

ACT 96

An Act Relating to Real Property Tax Exemptions for Eleemosynary Organizations on Leasehold Property and Amending Section 128-18(c) of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Purpose. The purpose of this Act is to amend section 128-18(c) of the Revised Laws of Hawaii 1955, as amended, in order to exempt eleemosynary organizations on leasehold property from real property taxes.

SECTION 2. Section 128-18(c) of the Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

“(c) The provisions of this subsection shall apply to property owned in fee simple or leased or rented for a period of one year or more, the lease or rental agreement being in force and recorded in the bureau of conveyances at the time the exemption is claimed, by a corporation, society, association or trust having a charter or other enabling act or

governing instrument which contains a provision or has been construed by a court of competent jurisdiction as providing that in the event of dissolution or termination of the corporation, society, association, or trust, or other cessation of use of the property for the exempt purpose, the real property shall be applied for another charitable purpose or shall be dedicated to the public. Exemption is allowed by this subsection for property used for charitable purposes which are of a community, character building, social service or educational nature, including museums, libraries and art academies; provided that in order for property to be exempt from taxation under this subsection not more than seventy-five per cent of the income devoted to the exempt purposes may be derived from charges made to the public or to those accommodated or served, unless the exempt purpose is to rehabilitate individuals to become self-supporting or partially self-supporting."

SECTION 3. Effective date. This Act, upon its approval, shall take effect on January 1, 1964.

(Approved May 29, 1963.) **S.B. 186.**
