

NOTICE OF PUBLICATION AND NOTICE OF PUBLIC HEARING

OFFICE OF
THE COUNTY CLERK
COUNTY OF KAUAI

Notice is hereby given that the Council of the County of Kaua'i will hold a public hearing on Thursday, January 16, 2020, at 1:30 p.m., or soon thereafter, at the Council Chambers, 4396 Rice Street, Room 201, Historic County Building, Lihu'e, on the following:

Bill No. 2767

A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO REAL PROPERTY TAXES

This Bill proposes to amend Chapter 5A, Section 5A-6.4(f), Section 5A-11.4(a)(2)(E), and Section 5A-11A.3(a), Kaua'i County Code 1987, as amended, relating to Real Property Taxes, to exclude vacation rental, hotel, and resort uses from the "commercialized home use" class, and to exclude real property with vacation rental, hotel, or resort use from being eligible to receive the assessment cap for home exemption property. This ensures that properties providing transient accommodations are similarly classified, to equitably distribute the costs of County infrastructure and services.

All interested persons who wish to present their comments may do so at the public hearing. Written testimony prior to the hearing would be appreciated. Written testimony can be submitted to the Office of the County Clerk, Council Services Division by mail, facsimile, or via E-mail to counciltestimony@kauai.gov. Copies of the Bill are available at the Office of the County Clerk, Council Services Division.

(The Council Committee or Council may amend this Bill at their subsequent meetings. Meeting notices are posted at least six (6) days in advance at the County Clerk's Office and the public may also testify at any of these meetings.)

CERTIFICATE OF THE COUNTY CLERK

I hereby certify that the foregoing Bill No. 2767 was passed on first reading and ordered to print by the Council of the County of Kaua'i at its meeting held on December 4, 2019, by the following vote:

AYES: Chock, Evslyn, Kualii, Kaneshiro	TOTAL - 4,
NOES: Brun, Cowden, Kagawa	TOTAL - 3,
EXCUSED & NOT VOTING: None	TOTAL - 0,
RECUSED & NOT VOTING: None	TOTAL - 0.

Lihu'e, Hawaii
December 5, 2019

/s/ Jade K. Fountain-Tanigawa
County Clerk, County of Kaua'i

NOTE: IF YOU NEED AN AUXILIARY AID/SERVICE, OTHER ACCOMMODATION DUE TO A DISABILITY, OR AN INTERPRETER FOR NON-ENGLISH SPEAKING PERSONS, PLEASE CONTACT THE OFFICE OF THE COUNTY CLERK, COUNCIL SERVICES DIVISION AT (808) 241-4188 OF COKCOUNCIL@KAUAI.GOV AS SOON AS POSSIBLE. REQUESTS MADE AS EARLY AS POSSIBLE WILL ALLOW ADEQUATE TIME TO FULFILL YOUR REQUEST.

UPON REQUEST, THIS NOTICE IS AVAILABLE IN ALTERNATE FORMATS SUCH AS LARGE PRINT, BRAILLE, OR ELECTRONIC COPY.

(One publication - The Garden Island - December 13, 2019)

**A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A,
KAUAI COUNTY CODE 1987, AS AMENDED,
RELATING TO REAL PROPERTY TAXES**

BE IT ORDAINED BY THE COUNCIL OF THE COUNTY OF KAUAI, STATE OF HAWAII:

SECTION 1. Purpose. The purpose of this Ordinance is to amend Chapter 5A, Section 5A-6.4(f), Section 5A-11.4(a)(2)(E), and Section 5A-11A.3(a), Kauai County Code 1987, as amended, relating to Real Property Taxes, to exclude vacation rental, hotel, and resort uses from the “commercialized home use” class, and to exclude real property with vacation rental, hotel, or resort use from being eligible to receive the assessment cap for home exemption property. This ensures that properties providing transient accommodations are similarly classified, to equitably distribute the costs of County infrastructure and services.

SECTION 2. Chapter 5A, Section 5A-6.4(f), Kauai County Code 1987, as amended, is hereby amended to read as follows:

“(f) Parcels [which] that are [utilized] used for multiple purposes, one of which is use as the taxpayer’s principal residence as of the date of assessment, shall be classified as “commercialized home use” provided that the taxpayer has received a home [use] exemption on the property pursuant to Sec. 5A-11.4[.] and provided that vacation rental, hotel, and resort uses are prohibited.”

SECTION 3. Chapter 5A, Section 5A-11.4(a)(2)(E), Kauai County Code 1987, as amended, is hereby amended by amending subsection (a) to read as follows:

“(a) Real property owned and occupied only as the taxpayer’s principal home, as of the date of assessment by any individual or individuals, shall be exempt only to the following extent from property taxes:

(1) Totally exempt where the value of the property is not in excess of one hundred sixty thousand dollars (\$160,000.00);

(2) Where the value of such property is in excess of one hundred sixty thousand dollars (\$160,000.00), the exemption shall be the amount of one hundred sixty thousand dollars (\$160,000.00).

Provided:

(A) That no such exemption shall be allowed to any corporation, copartnership, or company;

(B) That the exemption shall not be allowed on more than one (1) home for any one (1) taxpayer;

(C) That where the taxpayer has acquired the taxpayer's home by a deed, the deed shall have been recorded on or before September 30th immediately preceding the year for which the exemption is claimed;

(D) That a husband and wife 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 (1) exemption, to be apportioned between each of their respective homes in proportion to the value thereof;

(E) That real property owned and occupied by a person living on-premises, a portion of which is used for commercial purposes, shall be placed in the commercialized home use class[.], provided that any real property with vacation rental use shall be placed in the vacation rental class and any real property with hotel or resort use shall be placed in the hotel and resort class. Real property with vacation rental, hotel, or resort use shall be eligible for the home exemption under this Section 5A-11.4 but shall not be eligible for the assessment cap for home exemption property under Section 5A-11A.3.

(F) That a property transferred for the purpose of conveying real property for the following shall be exempt so long as the real property is owned and occupied as the same owner's principal home:

- (1) Grantor to the grantor's revocable living trust;
- (2) Grantor's revocable living trust to grantor;
- (3) Taxpayer and spouse;
- (4) Surviving spouse who maintains portion of ownership and resides on property, but deceased spouse's interest is transferred to another party;
- (5) Life Estate; or
- (6) Any other method of property transfer for the purpose of conveying real property which the Director of Finance finds to be similar in nature to those listed in this Section.

SECTION 4. Chapter 5A, Section 5A-11A.3(a), Kaua'i County Code 1987, as amended, is hereby amended to read as follows:

“[(a) Any owner who has a home exemption pursuant to Sec. 5A-11.4, Kaua'i County Code 1987, as amended, or receives the beneficial tax rate due to a long term affordable rental pursuant to Sec. 5A-11A.1 shall receive an Assessment Cap.]

(a) The following owners shall receive an assessment cap:

(1) Any owner who has a home exemption pursuant to Sec. 5A-11.4, Kaua'i County Code 1987, as amended, provided that real property with vacation rental, hotel, or resort use shall not be eligible;

(2) Any owner who receives the beneficial tax rate due to a long term affordable rental pursuant to Sec. 5A-11A.1.”

SECTION 5. All instances of “Assessment Cap” in Chapter 5A, Section 5A-11A.3(a), Kaua'i County Code 1987, as amended, are hereby amended to read as “assessment cap.”

SECTION 6. 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 7. Material to be deleted is bracketed. New material is underscored. When revising, compiling, or printing this Ordinance for inclusion in the Kaua'i County Code 1987, as amended, the brackets, bracketed material, and underscoring need not be included.

SECTION 8. This Ordinance shall take effect on October 1, 2020 for tax year 2021.

Introduced by:



LUKE A. EVSLIN



MASON K. CHOCK

DATE OF INTRODUCTION

December 4, 2019

Līhu'e, Kaua'i, Hawai'i

CERTIFICATE OF THE COUNTY CLERK

I hereby certify that heretofore attached is a true and correct copy of Bill No. 2767, which was passed on first reading and ordered to print by the Council of the County of Kaua'i at its meeting held on December 4, 2019, by the following vote:

FOR PASSAGE:	Chock, Evslin, Kuali'i, Kaneshiro	TOTAL - 4,
AGAINST PASSAGE:	Brun, Cowden, Kagawa	TOTAL - 3,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Līhu'e, Hawai'i
December 4, 2019



Jade K. Fountain-Tanigawa
County Clerk, County of Kaua'i