COUNTY OF KAUAI
BOARD OF REVIEW

NOTICE OF HEARING & AGENDA

Friday, January 8, 2016
1:00 p.m. or shortly thereafter
Mo'ikeha Building, Meeting Room 2A / 2B
4444 Rice Street
Lihue, Kauai, Hawaii 96766

CALL TO ORDER

ELECTION OF CHAIR AND VICE CHAIR FOR 2016

APPROVAL OF MINUTES

a. Open Session Minutes of November 20, 2015

ESTABLISH FORMAT FOR HEARING OF APPEALS

a. Reprints from the County of Kaua'i's webpage *on Understanding your Real Property Taxes* and Information for Taxpayers concerning *Property Assessments Appeals to the Board of Review*
b. Orientation from the County Attorney on the duties and responsibilities of quasi-judicial boards and the format for presentation of appeals

APPEALS SCHEDULED – None

SCHEDULED MEETING DATES FOR 2016

Effective February 5, meeting dates are the first and second Friday of each month, with exception of County holidays, until all appeals have been reviewed

ANNOUNCEMENTS

Next Meeting: Friday, February 5, 2016 – 1:00 p.m.

ADJOURNMENT

Cc: Adam Roversi, Deputy County Attorney

EXECUTIVE SESSION
Pursuant to Hawai'i Revised Statutes §92-7(a), the Board may, when deemed necessary, hold an executive session on any agenda item without written public notice if the executive session was not anticipated in advance. Any such executive session shall be held pursuant to H.R.S. §92-4 and shall be limited to those items described in H.R.S. §92-5(a).

PUBLIC COMMENTS and TESTIMONY

Persons wishing to offer comments are encouraged to submit written testimony at least 24-hours prior to the meeting indicating:

1. Your name and if applicable, your position/title and organization you are representing;
2. The agenda item that you are providing comments on; and
3. Whether you will be testifying in person or submitting written comments only.
4. If you are unable to submit your testimony at least 24 hours prior to the meeting, please provide **10** copies of your written testimony at the meeting clearly indicating the name of the testifier; and

While every effort will be made to copy, organize and collate all testimony received, materials received on the day of the meeting or improperly identified may be distributed to the members after the meeting is concluded.

The length of time allocated to persons wishing to present verbal testimony may be limited at the discretion of the chairperson or presiding member.

Send written testimony to:
Board of Review
Attn: Barbara Davis
Office of Boards and Commissions
4444 Rice Street, Suite 150
Līhu'e, HI 96766
E-mail:bdavis@kauai.gov
Phone: (808) 241-4919 Fax: (808) 241-5127

If you need an alternate format or auxiliary aid to participate, please contact the Office of Boards & Commissions at 241-4918 at least five (5) working days prior to the meeting.

DRAFT To Be Approved

COUNTY OF KAUAI
Minutes of Meeting
OPEN SESSION

Board/Committee:	**BOARD OF REVIEW**	Meeting Date	**November 20, 2015**
Location	Mo'ikeha Building, Meeting Room 2 A/B	Start of Meeting: 1:16 p.m.	End of Meeting: 1:33 p.m.
Present	Chair Dorothy Bekeart; Vice-Chair Jose Diogo Members: Donald Kolenda, and Russell Kyono Also: Deputy County Attorney Matt Bracken; Boards & Commissions Staff: Support Clerk Barbara Davis; Tax Manager Steven Hunt		
Excused	Member: Julie Caspillo		
Absent			

SUBJECT	DISCUSSION	ACTION
Call To Order		Chair Bekeart called the meeting to order at 1:16 p.m.
Approval of Minutes	a. Open Session Minutes of October 2, 2015	Mr. Diogo moved to approve the minutes as circulated. Mr. Kyono seconded the motion. Motion carried 4:0
Appeals Scheduled	1. 14-0000109 S.Hunt Kukuiula Development Company LLC 2-6-015-001-0000 *Mr. Diogo moved to approve the County's stipulation of $3,073,000 and to change the Tax Use Classification to Commercial. Mr. Kolenda seconded the motion. Motion carried 4:0*	
	2. 15-0000166 S.Hunt Kukuiula Development Company LLC 2-6-015-001-0000 *Mr. Diogo moved to approve the County's stipulation of $3,073,000 and to change the Tax Use Classification to Commercial. Mr. Kolenda seconded the motion. Motion carried 4:0*	
	3. 14-0000107 S.Hunt Kukuiula Development Company LLC 2-6-015-014-0000 *Mr. Diogo moved to approve the County's stipulation of $4,148,000 and to change the Tax Use Classification to Commercial. Mr. Kolenda seconded the motion. Motion carried 4:0*	
	4. 15-0000173 S.Hunt Kukuiula Development Company LLC 2-6-015-014-0000 *Mr. Diogo moved to approve the County's stipulation of $4,148,000 and to change the Tax Use Classification to Commercial. Mr. Kolenda seconded the motion. Motion carried 4:0*	
	5. 14-0000106 S.Hunt Kukuiula Development Company LLC 2-6-019-021-0000 *Mr. Diogo moved to approve the County's stipulation of $849,000 and to change the Tax Use Classification to Commercial. Mr. Kolenda seconded the motion. Motion carried 4:0*	

Open Minutes 11/20/15

SUBJECT	DISCUSSION	ACTION
	6. 15-0000167 S.Hunt Kukuiula Development Company LLC 2-6-019-021-0000 *Mr. Diogo moved to approve the County's stipulation of $849,000 and to change the Tax Use Classification to Commercial. Mr. Kolenda seconded the motion. Motion carried 4:0*	
	7. 14-0000108 S.Hunt Kukui'ula Development Company LLC 2-6-019-026-0000 *Mr. Diogo moved to approve the County's stipulation of $2,797,900 and to change the Tax Use Classification to Commercial. Mr. Kolenda seconded the motion. Motion carried 4:0*	
	8. 15-0000168 S.Hunt Kukui'ula Development Company LLC 2-6-019-026-0000 *Mr. Diogo moved to approve the County's stipulation of $2,797,900 and to change the Tax Use Classification to Commercial. Mr. Kolenda seconded the motion. Motion carried 4:0*	
	9. 14-0000110 S.Hunt Kukui'ula Development Company LLC 2-6-019-031-0000 *Mr. Diogo moved to approve the County's stipulation of $14,131,200 and to change the Tax Use Classification. Mr. Kolenda seconded the motion. Motion carried 4:0*	
	10. 15-0000169 S.Hunt Kukui'ula Development Company LLC 2-6-019-031-0000 *Mr. Diogo moved to approve the County's stipulation of $14,131,200 and to change the Tax Use Classification to Commercial. Mr. Kolenda seconded the motion. Motion carried 4:0*	
Validity BOR Decision	11. S.Hunt Junedale Hashimoto/Jodi Hashimoto-Omo 5-3-007-005-0000 There was no one in attendance on behalf of the appellant. Mr. Steve Hunt was in attendance for the County. *Mr. Diogo moved to not approve the request for an appeal for 2014 and 2015 for failure to meet the required filing deadline. Mr. Kyono seconded the motion. Motion carried*	
Real Property Tax Classification Rules	a. Overview and discussion with Property Tax Manager Mr. Hunt recapped that the Real Property Tax Classification Rules, or Administrative Rules, went into effect July 27, 2015, specifying what each of the Use Classes are and giving a measurable means of putting the Use Classes into the right places. There are now 10 Use Classes, in place of the previous 8, which include Residential Investor and the Commercialized Home Use. There were no questions from the Board Members regarding the Rules.	

SUBJECT	DISCUSSION	ACTION
Announcements	Next Meeting: Friday, January 8, 2016 – 1:00 p.m.	
Adjournment		Mr. Diogo moved to adjourn the meeting at 1:33 p.m. Mr. Kyono seconded the motion. Motion carried 4:0

Submitted by: _____
Barbara Davis, Staff Support Clerk

Reviewed and Approved by: _____
Dorothy R. Bekeart, Chair

( ) Approved as circulated.
( ) Approved with amendments. See minutes of _____ meeting.

Each year Kaua'i residents make an investment in their County when they pay their real property taxes. Every dollar is returned in the form of vital services we often take for granted; services such as fire and police protection, street maintenance and lighting, water, sewer and refuse collection, and recreational facilities and activities.

These services are financed through a variety of revenue sources including federal and state grants, water and sewer fees, fuel tax, motor vehicle weight tax and, most importantly the real property tax. The County of Kaua'i could not operate without the real property tax as approximately 78% of every revenue dollar collected comes from this source.

REAL PROPERTY TAX POWERS

Hawaii's four counties now have full control over their real property tax system after voters approved a constitutional amendment transferring the responsibility for property valuation, exemptions, and tax collection from the State to the counties.

ASSESSMENTS AT FULL VALUE

The need to insure "truth in taxation" has brought about a major change in the way property has been assessed beginning in 1983. Property is now being assessed at 100% of fee simple market value, making it easier for homeowners to see what their property is actually worth. Assessing at full market value eliminates the mathematical calculations and guesswork of the past.

FAIR MARKET VALUE

Locating, identifying, classifying and appraising your property at fair market value and approval of exemptions are the responsibility of the Real Property Assessment Division of the Department of Finance. Market value, or the price most people will pay for your property, is the standard used to measure equity in assessments.

Over the years great strides have been made to improve the methods used to assess property in a uniform and fair manner. Property owners are encouraged to visit the Real Property Assessment Division located at 4444 Rice Street, Lihu`e, HI. You can inspect your records at the front counter or ask to speak to an appraiser regarding your assessment.

APPRAISING YOUR PROPERTY

Because our County has only a few appraisers for approximately 35,000 taxable parcels, a personal inspection of your property is normally undertaken only at the time of construction or remodeling and then every 3-5 years, according to the International Association of Assessing Officers Standards of Conduct. "Mass Methodology" and "Market Modeling" are used to annually update your property value.

The appraisal process continues throughout the year, but the values established by the Real Property Assessment Division as of **October 1** constitute the values which will be used during the following tax year, which begins July 1.

HOMEOWNERS EXEMPTIONS

As a property owner you should be aware that there are homeowners exemptions which can reduce your net taxable value providing you occupy the property as your principal residence on **September 30** preceding the tax year. These home exemptions are:

***BASIC HOME EXEMPTION**

Homeowners or lessees, defined as Homeowners under Chapter 5.A-11.4 (a) and (3)(b) up until 60 years of age will be eligible for a single home exemption of **$160,000**.

***ADDITIONAL AGE EXEMPTION**

This exemption was established to help senior citizens living on fixed retirement incomes. Homeowners between the ages of 60 and 70 years of age are eligible for an additional exemption amount, increasing the Basic to **$180,000** and increasing the Basic to **$200,000** for age over 70.

NOTE: You are required to contact the Real Property Assessment office should you change your status, such as moving, renting and/or using any portion of your residence as a business within 30 days.

ADDITIONAL HOME EXEMPTION BASED ON INCOME

Real property that benefits from a Basic Home Exemption and/or Additional Age Exemption may also be eligible for an additional $120,000 Income Exemption based upon an annual gross income, not to exceed the qualified gross income ceiling for that year. **YOU MUST APPLY ANNUALLY FOR THIS ADDITIONAL EXEMPTION.** If the total amount of exemption meets or exceeds the net taxable assessment for qualified year, then the minimum tax assessed shall be $75.00 in those subsequent qualified years.

VERY LOW INCOME TAX CREDIT

A homeowner whose household income does not exceed 50% of the Kaua'i median household income as set forth in the Kaua'i County Housing Agency Affordable Rental Housing Guideline for the calendar year preceding the year in which the application is filed, shall be entitled to a credit in the amount of 3% of the household gross income from all persons appearing on title. Owner must have Home Exemption and taxes must be current.

HOME PRESERVATION LIMIT

A homeowner who meets the criteria in Subsection 5A-11A.2 (c) shall pay real property taxes at the **higher** of an amount equal to three percent (3%) of all the owners' income(s) or the amount of five hundred dollars ($500.00). **The Home Preservation Limit Application annual deadline will be September 30 of any year.**

DISABILITY EXEMPTION

Special exemptions of up to $50,000 are also available for property owners who are totally disabled, blind, deaf, or who are Hansen's disease sufferers. This special exemption is in addition to the basic and multiple home exemptions.

TOTALLY DISABLED VETERAN EXEMPTION

If you are a totally disabled veteran due to injuries received while on active duty with the U.S. Armed Forces, your home is exempted from all real property taxes, except the minimum tax of $150 for 2015. Qualified Additional Income Exemptions filings are eligible for the discounted minimum tax of $75 for 2015. Veterans must file a claim on Form P-6 on or before **September 30.**

The home exemption will be valid as long as the veteran claiming the exemption remains totally disabled or the widow or widower of the totally disabled veteran remains unmarried and resides on the subject property as their principal residence.

***PLEASE NOTE:**

The staff of the Real Property Assessment Division **will not automatically grant homeowner exemptions**. You must file a claim on or before **September 30** for the next tax year but, once filed **except for the additional exemptions based on income,** no additional action is required until your status changes. In addition to exemptions cited, there may be other types of exemptions which the Council may approve from time to time. Please check with the assessor's office for more information.

TAX MAP KEY IS IMPORTANT

Home owners should know their tax map key number also referred to as parcel id. Real property is mapped and indexed numerically according to a tax map key system which identifies your property. All matters concerning your property should be made in reference to the tax map key.

ASSESSMENT NOTICES

Another important time frame is the period when assessment notices are mailed to property owners. **These notices are mailed each year by December 1. You have until December 31 to appeal your assessment.**

When you receive your notice, study it carefully. It lists your tax classification, property value, exemptions and net taxable value. If you find an error or have questions on your assessment, contact the Real Property Assessment Division.

a. Reprint from Webpage

APPEAL PROCESS

Should you want to appeal, you will find the process is quite simple and requires no legal counsel. Appeals are heard by a five-member Board of Review composed of property owners like you. The taxpayer is asked to state their case and then the appraiser explains how the assessment was determined. **There is a 25.00 fee to appeal for qualified owner occupants and $75.00 for all other property owners.**

Property owners may also appeal directly to the Tax Appeal Court, which could require legal assistance if you choose not to follow the small claims procedure or file your appeal with the Board of Review. An appraiser will be happy to explain the appeal process and your rights under the law. You must serve the Real Property Assessor with a Tax Court Appeal filing or be disqualified.

Many property owners regretfully do not question their assessment until they receive their tax bill. The first half of the year's bill is mailed on July 20 and payment is due on August 20. The second half is mailed the following January 20 and payment is due on February 20. **You should remember that tax assessment appeals can only be made between December 1st and December 31st prior to the mailing of your tax bill.** There is no avenue for appeal after you have received your bill.

CALCULATION OF TAXES

The formula for real property tax is:

(Assessed Value – Exemptions) x Tax Rate = Taxes. After the assessment of the property has been made, and any exemptions subtracted from the assessed value, the remaining value is known as the net taxable value. This is the starting point for the calculation of taxes.

As part of the budget-making process every year, the County Council sets the tax rates. The tax rates are set separately for each class of property. **The improved property classes are: Residential, Commercialized Home Use, Vacation Rental, Commercial, Industrial, Agriculture, Conservation, Hotel/Resort, Residential Investor and Homestead.** The tax classes are based on the property's actual use, which may or may not be the same as the zoning. **Rates based on zoning will still apply on vacant or partially improved properties.**

The Homestead class is comprised of properties used **exclusively** as the owner's principal residence. Owner-occupied farms are also included in the Homestead class.

The tax rate is the amount of taxes on the property for each $1,000 of net taxable value. For example, if the tax rate is $8.00 and the net taxable value is $100,000, the taxes would be $800.00.

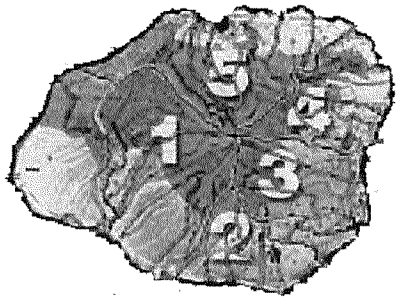
IMPORTANT DATES

The tax year begins on July 1 and extends until the following June 30. These are the important dates to remember:

Sept 30	**Deadline for filing exemption claims and recordation of ownership documents** **Deadline for applying for additional home exemptions based on income**
Oct 1	**Date of Assessment for upcoming tax year**
Dec 1	**Assessment notices mailed**
Dec 31	**Deadline for assessment appeals**
Jan 20	**Second half year tax bills mailed**
Feb 20	**Second half tax year payments due**
Mar 31	**Certified assessment roll to County Council**
June 20	**Tax Rate set by County Council**
July 1	**Tax year commences** **Deadline for filing dedication petitions**
July 20	**First half year tax bills mailed**
Aug 20	**First half tax payments due**

UNDERSTANDING YOUR REAL PROPERTY TAXES

BERNARD P. CARVALHO, JR.
Mayor
County of Kaua'i



Department of Finance
REAL PROPERTY ASSESSMENT DIVISION
4444 Rice Street, Suite A-454
Līhu`e, HI 96766
PHONE NO. (808) 241-4224
FAX NO. (808) 241-6252
Email: rpassessment@kauai.gov
WEBSITE: www.kauaipropertytax.com

2016

January

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2016 Meeting Schedule