

## **BOARD OF REVIEW ANNUAL REPORT FOR TAX YEAR 2012**

This annual report for tax year 2012 is a joint collaborative effort of Boards I, II, and III. Because it is a requirement for each Board Chair to submit an Annual Report and to avoid duplication of time, effort, and resources, a combined joint report is hereby submitted. The report is divided into five categories.

- I. ORDINANCES AUTHORIZING BOARDS OF REVIEW
- II. MEETING SCHEDULE OF EACH BOARD
- III. TYPES OF APPEALS AND ASSIGNMENT OF CASES
- IV. CHAIRS' LEADERSHIP ROLE AND RESPONSIBILITY
- V. RECOMMENDATIONS

### **SECTION I. ORDINANCES AUTHORIZING BOARDS OF REVIEW**

As per Department of Finance of the City and County of Honolulu, State of Hawaii, Title 4 Subtitle 5 Real Property Taxation- Chapter 17- Assignment of the Director of Finance relating to the Assignment of Real Property Tax Appeal cases to the Board of Review pursuant to Subsection 8-12.7 (b), Revised Ordinances of Honolulu Part XXIV.

### **SECTION II. MEETING SCHEDULE OF EACH BOARD**

The Boards, in total, meet approximately three times per week, fifty weeks per year, hearing appeals covering; (a) Residential, (b) Hotel and Resort, (c) Commercial, (d) Industrial, (e) Agriculture, (f) Preservation, (g) Public Service, and (h) Vacant Agriculture Classes. (ROH Section 8-7.1 (C) (1).)

Board I; Meets at 2:00 pm almost every Tuesday and Thursday

Board II; Meets at 2:00 pm on some Wednesdays and Fridays

Board III; Meets at 1:00 pm one Tuesday per month

Boards I and II meet at 842 Bethel Street, Basement, Honolulu, Hawaii, 96813

Board III meets at 1000 Uluohia Street, Room 106, Kapolei, Hawaii, 96707

### **SECTION III. TYPES OF APPEALS AND ASSIGNMENT OF CASES**

All three Boards of Review resolve real property assessments and/or disallowance of exemption disputes between taxpayers and the City Real Property Assessor. The Boards consist of five members who are appointed by the Mayor and confirmed by the City Council for staggered terms up to five years.

Appeals are mainly concerned with valuations based on and interpreted by the City Real Property Assessor.

For real property tax appeals the ROH Section 8-23.3 specifies four grounds for appeal of the property;

1. Assessments of the property in question exceeds by more than 10% of the market value of the property, or
2. Lack of uniformity or inequality, brought about by the illegality of the methods used or error in the application of the methods to the property involved, or
3. Denial of an exemption to which the taxpayer is entitled to and for which person has qualified, or
4. Illegality, based on any grounds arising under the Constitution or laws of the United States or the laws of the State of Hawaii or the ordinances of the City and County of Honolulu in addition to grounds of illegality of the methods used, mentioned in clause (2).

#### **IV. CHAIRS' LEADERSHIP ROLE AND RESPONSIBILITY**

Chairs should have at least two years of experience running Board hearings or its equivalent. They should be able to attend the majority of the hearings and be available to represent the Board at official functions as necessary.

They should have the ability to manage a full agenda of appeals. They should be effective in writing and in oral communication. They should be able to demonstrate seasoned judgment, common sense, understanding and professionalism in dealing with people. Chairs should have the dedication and time to come in and least twenty minutes early and not leave until all business is completed, and all documents are signed and checked. They should be able to serve as the point of contact between divisions and departments as required. They should have a working knowledge of property valuations as calculated by the City Real Property Assessor.

#### **V. RECOMMENDATIONS**

The three Boards listen to thousands of appeals each year and try to keep an excellent rapport between the taxpayer and the City. The Board members listen to appellants, young and old presenting their evidence and concerns. Because of manpower shortages in the Assessor Office there has often been a backlog of two, three, and sometimes even four appeals from the same appellant on his/her property valuations for consecutive years. It may not be in the best interests of the City to lump all the appeals of consecutive years together. Board III is having a real positive impact on reducing the case loads and making the residents feel the City is responding to the people's needs in West Oahu (Ewa, Kapolei, Nanakuli, Makaha, Ocean Point, etc.).

It's recommended that all Board hearings have a member from the office of the Corporation Counsel present to review all legal questions that may arise.

An ordinance could be passed as to have Realtors/Escrow companies advise new homeowners of home exemptions that are currently available to them.

The City Council should look at changing the assessment date to January from October as to bring Honolulu County in line with the other three neighbor island counties.

The new computerized equipment has been made operational and familiarity with it has increased. The overhead projector has been used to display the list of appellants present waiting to be heard and can be used for any other relative information necessary for a fair solution (taxmaps, comps, etc.). However, the projector has some technical problems and needs repair or replacement. Upon this repair or replacement, it's desired to train the Board clerk and members on how to best use the computer and projector system to help them to make their decisions.

Presently there are three BORs handling all the cases on Oahu. The attached table shows how many appeals were filed in the tax years from 2001 through 2013, the cases heard and closed in the 2012 tax year (July 1, 2012 to June 30, 2013) up until June 19, 2013, and the the numbers of cases where the taxpayers prevailed.

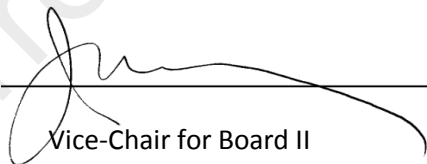
Priority should be given to staffing each Board with its full complement of five members. The City Council should consider raising the appeal fees to \$50.00 from the present \$25.00 to at least cover the cost of doing business in a timely manner by staffing additional manpower in the Assessors' office. Appeals should be heard in the tax year of the filing and not lumped together later with other back-logged appeals. However, the backlog of appeals is being corrected, and there are now less old appeals than before.

Board I has handled the bulk of the appeals filed, working two days a week, and Board II a few days per month, and Board III on one Tuesday per month. All members should have their stipends increased to \$50 from the present \$25. Chair's should have their stipends increase to \$75 because of the added time spent as the chairperson and being responsible for setting the agenda and certification of all appeals. By increasing the stipends the City will be able to attract highly qualified people to staff all of its Boards and Commissions.



Chair for Board I

Ruth Lin



Vice-Chair for Board II

James Wong



Chair for Board III

Lee Gordon

June 28, 2013

Copy to : Mayor of Honolulu  
City Council  
Director Budget & Fiscal Services  
BOR Deputy Corporation Counsel  
Real Property Administrator