

ACT 229

S.B. NO. 2274-76

A Bill for an Act Relating to Real Property Taxation.

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

SECTION 1. Section 248-2, Hawaii Revised Statutes, is amended as follows:

1. Subsections (b) and (c) are amended to read:

“(b) The council of each county shall increase or decrease the tax rates for buildings and for all other real property, exclusive of buildings, for each category of property established in accordance with subsection 246-10(d); provided that in increasing or decreasing tax rates a single tax rate shall be applied to net taxable real property within category I. A resolution increasing or decreasing the tax rates in each county shall be adopted on or before June 20 preceding the tax year for which property tax revenues are to be raised according to the following procedures:

- (1) After determining that any tax rate certified by the director of taxation under subsection (f) should be increased or decreased and the date of a public hearing concerning such determination, the council shall advertise its intention to increase or decrease the tax rate and the date, time, and place of the public hearing in a newspaper of general circulation in the county in which the rates are to be increased or decreased. The date of the public hearing shall be not less than ten days after the advertisement is first published and shall set forth the tax rates to be considered by the council.
- (2) After the public hearing provided for in paragraph (1), the council shall readvertise and reconvene within two weeks to adopt a resolution fixing the tax rate for the tax year for which property tax revenues are to be raised. The advertisement shall state the new rate to be fixed and the amount of the increase or decrease, and the date, time, and place of the public hearing scheduled for fixing such rate. The date, time, and place of the public hearing shall also be announced at the public hearing required by paragraph (1). If the resolution fixing the tax rate is not adopted within two weeks from the public hearing required by paragraph (1), the council shall again advertise and meet as required by paragraph (1).
- (3) If after adopting an increase or decrease in the tax rate as provided by paragraphs (1) and (2), the council determines that it requires a further increase or decrease in a tax rate or fails to act in any specified period, the council shall readvertise and follow the requirements of paragraphs (1) and (2).

If the council of each county does not increase or decrease the tax rate certified to the council by the director of taxation under subsection (f) as provided in this subsection, the tax rate so certified shall be the tax rate in the county for the tax year for which the property tax revenues are to be raised.

(c) The council of each county shall increase or decrease the tax rates applicable in the county using the following method:

- (1) The net taxable real property of each category shall be divided by the net taxable real property for the county to determine the percentage of revenue to be raised from each category;
- (2) The percentage of revenue to be raised from each category shall be multiplied by the total revenue to be raised from real property in the county in order to determine the amount of revenue to be derived from each category;
- (3) The net taxable buildings within categories II, III, and IV, respectively,

shall be multiplied by the applicable building tax factor and the product thereof divided by the modified net taxable value of real property in that category which quotient shall be multiplied by the amount of revenue to be raised from that category in order to determine the amount of revenue to be raised from the tax on net taxable buildings which amount shall be divided by the net taxable value of buildings in that category to determine the tax rate which shall be expressed in terms of tax per \$1,000 of net taxable buildings computed to the nearest cent;

- (4) The net taxable lands within categories II, III, and IV, respectively, shall be divided by the modified net taxable value of real property in that category which quotient shall be multiplied by the amount of revenue to be raised from that category in order to determine the amount of revenue to be raised from the tax on net taxable lands which amount shall be divided by the net taxable value of lands in that category to determine the tax rate which shall be expressed in terms of tax per \$1,000 of net taxable lands computed to the nearest cent;
- (5) The amount of revenue to be raised from net taxable real property within category I, shall be divided by the net taxable real property in category I to determine the tax rate which shall be expressed in terms of tax per \$1,000 of net taxable real property computed to the nearest cent."

2. Subsections (e), (f), and (g) are amended to read:

"(e) If the tax rates for the tax year in any county are increased or decreased the council shall notify the director of taxation of the increased or decreased rates, and the director shall employ such rates in the levying of property taxes in that county as provided by law.

(f) The director of taxation shall on or before May 1 preceding the tax year furnish each council with a calculation certified by him as being as nearly accurate as may be, of the net taxable real property within the county, separately stated for each category established in accordance with section 246-10(d) for net taxable lands and for net taxable buildings plus such additional data relating to the property tax base as may be necessary. In addition, the director shall certify to the council of each county, the base tax rate for each category of real property established in accordance with section 246-10(d) for the forthcoming tax year in each county by determining such tax rates by the method established in subsections (c), (d), and (e) and by using the net taxable assessed value for the forthcoming year and the county's real property revenues for the current year. Upon their determination such tax rates shall be the tax rates for the county for the forthcoming tax year, unless the county increases or decreases the tax rates as provided in subsection (b).

(g) Insofar as the validity of any tax rate is concerned, the provisions of subsections (b) and (f) of this section as to dates, shall be deemed directory; provided that all other provisions of subsections (b) and (f) and all provisions of subsections (c), (d), and (e) shall be deemed mandatory."

SECTION 2. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring. In making the deletions

allowed by this section, the revisor shall retain the amendments made by section 25, Act 157, Session Laws of Hawaii 1975. The intention of this Act is not to repeal or affect Act 157.*

SECTION 3. This Act shall take effect on January 1, 1977.

(Approved June 9, 1976.)

*Edited accordingly.