

## **BOARD OF REVIEW ANNUAL REPORT FOR TAX YEAR 2010**

THIS annual report for tax year 2010 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 combine joint report is hereby submitted. The report is divided into five categories.

- I. ORDINANCES AUTHORIZING BOARD OF REVIEWS
- II. MEETING SCHEDULE OF EACH BOARD
- III. TYPES OF APPEALS AND ASSIGNMENT OF CASES
- IV. CHAIR" LEADERSHIP ROLE AND RESPONSIBILITY
- V. RECOMMENDATIONS

### **SECTION I. AUTHORIZING ORDINANCES**

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**

MEETS approximately five times a 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, (h) Vacant Agriculture Classes....ROH Section 8-7.1 (C) (1).

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

Board II; Meets at 2:00 pm every Wednesday and Friday

Board III; Meets at 1:00 pm every Tuesday

Boards I & II meeting place is 842 Bethel Street, Honolulu, Hawaii,96813-Basement

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

### **SECTION III. TYPES OF APPEALS**

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

Appeals are mainly concerned with valuations based on and interpreted by the Real Property Tax 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 & 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 sound 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 leave later until all business is completed signed and documented. 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 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. We listen to appellants, young and old presenting their evidence and concerns to us. Because of manpower shortages in the Assessor Office we often have a backlog of two, three, and sometimes even four appeals from the same appellant on his property valuations for consecutive years. This is not in the best interest of the City to lump all the appeals of consecutive years together. The City should try to create new Boards for Waihiwa (North Shore) and Kaneohe/Kailua (Windward) areas. 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 needs in West Oahu (Ewa, Kapolei, Nanakuli, Makaha, Ocean Point and etc.).

All BOR'S Hearings should have a member from the office of the Corporation Counsel present to review all legal questions that may arise.

Recommend an ordinance 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 computerize equipment should be made operational as soon as possible to facilitate a more efficient presentation by the City's tax assessor. We need the overhead projector for displaying tax maps and other relative information necessary for a fair solution.

Presently there are three BORs handling all the cases on Oahu. In 2005 a total of 5,500 appeals was filed, in 2006 a total of 6,000 appeals filed, in 2007 7,080 appeals filed, in 2008, 2,873 appeals filed, in 2009, 3,045 appeals and last year 2010, 3,388 appeals were filed. 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 must be heard in the tax year of the filing and not lump together later with other back-logged appeals. Boards I & II have handled the bulk of the appeals filed, working two days a week and Board III on Tuesday. All members should have their stipends increased to \$50.00 from the present \$25.00. Chair's should have their stipends increase to \$75.00 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.



Vice-chair for Board I

Wanda Ching Sanchez



Chair for Board II

Wendell SL Ching



Chair for Board III

Lee Gordon

June 30, 2011

Copy to :

Mayor of Honolulu

City Council

Director Budget & Fiscal Services

BOR Deputy Corporation Counsel

Real Property Administrator

CarrollCOX.com