

DEPARTMENT OF FINANCE  
COUNTY OF KAUAI  
REAL PROPERTY TAXATION

TAX MORATORIUM ON BUILDING-REHABILITATION PROJECTS

RULES AND REGULATIONS OF THE DIRECTOR  
OF FINANCE RELATING TO EXEMPTION FROM  
INCREASED VALUATION DUE TO CERTAIN  
IMPROVEMENTS TO BUILDINGS UNDER  
SECTION 5-8.1, REVISED CODE OF  
ORDINANCES OF THE COUNTY OF KAUAI

SECTION RP-3.1 Purpose of rules. These rules and regulations are intended to clarify and implement Section 5-8.1(g), of the Revised Code of Ordinances of the County of Kauai, herein referred to as "RCO", which provides that the assessed valuation of certain buildings shall not be increased if the increase is due to improvements on buildings undertaken or made by the owner-occupant pursuant to the requirements of any urban redevelopment, rehabilitation or conservation project under the provisions of Part II of Chapter 53, Hawaii Revised Statutes; the property tax moratorium being for a period of seven (7) years as prescribed in section RP-3.7 of these regulations.

SECTION RP-3.2 Definitions. As used in these rules and regulations:

- (1) The term "director" shall mean the director of finance or his designee.
- (2) "Improvements" shall include additions, alterations, modifications or other new construction, improvement or repair work to buildings pursuant to the requirements of a rehabilitation project.
- (3) "Maintenance" shall mean the process of preserving a property and keeping it operational. It includes cleaning, painting and other endeavors to upkeep a property.
- (4) "Owner-occupant" shall mean the person who owns and physically occupies the building including lessees of residential property who qualify as owners under Section 507.1, RCO.

SECTION RP-3.3 Eligibility requirements. (a) The assessable valuation of the building shall not be increased if the increase in value results from improvements made to the building pursuant to the requirements of any rehabilitation project.

- (1) All types of buildings, including single family residences, duplexes, apartment buildings and commercial buildings are eligible provided that the building is occupied by the owner-occupant.
    - (A) If there are more than one building on the property, only the building occupied by the owner-occupant is eligible.
    - (B) If the owner-occupant physically occupied part of the building, the entire building qualifies.
  - (2) Additions, alterations, modifications or other construction improvements or repairs have been undertaken or made to the building by the owner-occupant pursuant to the requirements of any rehabilitation project.
- (b) The property shall be eligible upon compliance with the following conditions:

- (1) The owner-occupant has properly and timely filed the claim for tax moratorium with the director of finance.
- (2) The building improvements have been certified as provided by Section 5-8.1(g), RCO.
- (3) The claim has been revised and approved by the department of finance.

SECTION RP-3.4 Filing of Claim. (a) The owner-occupant shall complete in quadruplicate the claim on a form prescribed by the director and timely file the same, depending on the location and project of the subject property to the urban renewal or rehabilitation project agency or any designated governmental agency of the County of Kauai.

(b) The claim shall be filed on or before December 31 for the succeeding tax year.

SECTION RP-3.5 Determination and certification. (a) The proper authority of the County shall determine that the building is in an officially designated rehabilitation project, and the improvements to the building were completed and satisfactorily comply with the rehabilitation, re-development or conservation act provisions.

(b) The claim shall be certified by the Mayor or any governmental official designated by him and approved by the County Council.

(c) The certifying authority or agency shall send three copies of the claim to the director of finance by January 15, retaining one copy for the agency files. The director shall review and acknowledge receipt of the claim, return one copy to the certifying agency, and retain the original copy for his file.

- (1) The director shall send one copy of the claim, showing either the certification or non-certification, to the owner-occupant.

SECTION RP-3.6 Extent of the tax moratorium. If the claim is certified by the proper authorities and the property is found eligible by the director for the exemption from the increased valuation, there shall be no increase in the assessable building valuation. The period for the exemption from the increase shall be seven (7) tax years, effective July 1, of the succeeding tax year, following the filing date of application. If the owner-occupant of a property that has been granted the tax moratorium shall be cancelled at the end of that tax year.

SECTION RP-3.7 Appeal. If the owner is aggrieved by the disapproval of the exemption claim or assessment, the owner may appeal through the director as in the case of real property tax appeal. Appeals shall be governed by the appropriate section of Chapter 5, RCO, and may be taken to the board of review or be taken directly to the tax appeal court without appealing to the board of review.

This Procedural Rules for the Implementation of Section 5-8.1(g), RCO,

Relating to Exemption from Increased Valuation Due to Certain Improvements to Buildings were adopted on May 26, 1981 following a public hearing held on May 18, 1981 after public notice was given in The Garden Island Newspaper on April 24, 1981.

These rules shall take effect ten days after filing with the Office of the County Clerk, County of Kauai.

Eduardo E. Malo  
MAYOR, County of Kauai

APPROVED AS TO FORM:

DATED: 6/3/81

Ken A. Bennett  
COUNTY ATTORNEY

Jatana Kato  
COUNTY CLERK

Filed June 3, 1981