

Real Property Assessment Appeals

Real property is assessed as of October 1, preceding the tax year. To ensure *uniformity* and *equity*, the Real Property Assessment Division (RPAD) follows Chapter 8 of the Revised Ordinances of Honolulu (ROH).

1. Regardless of the type of ownership, be it leasehold, or fee simple, ROH Section 8-6.3(a) states that all “real property shall be **assessed in its entirety**...”

Leasehold ownership reflects only a partial interest in the property, whereas property assessments are based on the fee simple interest in the property.

2. All property shall be subject to a tax upon 100% of its fair market value (ROH Section 8-6.1). Fair market value means the “price that would be agreed to by an informed seller who is willing but not obligated to sell and an informed buyer who is willing but not obligated to buy.”

The RPAD annually sends property owners a Real Property Notice of Assessment (**Form BFS-RPA-M-8-2.1**). The notice identifies the property by the tax key number and provides other information such as the property’s general land class, value, exemptions if any, and net taxable value. Upon receiving this notice, review the assessed value of the property, the amount of exemption if applicable, and the property classification. If you do not agree with the assessment, you may file an appeal. The **four grounds for appealing**, as identified by ROH, are as follows:

1. Assessment of the property exceeds by more than 10% the market value of the property.
2. Lack of uniformity or inequality brought about

by illegality of the methods used or error in the application of the methods to the property involved.

3. Denial of an exemption to which the taxpayer is entitled and for which such person has qualified.
4. Illegality, on any ground arising under the Constitution or laws of the United States or the laws of the State or the ordinances of the City, in addition to the ground of illegality of the methods used.

You may contact the RPAD by telephone or visit our offices to meet with the appraisal staff to discuss any questions you may have. RPAD personnel will be able to help clarify any misunderstandings you might have.

Taxpayers have the option to appeal to the **Board of Review (BOR) of the City and County of Honolulu** or to the **Tax Appeal Court (TAC) of the State of Hawaii**. These options are briefly described below.

1. Board of Review
The BOR consists of three boards of five members each. These members are independent of the RPAD and are selected from the community to serve on a part-time basis.

If you decide to appeal to the BOR, you can use the “Notice of Real Property Assessment Appeal to the Board of Review” (**Form BFS-RPA-M-8-12**), or you can submit an appeal in writing. An appeal in writing ***must include the following***:

- A. Identify the property and the assessment year. It is preferable to use the parcel identification number (Parcel ID) that can

be found on the top left corner of the Real Property Notice of Assessment.

- B. State the grounds of appeal. See the previous reference to the **four grounds for appealing and instructions on the back of the appeal form (Form BFS-RPA-M-8-12)**. If appealing an exemption, property value, or land class, state the total value for the exemption, total value for the property, or land class.
- C. Must be signed by the owner. If a representative is appealing on behalf of an owner, the ***representative must submit a written authorization*** to represent the owner, signed by the owner. If written authorization is not provided by the January 15 deadline, the appeal will not be considered complete.
- D. Include a \$50 deposit for each appeal for the 2017-18 tax year and years thereafter, and \$25 for tax years prior to 2017-18. This is a required fee and covers basic processing and administrative costs. If the deposit is not provided for each appeal by the January 15 deadline, the appeal will be considered incomplete and the BOR will dismiss the appeal. If the appeal before the BOR is compromised, or sustained as to any amount of the valuation in dispute, the deposit shall be returned to the appellant. Otherwise the entire amount of costs deposited shall be retained by the city.

The deadline to file an appeal is January 15, preceding the tax year for which the assessment has been made.

The hearing of appeal cases is, in part, dependent on the number of appeals received and the

backlog of appeals from prior years. The BOR will notify you in writing as to the time and place of your hearing. If you have any questions, please contact the RPAD.

2. Tax Appeal Court

If you disagree with the decision of the BOR, you may appeal that decision to the TAC of the State of Hawaii.

You are not *required* to appeal to the BOR before going to court, and may appeal directly to the TAC.

How to Support Your Appeal

ROH Sec. 8-12.7 (e) provides that the RPAD assessment is presumed to be correct. In order to prove otherwise, "proper evidence" should be presented to the BOR or the TAC to support your position. "Proper evidence" can include fee simple sales of properties with similar characteristics, sales contracts, or appraisal reports. Leasehold sales reflect only the leasehold value and not the fee simple value of real property.

Second Appeals

An automatic second appeal will be generated by the RPAD if you have an appeal pending from the prior year (it has not been decided by the BOR or TAC prior to January 15), and the new assessment has not changed from the prior year's assessment. The deposit is not required for an automatic second appeal.

If the new assessment **differs** from the prior year's assessment and the appeal is still pending (it has not been decided by the BOR or TAC prior to January 15), you must file a new appeal and submit the \$50 deposit cost for tax years 2017-18 and beyond, should you disagree with the new

assessment.

Tax Payment

Although your appeal may be pending, ***you must pay all taxes by the due dates***, or you will be charged a penalty and interest. If a decision is made in your favor, an adjustment will be made to your account. Contact the Treasury Department at (808) 768-3980, if you have questions regarding payment or adjustments to taxes.

For More Information

Real Property Assessment data, important dates, reports, and forms can be obtained either by visiting the Real Property Assessment Office, or from our website at:

www.realpropertyhonolulu.com

To Contact Us

To obtain forms, more real property information, and to submit completed claim forms, you can visit us at:

Real Property Assessment Division

Downtown Office

842 Bethel Street
Basement
Honolulu, HI 96813

Kapolei Office

1000 Uluohia Street
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Kapolei, HI 96707

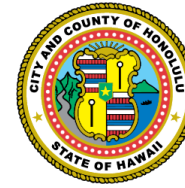
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CITY AND COUNTY OF
HONOLULU

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