

OFFICE OF
THE COUNTY CLERK
COUNTY OF KAUAI

NOTICE OF PUBLICATION AND NOTICE OF PUBLIC HEARING

Notice is hereby given that the Council of the County of Kaua'i will hold a public hearing on Thursday, June 13, 2019, at 1:30 p.m., or soon thereafter, at the Council Chambers, 4396 Rice Street, Room 201, Historic County Building, Līhu'e, on the following:

Bill No. 2751

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

This Bill proposes to amend Chapter 5A, Kaua'i County Code 1987, as amended, relating to real property tax. The purpose of this Bill is to remove the requirement that a homeowner, participating in the long-term affordable program, submit an annual affidavit confirming that the unit continues to be rented in accordance with the conditions of the program. The removal of the annual affidavit requirement would give the Real Property Tax Office the flexibility to require a new affidavit only upon the expiration of the multi-year lease.

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 its subsequent meetings. Meeting notices are posted at least 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. 2751 was passed on first reading and ordered to print by the Council of the County of Kaua'i at its meeting held on May 8, 2019, by the following vote:

AYES: Brun, Chock, Cowden, Evslin, Kagawa, Kualii, Kaneshiro	TOTAL - 7,
NOES: None	TOTAL - 0,
EXCUSED & NOT VOTING: None	TOTAL - 0,
RECUSED & NOT VOTING: None	TOTAL - 0.

Līhu'e, Hawai'i
May 8, 2019

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

NOTE: SPECIAL ACCOMMODATIONS AND SIGN LANGUAGE INTERPRETER AND INTERPRETERS FOR NON-ENGLISH SPEAKING PERSONS ARE AVAILABLE UPON REQUEST FIVE (5) DAYS PRIOR TO THE MEETING DATE, TO THE COUNTY CLERK, 4396 RICE STREET, SUITE 209, LĪHU'E, KAUAI, HAWAII, 96766. TELEPHONE NO. (808) 241-4188. FACSIMILE NO. (808) 241-6349.

(One publication – The Garden Island – May 14, 2019)

**A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A,
KAUA'I COUNTY CODE 1987, AS AMENDED,
RELATING TO REAL PROPERTY TAX**

BE IT ORDAINED BY THE COUNCIL OF THE COUNTY OF KAUA'I, STATE OF HAWAII:

SECTION 1. Chapter 5A, Kaua'i County Code 1987, as amended, is hereby amended to read as follows and all other and prior ordinances or parts of ordinances in conflict herewith are hereby repealed.

1. Chapter 5A, Article 11A, Section 5A-11A.1(d), Kaua'i County Code 1987, as amended, relating to the requirement of filing an annual affidavit to read as follows:

“Sec. 5A-11A.1 Beneficial Tax Rate for Property Used for Long-Term Affordable Rental.

(a) Definitions. As used in this Section:

“Dwelling” means a building or portion thereof designed or used exclusively for residential occupancy and having all necessary facilities for permanent residency such as living, sleeping, cooking, eating and sanitation.

“Long-term affordable rental” means a dwelling subject to a written lease agreement with a term of one (1) year or more and at a monthly rent not to exceed the maximum housing cost based on the long-term affordable rental limit for the year in which the owner files his or her application.

“Long-term affordable rental limit” means the midpoint of the maximum rental limits for each unit type using between eighty percent (80%) and one hundred percent (100%) of the Kaua'i median household income as defined by the Kaua'i County Housing Agency Rental Housing Guidelines.

(b) Any owner who owns real property that is rented or leased as a long-term affordable rental shall receive the homestead tax rate as provided in Sec. 5A-6.4 provided that all dwellings on the property are long-term affordable rentals or owner-occupied.

(c) Any owner who owns real property that is rented or leased as a long-term affordable rental of which their tenant is operating a day care center as a licensed day care provider shall be an allowed activity under this Section and shall receive the homestead tax rate as provided in Sec. 5A-6.4, provided that the day care center is operated out of the long-term affordable rental dwelling. A day care center operating out of a separate dwelling on the property that is not a long-term affordable rental shall not qualify for the homestead tax rate.

(d) The owner may apply for the beneficial tax rate on a single year or multi-year basis. An owner with a multi-year written lease agreement may

apply to receive the beneficial tax rate for each year that the lease agreement is in effect up to a maximum of three (3) years, provided that rent in each year of the lease does not exceed the long term affordable rental limits at the time of application. [For each subsequent year of the multi-year lease, the owner shall file by September 30th, an annual affidavit confirming the unit(s) is still being rented at the specified rent level in accordance with the multi-year lease agreement.] At the expiration of the multi-year beneficial tax period, the owner may file a new application to receive the beneficial tax rate as long as the property adheres to the long term affordable rental requirements at the time of the new application.

(e) The owner shall file his or her application annually in a form prescribed by the Director of Finance by September 30th prior to the fiscal year beginning July 1st for the beneficial tax rate. The owner shall notify the Director of Finance within thirty (30) calendar days if the property is no longer being rented or leased as a long-term affordable rental due to the sale of the property or conversion to short-term rental. Should there be a change in the use as a long-term affordable rental, the beneficial tax rate shall be automatically revoked and all differences in the amount of taxes that should be due for the remainder of the tax year without the beneficial tax rate shall become due and payable.

(f) For the 2018 tax year, any owner who owns real property that is rented or leased as a long-term affordable rental may apply for the beneficial tax rate for Long Term Affordable Rental provided that the monthly rent amount stated in their written lease agreement does not exceed the most current long-term affordable rental limit established by the Department of Finance, Real Property Tax Assessment Division or the previously established 2015 rental limit, whichever is higher. The owner shall file an application with the Department of Finance, Real Property Tax Assessment Division by September 30, 2017. Hereafter, the long-term affordable rental limit shall be determined by the Department of Finance, Real Property Tax Assessment Division by October 1st using the most current Kaua'i County Housing Agency Affordable Rental Housing Guidelines, provided that the 2015 tax year rates shall be set as the minimum floor for the County's Long-Term Affordable Rental Program.

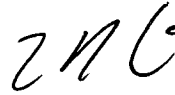
(g) The Director may adopt rules and prescribe forms."

SECTION 2. 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 application 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 3. Ordinance material to be repealed is bracketed. New Ordinance 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 shall not be included.

SECTION 4. This Ordinance shall take effect upon its approval.

Introduced by:



LUKE A. EVSLIN



MASON K. CHOCK

DATE OF INTRODUCTION:

May 8, 2019

Līhu'e, Kaua'i, Hawai'i

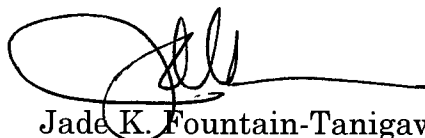
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CERTIFICATE OF THE COUNTY CLERK

I hereby certify that heretofore attached is a true and correct copy of Bill No. 2751, which was passed on first reading and ordered to print by the Council of the County of Kaua'i at its meeting held on May 8, 2019, by the following vote:

FOR PASSAGE:	Brun, Chock, Cowden, Evslin, Kagawa, Kualii, Kaneshiro	TOTAL - 7,
AGAINST PASSAGE:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Lihu'e, Hawai'i
May 8, 2019



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