

A Bill for an Act Relating to Real Property Tax and Amending Chapters 128 and 129, Revised Laws of Hawaii 1955, as Amended.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Subsection 128-9(d) of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

“(d)(1) The land in each county shall be classified, upon consideration of its highest and best use, into seven general classes collected in four categories as follows:

“Category I

- (a) improved residential;
- (b) agricultural;
- (c) conservation;

“Category II

- (d) unimproved residential;
- (e) hotel and apartment;

“Category III

- (f) commercial;

“Category IV

- (g) industrial.

“(2) In assigning land to one of the general classes the director of taxation shall give consideration to the districting established by the land use commission pursuant to chapter 98H, the districting established by a county in its general plan and zoning ordinance, use classifications established in the general plan of the State, and such other factors which influence highest and best use; provided that lands, as to which the highest and best use is single-family and two-family residential, shall be classified as ‘improved residential’ as set forth below.

“(3) ‘Improved Residential Property’ shall mean property which is classified as residential by the Department of Taxation upon consideration of its highest and best use, and is property which fulfills the provisions of at least one of the following subparagraphs:

“(A) property which has been subdivided prior to any assessment year as a lot for single or two-family residential use in conformity with the then existing county zoning ordinances, and has been approved for sale or approved as being in conformity with all of the subdivision requirements of the particular county in which it is located, or

“(B) property which is in actual single or two-family residential use at a density of at least a single or a two-family residential building per acre, or

“(C) land which is sufficiently developed with necessary land improvements to support a use density of at least a single or a two-family residential building per acre.

“(4) ‘Unimproved Residential Property’ shall mean all residential class lands not classified as ‘Improved Residential Property’ by the Department of Taxation.”

SECTION 2. Subsection 129-2(b) of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending the first sentence thereof to read as follows:

“(b) The board of supervisors or the city council of each county shall determine the tax rates for buildings and for all other real property, exclusive of buildings, for each class of property established in accordance with subsection 128-9(d); provided that the board or council shall determine a single tax rate to be applied to net taxable real property, for each class of property within category I.

SECTION 3. Paragraph (3) of subsection 129-2(c) of the Revised Laws of

ACT 218

Hawaii 1955, as amended, is hereby further amended to read as follows:

“(3) The net taxable buildings in each class of property within categories II, III and IV shall be multiplied by the applicable building tax factor and the product thereof divided by the modified net taxable value of real property in that class which quotient shall be multiplied by the amount of revenue to be raised from that class in order to determine the amount of revenue to be raised from the tax on net taxable buildings which amount shall be divided by the net taxable value of buildings in that class to determine the tax rate which shall be expressed in terms of tax per \$1,000 of net taxable buildings;”

SECTION 4. Paragraph (4) of subsection 129-2(c) of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

“(4) The net taxable lands in each class of property within categories II, III and IV shall be divided by the modified net taxable value of real property in that class which quotient shall be multiplied by the amount of revenue to be raised from that class in order to determine the amount of revenue to be raised from the tax on net taxable lands which amount shall be divided by the net taxable value of lands in that class to determine the tax rate which shall be expressed in terms of tax per \$1,000 of net taxable lands;”

SECTION 5. Paragraph (5) of subsection 129-2(c) of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

“(5) The amount of revenue to be raised from net taxable real property in each class of property within category I, shall be divided by the net taxable real property in each of the respective classes to determine the respective tax rates which shall be expressed in terms of tax per \$1,000 of net taxable real property.”

SECTION 6. Notwithstanding the adoption of Act 16, Session Laws of Hawaii 1968, this Act shall have full force according to its intent. Upon the taking effect of this Act or the Hawaii Revised Statutes, whichever occurs later, this Act shall be construed to be in amendment of or in addition to the Hawaii Revised Statutes, all references in this Act being construed to refer to the applicable or corresponding provisions of the Hawaii Revised Statutes.

The Revisor of Statutes may reword and renumber the references in this Act and make such other formal or verbal changes as may be necessary to conform with the Hawaii Revised Statutes.

SECTION 7. This Act shall, upon its approval, apply to those taxable years beginning on and after July 1, 1970.

(Approved July 14, 1969.)