

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE AMENDING CHAPTER 19, ARTICLE 7, SECTION 19-53, AND ARTICLE 10, SECTION 19-71, 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 7, section 19-53, of the Hawai‘i County Code 1983 (2016 Edition, as amended), is amended by amending subsection (e) to read as follows:

“(e) Classification of land:

- (1) Except as otherwise provided in subsection (e)(2) of this section, land shall be classified, upon consideration of its highest and best use, into the following general classes:
  - (A) Residential;
  - (B) Affordable rental housing;
  - (C) Apartment;
  - (D) Hotel and resort;
  - (E) Commercial;
  - (F) Industrial;
  - (G) Agricultural or native forests;
  - (H) Conservation; and
  - (I) Homeowner.
- (2) In assigning land to one of the general classes the director of finance shall give major consideration to the districting established by the land use commission pursuant to chapter 205, Hawai‘i Revised Statutes, the districting established by the County in its general plan and zoning ordinance, use classifications established in the general plan of the State, and such other factors which influence highest and best use, except that parcels which are used as the owner’s principal residence shall be classified as “homeowner” without regard to the highest and best use, provided that the director has granted to the owner a home exemption in accordance with sections 19-71 to 19-72.
  - (A) The homeowner class is [~~exclusively~~] reserved for properties which are used as the owner’s principal residence. Uses which shall not qualify as “homeowner” include:
    - (i) Real property which is used for commercial or income-producing purposes, except as exempted under section 19-71(a) or (b).

- (ii) Real property which is used for residential rental purposes[; ~~whether for short term or long term lease;~~ for a term not longer than six months, except as exempted under section 19-71(a) and affordable rental housing.
  - (iii) Real property which is used for any purpose other than the owner's principal residence, with the exception of any property valued according to its agricultural use pursuant to sections 19-57, 19-59, or 19-60.
- (B) The affordable rental housing class is exclusively reserved for properties which meet the eligible requirements for this class and have the annual required application timely filed. Real property which is used for commercial or income-producing purposes shall not qualify as "affordable rental housing," except:
- (i) Real property with uses legally permitted as a home occupation in accordance with the zoning code; or
  - (ii) Real property with agricultural use pursuant to sections 19-57, 19-59, or 19-60.
- (3) Whenever there is an overlap or contradiction in districting or use classification between the County and the State, zoned districts by the County shall take precedence."

**SECTION 2.** Chapter 19, article 10, section 19-71, of the Hawai'i County Code 1983 (2016 Edition, as amended), is amended by amending subsection (a) to read as follows:

- "(a) Real property owned and occupied as a principal home shall be exempt to the following extent from property taxes:
- (1) Totally exempt where the value of the property is not in excess of \$50,000;
  - (2) Where the value of the property is in excess of \$50,000, the exemption shall be the amount of \$50,000.
- Provided that:
- (A) No such exemption shall be allowed to any corporation, co-partnership, or company;
  - (B) The exemption shall not be allowed on more than one home for any one taxpayer and that such taxpayer shall certify under penalty of perjury that such taxpayer has no other home exemption in any other jurisdiction;
  - (C) The taxpayer has acquired said home by a recorded deed;
  - (D) ~~[A husband and wife]~~ Married persons shall not be permitted exemption of separate homes owned by each of them, unless they are living separate and apart, in which case they shall be entitled to one exemption, to be apportioned equally between each of their respective homes;
  - (E) Those portions of the real property and/or structures, including the principal home, used by any person for commercial purposes, which are legally permitted as a home occupation in accordance with the zoning code, shall be excluded from this exemption, but shall be entitled to an exemption with respect to the portion thereof used exclusively as a home;

- (F) Notwithstanding paragraph 19-71(a)(2)(E) above, having portions of the principal home located on the real property used exclusively as residential housing rental for a term of not less than six months [~~and legally permitted by all codes,~~] shall not prevent eligibility for the exemption; and
- (G) In the case of a lease of Hawaiian homestead lands, where [~~either a husband or wife is~~] the leaseholder is married to a person of non Hawaiian descent, either spouse shall be entitled to the home exemption in the same manner as if either spouse was considered the owner thereof, provided proof of marriage is submitted to the director of finance.”

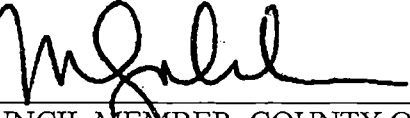
**SECTION 3.** Material to be repealed is bracketed and stricken. New material is underscored. In printing this ordinance, the brackets, bracketed and stricken material, and underscoring need not be included.

**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 on January 1, 2025.

INTRODUCED BY:

  
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 COUNCIL MEMBER, COUNTY OF HAWAI'I

SM. for   
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 COUNCIL MEMBER, COUNTY OF HAWAI'I

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

REFERENCE Comm. 905