



AN ORDINANCE AMENDING CHAPTER 19, ARTICLE 6, SECTION 19-46.1, AND ARTICLE 11, SECTION 19-90, OF THE HAWAI‘I COUNTY CODE 1983 (2016 EDITION, AS AMENDED), RELATING TO REAL PROPERTY TAXES.

BE IT ORDAINED BY THE COUNCIL OF THE COUNTY OF HAWAI‘I:

SECTION 1. Chapter 19, article 6, section 19-46.1, of the Hawai‘i County Code 1983 (2016 Edition, as amended) is amended to read as follows:

“Section 19-46.1. Residential tax rate tiers.

Notwithstanding any provision to the contrary, ~~[two]~~ three tiers of tax rates for properties classified as residential is established. The tax rates for the ~~[two]~~ three tiers shall be established by the council in accordance with section 19-90.”

SECTION 2. Chapter 19, article 11, section 19-90, of the Hawai‘i County Code 1983 (2016 Edition, as amended) is amended by amending subsection (f) to read as follows:

“(f) Residential tax rate tiers.

- (1) Notwithstanding any provision to the contrary, the council shall establish a separate tax rate each for the residential tier one property ~~[and]~~, residential tier two property, and residential tier three property, as defined below. The tax rates shall be applied as follows:
 - (A) The tax rate established for the residential tier one property shall be applied to the net taxable real property value under \$2,000,000.
 - (B) The tax rate established for the residential tier two property shall be applied to the net taxable real property value of \$2,000,000 ~~[or more.]~~ to \$4,000,000.
 - (C) The tax rate established for the residential tier three property shall be applied to the net taxable real property value of more than \$4,000,000.
- (2) For the purposes of this section~~],~~:
 - (A) “[~~residential~~] Residential tier one property” shall mean all property, or portions thereof, other than a residential tier two or tier three property, within the residential class.
 - (B) “Residential tier two property” shall mean a property, or portion thereof, which:

- ~~[(A)]~~(i) Is improved with one or more dwelling units, has a net taxable real property value of \$2,000,000 ~~[or more,]~~ to \$4,000,000, does not have a home exemption, and is classified as residential in consideration of the highest and best use of the land;
 - ~~[(B)]~~(ii) Is vacant land that has a net taxable real property value of \$2,000,000 ~~[or more,]~~ to \$4,000,000 and is classified as residential in consideration of the highest and best use of the land; or
 - ~~[(C)]~~(iii) Is a condominium property regime that has a net taxable real property value of \$2,000,000 ~~[or more,]~~ to \$4,000,000, does not have a home exemption, and is classified as residential in consideration of the highest and best use of the land.
- (C) “Residential tier three property” shall mean a property, or portion thereof, which:
- (i) Is improved with one or more dwelling units, has a net taxable real property value of more than \$4,000,000, does not have a home exemption, and is classified as residential in consideration of the highest and best use of the land;
 - (ii) Is vacant land that has a net taxable real property value of more than \$4,000,000 and is classified as residential in consideration of the highest and best use of the land; or
 - (iii) Is a condominium property regime that has a net taxable real property value of more than \$4,000,000, does not have a home exemption, and is classified as residential in consideration of the highest and best use of the land.
- (3) The respective tax rate to be applied to any property within the residential class shall be applied only to the portion used exclusively as residential, provided the highest and best use of the land is residential.
- (4) No less than \$9,000,000 of the revenue collected annually pursuant to this subsection or, whenever less than \$9,000,000 is collected, all such revenue, calculated as the difference in revenue from the residential tier one property tax rate to the residential tier two and tier three property tax ~~[rate,]~~ rates, shall be appropriated each fiscal year to County-sponsored programs designed to address housing and homelessness. This requirement shall not extend beyond June 30, 2027, unless otherwise amended by ordinance. Any remaining balance collected pursuant to this subsection at the end of the fiscal year shall be designated for this purpose.”

SECTION 3. Material to be repealed is bracketed and stricken. New material is underscored. In printing this ordinance, the brackets, bracketed and stricken material, and underscoring need not be included.

SECTION 4. Severability. If any provision of this ordinance, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable.

SECTION 5. This ordinance shall take effect upon its approval.

INTRODUCED BY:



COUNCIL MEMBER, COUNTY OF HAWAII

CP for 

COUNCIL MEMBER, COUNTY OF HAWAII

_____, Hawai'i
Date of Introduction:
Date of 1st Reading:
Date of 2nd Reading:
Effective Date:

REFERENCE Comm. 713