
A BILL FOR AN ACT

RELATING TO AMENDING OR REPEALING HAWAII REAL PROPERTY TAX LAWS
FOR THE PURPOSE OF DELETING OBSOLETE OR UNNECESSARY
PROVISIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that article VIII,
2 section 3, of the state constitution provides that the taxation
3 of real property in the State has been transferred to the
4 several counties. Pursuant to the Supreme Court of Hawaii's
5 decision in *State ex rel. Anzai v. City & County of Honolulu*, 99
6 Hawaii 508, 57 P.3d 433 (2002), the need for numerous provisions
7 in the Hawaii Revised Statutes governing the taxation of real
8 property in the State lapsed decades ago, and those provisions
9 are no longer of any force or effect.

10 SECTION 2. Section 239-5, Hawaii Revised Statutes, is
11 amended by amending subsection (c) to read as follows:

12 "(c) Notwithstanding subsection (a), the rate of tax upon
13 the portion of the gross income of:

14 (1) A public utility that consists of the receipts from
15 the sale of its products or services to another public
16 utility that resells such products or services shall
17 be one-half of one per cent; or



1 (2) A public utility engaged in the business of selling
2 telecommunication services to a person defined in
3 section 237-13(6)(C) who resells such products or
4 services, shall be one-half of one per cent;
5 provided that the resale of the products, services, or
6 telecommunication services is subject to taxation under this
7 section or subject to taxation at the highest rate under section
8 237-13(6); and provided further that [~~the public utility's~~
9 ~~exemption from real property taxes imposed by chapter 246 shall~~
10 ~~be reduced by the proportion that its public utility gross~~
11 ~~income described herein bears to its total public utility gross~~
12 ~~income. Whenever] whenever the public utility has other public
13 utility gross income, the gross income from the sale of its
14 products or services to another public utility or a person
15 subject to section 237-13(6)(C) shall be included in applying
16 subsection (a) in determining the rate of tax upon the other
17 public utility gross income. The department shall have the
18 authority to implement the tax rate changes in paragraph (2) by
19 prescribing tax forms and instructions that require tax
20 reporting and payment by deduction, allocation, or any other~~



1 method to determine tax liability with due regard to the tax
2 rate changes."

3 SECTION 3. Section 342G-61, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "[~~§~~§342G-61~~§~~] Solid waste collection surcharge. Each
6 county may assess residential real property owners in their
7 respective county an annual solid waste collection surcharge
8 based on the partial costs of solid waste collection. Notice of
9 this surcharge shall be included with the notice of assessment
10 required by [~~section 246-43.~~] county ordinance."

11 SECTION 4. Section 248-1, Hawaii Revised Statutes, is
12 amended by amending the definition of "property" or "real
13 property" to read as follows:

14 ""Property" or "real property" [~~has the meaning defined by~~
15 ~~section 246-1.~~] means and includes all land and appurtenances
16 thereof and the buildings, structures, fences, and improvements
17 erected on or affixed to the same, and any fixture that is
18 erected on or affixed to such land, buildings, structures,
19 fences, and improvements, including all machinery and other
20 mechanical or other allied equipment and the foundations
21 thereof, whose use thereof is necessary to the utility of such



1 land, buildings, structures, fences, and improvements, or whose
2 removal therefrom cannot be accomplished without substantial
3 damage to such land, buildings, structures, fences, and
4 improvements, excluding, however, any growing crops."

5 SECTION 5. Section 205-14, Hawaii Revised Statutes, is
6 repealed.

7 [~~"§205-14 Adjustments of assessing practices. Upon the~~
8 ~~adoption of district boundaries, certified copies of the~~
9 ~~classification maps showing the district boundaries shall be~~
10 ~~filed with the department of taxation. Thereafter, the~~
11 ~~department of taxation shall, when making assessments of~~
12 ~~property within a district, give consideration to the use or~~
13 ~~uses that may be made thereof as well as the uses to which it is~~
14 ~~then devoted."~~]

15 SECTION 6. Section 248-5, Hawaii Revised Statutes, is
16 repealed.

17 [~~"§248-5 Property taxes, disposition of proceeds. All~~
18 ~~property taxes shall be paid into the state treasury each month~~
19 ~~within ten days after collection. Out of such taxes paid into~~
20 ~~the state treasury from each county, the director of finance~~



1 ~~shall retain from time to time in special accounts, and shall~~
2 ~~apply for the specified purposes, sufficient amounts to pay:~~

3 ~~(1) Annual service charges (interest on serial bonds and~~
4 ~~principal of serial bonds maturing the following year)~~
5 ~~for state bonds issued for the purposes of that~~
6 ~~county, except highway bonds issued prior to~~
7 ~~January 1, 1945;~~

8 ~~(2) The county's annual contributions to the state~~
9 ~~employees retirement system; and~~

10 ~~(3) For any other purpose for which the director is~~
11 ~~required to retain county revenues.~~

12 ~~The director shall also retain from time to time sufficient~~
13 ~~amounts to reimburse the State for the costs of assessment and~~
14 ~~collection of real property taxes incurred by the State, as~~
15 ~~provided for in section 246 50 to become a general fund~~
16 ~~realization of the State, and the director shall then pay the~~
17 ~~remaining balance to the director of finance of such county, as~~
18 ~~soon as possible after the property taxes have been paid into~~
19 ~~the state treasury, or after the disposition of any tax appeal,~~
20 ~~as the case may be. The county director of finance shall,~~
21 ~~unless allotments for the purposes hereinafter stated are made~~



1 ~~from the county's share of the state general fund when received~~
2 ~~by the county, allot from such balance of property taxes, from~~
3 ~~time to time, sufficient for the annual service charges~~
4 ~~(interest on term and serial bonds, sinking fund for term bonds,~~
5 ~~and principal of all serial bonds maturing the following year),~~
6 ~~for county bonds (except bonds issued prior to January 1, 1945,~~
7 ~~for highway purposes), and also for other amounts specified or~~
8 ~~required by law, and shall keep such allotments in special~~
9 ~~accounts for use for such purposes only.~~

10 ~~If at any time there shall be insufficient moneys for the~~
11 ~~purposes of any special account, moneys in the general account~~
12 ~~of the State or county, as the case may be, may be used for such~~
13 ~~purposes, in which case the general account may later be~~
14 ~~reimbursed by transfers from such special account.~~

15 ~~Except as hereinabove provided, the property taxes paid~~
16 ~~over to the county director of finance shall be a general fund~~
17 ~~revenue of the county, and shall be expended or allotted as~~
18 ~~authorized by the council."]~~

19 SECTION 7. Chapter 246, Hawaii Revised Statutes, is
20 repealed.



1 SECTION 8. Chapter 246A, Hawaii Revised Statutes, is
2 repealed.

3 SECTION 9. This Act shall take effect on July 1, 2016.



Report Title:

Real Property Tax

Description:

Repeals various sections of the real property tax laws for the purpose of deleting obsolete and unnecessary provisions. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

