilitation or conservation project under the provisions of Part II of Chapter 53, Hawaii Revised Statutes; the property tax moratorium being for a period of seven (7) years as prescribed in section 4-12-6 of these regulations.

Sec. 4-12-2 Definitions. As used in these rules and regulations:

- (1) The term "director" shall mean the city and county director of finance or his designee.
- (2) "Improvements" shall include additions, alterations, modifications or other new construction, improvement or repair work to buildings pursuant to the requirements of a rehabilitation project.

- (3) "Maintenance" shall mean the process of preserving a property and keeping it operational. It includes cleaning, painting, and other endeavors to upkeep a property.
- (4) "Owner-occupant" shall mean the person who owns and physically occupies the building including lessees of residential property who qualify as owners under Section 8-6.3, Revised Ordinances of Honolulu.
- (5) "Rehabilitation Project" shall mean an officially designated urban redevelopment, rehabilitation, or conservation project under the provisions of Part II of Chapter 53, Hawaii Revised Statutes.
- (6) "Repair" shall mean to replace, to restore, or to fix termite or rot damaged, worn out or dilapidated parts or fixtures of a building.

Sec. 4-12-3 Eligibility requirements. (a) The assessable valuation of the building shall not be increased if the increase in value results from improvements made to the building pursuant to the requirements of any rehabilitation project.

- (1) All types of buildings, including single family residences, duplexes, apartment buildings and commercial buildings are eligible provided that the building is occupied by the owner-occupant.
    - (A) If there is more than one building on the property, only the building occupied by the owner-occupant is eligible.
    - (B) If the owner-occupant physically occupied part of the building, the entire building qualifies.
  - (2) Additions, alterations, modifications or other construction improvements or repairs have been undertaken or made to the building by the owner-occupant pursuant to the requirements of any rehabilitation project.
- (b) The property shall be eligible upon compliance with the following conditions:
- (1) The owner-occupant has properly and timely filed the claim for tax moratorium with the director of finance.
  - (2) The building improvements have been certified as provided by Section 8-7.1(g), of the Revised Ordinances of Honolulu.
  - (3) The claim has been revised and approved by the department of finance.

Sec. 4-12-4 Filing of claim. (a) The owner-occupant shall complete in quadruplicate the claim on a form prescribed by the director and timely file the same, depending on the location and project of the subject property to the urban renewal or rehabilitation project agency or any designated governmental agency of the City and County of Honolulu.

(b) The claim shall be filed on or before December 31 for the succeeding tax year.

Sec. 4-12-5 Determination and certification. (a) The proper authority of the City shall determine that the building is in an officially designated rehabilitation project, and the improvements to the building were completed and satisfactorily comply with rehabilitation, redevelopment or conservation act provisions.

(b) The claim shall be certified by the Mayor or any governmental official designated by him and approved by the City Council.

(c) The certifying authority or agency shall send three copies of the claim to the director of finance by January 15, retaining one copy for the agency files. The director shall review and acknowledge receipt of the claim, return one copy to the certifying agency, and retain the original copy for his file.

(1) The director shall send one copy of the claim, showing either the certification or non-certification, to the owner-occupant.

Sec. 4-12-6 Extent of the tax moratorium. If the claim is certified by the proper authorities and the property is found eligible by the director for the exemption from the increased valuation, there shall be no increase in the assessable building valuation. The period for the exemption from the increase shall be seven (7) tax years, effective July 1, of the succeeding tax year, following the filing date of application. If the owner-occupant of a property that has been granted the tax moratorium later moves out or transfers the property, the tax moratorium shall be cancelled at the end of that tax year.

Sec. 4-12-7 Appeal. If the owner is aggrieved by the disapproval of the exemption claim or assessment, the owner may appeal through the director as in the case of real property tax appeal. Appeals shall be governed by the appropriate section of Chapter 8, Revised Ordinances of Honolulu, and may be taken to the board of review or be taken directly to the tax appeal court without appealing to the board of review.

The procedural Rules for the Implementation of Section 8-7.1(g), Revised Ordinances of Honolulu, Relating to Exemption from Increased Valuation Due to Certain Improvements to Buildings were adopted on May 26, 1981, following a public hearing held on May 26, 1981, after public notice was given in the Honolulu Advertiser on May 1, 1981.

These rules shall take effect July 1, 1981.

          /s/  Peter D. Leong            
PETER D. LEONG  
          Director of Finance  
          City and County of Honolulu

                                  Approved this 8th day of June,  
1981.

          /s/  Eileen R. Anderson            
EILEEN R. ANDERSON  
                                  Mayor  
                                  City and County of Honolulu

APPROVED AS TO FORM:

          /s/  Diane T. Kawauchi            
Deputy Corporation Counsel

Received this 17th day of  
June, 1981.

          /s/  Wilfred M. Mita            
                                  City Clerk

CERTIFICATE

I, PETER D. LEONG, Director of Finance, City and County of Honolulu, hereby certify:

1. That the foregoing is a full, true and correct copy of "PART XXII" of the Rules and Regulations of the Director of Finance, relating to exemption from increased valuation due to the certain improvements to buildings, having been adopted by the Director of Finance on May 26, 1981, after a public hearing held on May 26, 1981.

2. That notice of public hearing on the foregoing Rules and Regulations, which notice included a statement of the substance of the proposed Rules and Regulations, was published in the Honolulu Advertiser on May 1, 1981.

\_\_\_\_\_/s/ Peter D. Leong\_\_\_\_\_  
PETER D. LEONG  
Director of Finance  
City and County of Honolulu