



A BILL FOR AN ORDINANCE

RELATING TO THE REAL PROPERTY TAX EXEMPTION FOR ALTERNATE ENERGY IMPROVEMENTS.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to modify the requirements for a real property tax exemption for alternate energy improvements.

SECTION 2. Section 8-10.15, Revised Ordinances of Honolulu 1990, as amended, is amended to read as follows:

“Sec. 8-10.15 Exemption—Alternate energy improvements.

- (a) The value of all improvements in the county (not including a building or its structural components, except where alternate energy improvements are incorporated into the building, and then only that part of the building necessary to such improvement) actually used for an alternate energy improvement shall be exempted from the measure of the taxes imposed by this article.
- (b) As used in this section “alternate energy improvement” means any construction or addition, alteration, modification, improvement or repair work undertaken upon or made to any building, property or land which results in:
 - (1) The production of energy from a source, or uses a process which does not use fossil fuels, nuclear fuels or geothermal source. Such energy source may include, but shall not be limited to, solid wastes, wind, solar or ocean waves, tides or currents; or
 - (2) An increased level of efficiency in the utilization of energy produced by fossil fuels or in the utilization of secondary forms of energy dependent upon fossil fuels for its generation.
- (c) [Alternate energy production or energy by-products transferred, marketed or sold on a commercial basis shall not qualify for exemption under the provisions of this section. Provided further, that alternate energy improvements used primarily for personal consumption and producing excess energy incidental to personal consumption may transfer, market or sell such excess energy produced and continue to qualify for the exemption as provided for by the provisions of this section; however, the transfer, marketing or sale shall be limited to less than 25 percent of the total energy output produced by such improvements. Nuclear



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fission and geothermal energy sources shall be excluded from the provisions of this section.

- (d)] Application for the exemption provided by this section shall be made with the director [of finance] on or before September 30th, preceding the tax year for which the exemption is claimed, except that no claim need be filed for the exemption of solar water collectors, heaters, heat pumps and similar devices. The director [of finance] may require the taxpayer to furnish reasonable information in order that the director may ascertain the validity of the claim for exemption. [made under this section and]
- (d) The claim for exemption, once allowed, shall continue for a period of 25 years thereafter.
- (e) The director may adopt rules and regulations to implement this section."

SECTION 3. Ordinance material to be repealed is bracketed. New material is underscored. When revising, compiling or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the revisor of ordinances need not include the brackets, the bracketed material or the underscoring.



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SECTION 4. This ordinance shall take effect upon its approval and shall apply to tax years beginning July 1, 2010 and thereafter.

INTRODUCED BY:

Charles Djou

DATE OF INTRODUCTION:

July 09, 2009
Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20____.

MUFU HANNEMANN, Mayor
City and County of Honolulu