

OFFICE OF BOARDS & COMMISSIONS

ELLEN CHING, ADMINISTRATOR



DEREK S.K. KAWAKAMI, MAYOR
REIKO MATSUYAMA, MANAGING DIRECTOR

August 9, 2024

Mayor Derek S. K. Kawakami
County of Kaua'i
4444 Rice Street, Suite 235
Lihu'e, HI 96766

RE: Board of Review's 2023 Annual Report

Dear Honorable Mayor Kawakami,

Pursuant to Kaua'i County Code Section SA 12.7(d), the County of Kaua'i Board of Review submits the following Annual Report for the 2023 calendar year:

There was a total of 876 real property tax appeals filed in 2023 which represents a 271.18% increase over appeals filed in 2022.

The Board sustained the County's assessment for 67 of the appeals and adjusted 78 of the 2023 appeals.

520 stipulations were filed, indicating that the County and the Appellant were able to reach an agreement.

139 appeals were withdrawn.

46 appeals were dismissed for failure to meet the minimum criteria: and

- There were 26 appeals pending at the end of the year.

Further, Board business included a Public Hearing held on October 06, 2023. The purpose of the hearing was to discuss any complaints/comments properly and timely submitted in accordance with the Notice for Filing Real Property Assessment Complaints published in The Garden Island on September 1, 2023.

There were no complaints or comments submitted, nor was there any public testimony.

The following are the primary recommendations from the Board of Review:

1. The Board recommends the Real Property Division accept late file appeals and follow up with a decline letter and return the taxpayer's application fee by enclosing it with the letter. The specific process will be determined and formalized by the Real Property Tax Manager based on his research and collaboration with the neighboring counties.

Rationale: For the taxpayer, this will preserve their right to appeal, save them the time it will take to prepare for an appeal before the Board of Review which the Board has no discretion to grant. For the Board, this will expedite meetings and eliminate the difficulty of explaining to the taxpayer that despite all their efforts and no matter the reason, the Board is legally unable to grant their appeal.

2. The Board requests that a special task force or committee be formed comprised of individuals from the Finance Department, Real Property Division, the Office of the County Attorney, a member of the County Council and members of the community to study and provide actionable recommendations on the removal of the annual filing requirement for individuals aged 80 and over, for the very low-income exemption and the additional home exemption based on income.

Rationale: The Board has seen several appeals by senior citizens that have failed to file on a timely basis for their exemption which they previously held. Some of them were accompanied by their adult children and appeared confused. Others were experiencing the loss of their spouse who had managed their financial affairs and had no knowledge of the exemption. Similarly, to the situation above, the Board has no leeway to grant an appeal if the exemption wasn't filed on a timely basis. Based on the County and State's projections, the elderly population will continue to grow, particularly the population aged 85 years and older. Thus, the removal of the annual filing requirement would address this issue.

Kaua'i's percentage of those 65+ ranks second in the State at 21.1%, just behind Hawai'i County at 21.9% and is projected rapidly to increase through 2030. By 2045, the share of population aged 65-77 is projected to decrease, while the population aged 85 years and over is projected to increase its share of the total population statewide by 24.4%.² Using the estimated poverty rates to the estimated total elderly population the potential number of individuals qualifying the very low-income exemption is likely to increase.¹

3. The Board requests that a special task force or committee be formed comprised of individuals from the Finance Department, Real Property Division, the Office of the County Attorney, a member of the County Council and members of the community to study and provide actionable recommendations on the possibility of providing taxpayer relief among all property types to enable and support local ownership.

Furthermore, the Board requests that the task force consider tax relief patterned after the successful program for owner-occupied homes which caps annual increases and provides a reduced tax rate.

¹ Agency of Elderly Affairs "Area Plan on Aging, October 1, 2023- September 30, 2027, County of Kaua'i"

<https://www.kauai.gov/files/assets/public/v/1/agency-on-elderly-affairs/documents/2023-2027-kauai-area-plan-on-aging.pdf> p 28 29

² Agency of Elderly Affairs "Area Plan on Aging, October 1, 2023- September 30, 2027, County of Kaua'i"

<https://www.kauai.gov/files/assets/public/v/1/agency-on-elderly-affairs/documents/2023-2027-hupu-ref-plan-on-aging.pdf> p 33 34

³ Agency of Elderly Affairs, "Area Plan on Aging, October 1, 2023- September 30, 2027, County of Kaua'i"

<https://www.kauai.gov/files/assets/public/v/1/agency-on-elderly-affairs/documents/2023-2027-kauai-area-plan-on-aging.pdf> p 30

Rationale: The Board is concerned about the rapid increases in values across all property types and the corresponding increase in tax bills. These increases, which are largely driven by outside investors, have created hardships and forced sales as long-time residents can no longer afford to hold on to their properties. These increases have occurred through no fault or benefit of the local owners who largely have no intention of selling.

The table below contains information on the members of the Board of Review and their term of office.

Board Members	Appointment Period	Term
Julie Caspillo	01/01/23-12/31/25	1 st (resigned 08/01/23)
Katherine Otsuji	01/01/22-12/31/24	2 nd
Stella Fujita	01/01/21-12/31/23	pt
Jerry Nishihira	01/01/21-12/31/23	1st
Graham Odenheimer	01/01/23-12/31/25	pt

The Board held hearings on the following dates in 2023:

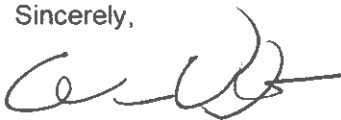
January 06, 2023	June 09, 2023	October 06, 2023
February 03, 2023	June 02, 2023	November 03, 2023
February 10, 2023	July 07, 2023	December 02, 2023
March 03, 2023	August 04, 2023	December 08, 2023
March 10, 2023	September 01, 2023	
April 14, 2023	September 08, 2023	

The Board appreciates the professionalism of the tax assessors' preparation and presentations. The Board commends them for putting forth their best efforts to listen, educate, and come to terms with the appellants.

Should you have any questions or wish to discuss the report further, please feel free to contact me through the Office of Boards and Commissions at (808) 241-4881.

Thank you for allowing us to serve the County of Kaua'i.

Sincerely,



Chris White
2024 Chair, Board of Review

CW:ak

cc: Reiko Matsuyama, Managing Director
Michelle Lizama, Director of Finance