

Chapter 19

REAL PROPERTY TAXES

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Section 19-89.1. Historic residential real property dedicated for preservation; exemption.

- (a) Portions of residential real property which are dedicated and approved by the director of finance as provided for by this section, shall be exempt except for the minimum tax from real property taxation. The owners shall assure reasonable visual access to the public.
 - (b) An owner of taxable real property that is the site of a historic residential property that has been placed on the Hawai'i Register of Historic Places after January 1, 1977, desiring to dedicate a portion or portions thereof for historic preservation, shall petition the director of finance.
 - (c) The director of finance shall approve the petition and determine what portion or portions of the real property shall be exempt except for the minimum tax from real property taxes. The director shall consult with the State Historic Preservation Office in making this determination. The director may take into consideration whether the current level of taxation is a material factor which threatens the continued existence of the historic property, and may determine the total area or areas of the real property that shall be exempted.
 - (d) The approval of the petition of the director shall constitute a forfeiture on the part of the owner of any right to change the use of the owner's property for a minimum period of ten years. The owner of a dedicated property must renew the dedication on or before September 1 of the tenth year of the original dedication or any subsequent renewal period in order to continue the dedication for the next ten years.
 - (e) Failure of the owner to observe the restrictions of subsection (d) shall cancel the tax exemption and privilege 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 penalty at ten percent from the respective dates that these payments would have been due, provided the provision in this paragraph shall preclude the County from pursuing any other remedy to enforce the covenant on the use of the land.
 - (f) Any person who becomes an owner of real property that is permitted an exemption under this section shall be subject to the restrictions and duties imposed under this section.
 - (g) The director shall prescribe the form of the petition. The petition shall be filed with the director by September 1 of any calendar year and shall be approved or disapproved by December 15 of such year. If approved, the dedication shall be effective July 1 of the following tax year.
 - (h) An owner applicant may appeal any determination as in the case of an appeal from an assessment.
 - (i) Subject to chapter 91, Hawai'i Revised Statutes, the director shall adopt rules and regulations decreed necessary to accomplish the foregoing.
- (1981, Ord. No. 837, sec. 2; Am. 1997, Ord. No. 97-84, sec. 1.)

Section 19-89.2. Credit union exemption.

- (a) Real property owned in fee simple or leased for a period of one year or more by a Federal or State credit union which is actually and exclusively used for credit union purposes shall be exempt except for the minimum tax from real property taxes. If the property for which exemption is claimed is leased, the lease agreement shall be in force and recorded in the bureau of conveyances at the time the exemption is claimed. As used in this section, "Federal credit union" means a credit union organized under the Federal Credit Union Act of 1934, 12 U.S.C. chapter 14, as amended, and "State credit union" means a credit union organized under the Hawai'i Credit Act, chapter 412, Hawai'i Revised Statutes, as amended.
- (b) If any portion of the property which might otherwise be exempted under this section is used for commercial or other purposes not within the conditions necessary for exemption (including any use the primary purpose of which is to produce income even though such income is to be used for or in furtherance of the exempt purposes) that portion of the premises shall not be exempt but the remaining portion of the premises shall not be deprived of the exemption if the remaining portion is used exclusively

for purposes within the conditions necessary for exemption. In the event of an exemption of a portion of a building, the tax shall be assessed upon so much of the value of the building (including the land thereunder and the appurtenant premises) as the proportion of the floor space of the nonexempt portion bears to the total floor space of the building.

(1987, Ord. No. 87-116, sec. 4; Am. 1997, Ord. No. 97-84, sec. 1.)

Section 19-89.3. Exemptions for enterprise zones.

Buildings or other like structures which are built as a result of new construction by a qualified business within an enterprise zone shall be exempt except for the minimum tax from real property taxes for a period of three years. A qualified business in an enterprise zone must satisfy the requirements of chapter 31 of this code and section 209E, Hawai'i Revised Statutes, as amended.

(1995, Ord. No. 95-14, sec. 2; Am. 1997, Ord. No. 97-84, sec. 1.)

Section 19-89.4. Hawai'i Island housing trust exemption.

There shall be exempt, except for the minimum tax from real property taxes, those properties held by the Hawai'i Island housing trust and its nonprofit special purpose entities, until such time as the properties are leased to individual homeowners.

(2006, Ord. No. 06-111, sec. 2.)

Section 19-89.5. Kuleana land exemption.*

- (a) For the purposes of this section, "kuleana land" means those lands granted to native tenants pursuant to L. 1850, p. 202, entitled "An Act Confirming Certain Resolutions of the King and Privy Council, Passed on the 21st Day of December, A.D. 1849, Granting to the Common People Allodial Titles for Their Own Lands and House Lots, and Certain Other Privileges," as amended by L. 1851, p.98, entitled "An Act to Amend an Act Granting to the Common People Allodial Titles for Their Own Lands and House Lots, and Certain Other Privileges" and as further amended by subsequent legislation.
- (b) Those portions of real property zoned as residential or agricultural, and designated as kuleana land, shall pay the minimum real property tax set forth in subsection 19-90(e) as long as the real property is owned in whole or in part by a lineal descendant of the person(s) that received the original title to the kuleana land.
- (c) An application for this exemption shall be filed with the director on forms prescribed by the director. The application shall include documents verifying ownership of the portion of the parcel and that the condition set forth in subsection (b) has been satisfied. Verification of the condition set forth in subsection (b) shall be satisfied by either genealogy verification by the Office of Hawaiian Affairs or by court order stating that the applicant is a lineal descendant of the person(s) that received the original title to the kuleana land. The applicant/landowner shall be responsible for all costs.

(2008, Ord. No. 08-11, sec. 2; Am. 2009, Ord. No. 09-27, sec. 4.)

* **Editor's Note:** Section 19-89.5 shall apply to the tax year beginning July 1, 2009 and the tax years thereafter.

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