Hilo!

Preservation in Hilo Picks Up Steam

Historic Homes Win Tax Relief!        Pantheon Bar

Drive to Strengthen Membership Launched
We Will!

Historic Homes Get Tax Relief

A milestone in helping to preserve Hawaii's historic residences is now law. All four counties have unanimously passed ordinances exempting historic homes from real property taxes. The victory for historic preservation followed three years of research and lobbying work by Historic Hawaii Foundation volunteers.

Qualified owners who wish to apply for the tax exemption will be notified by the county officials. The exemption is the first of its kind in the nation, although other states encourage preservation with abatements, generally based on actual rather than "highest and best use." This exemption will go far to prevent owners and estates from being forced to sell for subdivision the irreplaceable historic houses that link our community to its past because soaring property taxes can't be met. Robert Aki, Chairman, HHF, president. Passage of the measure will make a big difference to David L. Dressel, owner of the governors George H. Carter House in Na'ahau and a leader in our volunteer efforts along with Trustee Marni Herkes and others.

Historic Hawaii Foundation initially proposed an exemption for all historic properties including commercial structures. The measure was introduced to the Hawaii State Association of Counties in 1980 by former Honolulu Councilman Tom T. Nekota. This route was followed because the 1978 constitutional amendment that transferred all real property tax functions from the state to the counties required that any additional exemptions be uniform statewide, with approval of the counties before a proposal could become law. The association's real property tax committee agreed that preserving historic buildings enriched the quality of life and that an economic incentive was the best tool to use. Nevertheless, it took many meetings and negotiations with HHF on the impact upon taxes and methods of determining who should qualify before a uniform bill was drafted last summer.

Kauai County took the lead. Ordinance No. 434 was passed unanimously on Sept. 7 and signed into law by Mayor Eileen Carroll. On Sept. 16, 'Oahu passed Ordinance 82-42 on Sept. 29 and Mayor Eileen R. Anderson signed it on Oct. 12. The pivotal third county was Hawaii's, where Ordinance No. 876 was passed Dec. 8 and signed by Mayor Herbert T. Matsuyoshi Dec. 16. Not to be left out, the Maui County Council made it unanimous by passing Ordinance No. 1291 on Dec. 17. Mayor Hannibal Fava signed it on Dec. 27.

The Big Island's ordinance adds a clause that "owners shall assume reasonable visual access to the public," inserted by Councilman Spencer Kalani Schutte "to assure the public will gain something."

"I don't think that will stop the exemption from being effective now," said Stephen Yamashiro, Hawaii's County Council chairman and chairman of the Hawaii State Association of Counties Real Property Tax Committee. "Everybody's decided — it can be amended back into the other ordinances if not handled administratively," he told HHF.

From here, the county's finance directors must draw up rules and regulations for implementation. "Rules and regulations for each county can be different — the uniformity is to be in the exemptions," Yamashiro noted.

"The tax exemption is a big step toward preserving Historic Hawaii Foundation wanted, but it gives the counties a better feeling of tax exemptions for historic sites as we get operating experience under this ordinance," Yamashiro added.

"Historic preservation is a very good goal — the problem is lining up all the exemptions we have. If we exempted Kamoa Pt. on the Big Island or the Royal Hawaiian Hotel on Oahu, we don't know what the actual financial impact would be. We want to see what happens on this residential exemption first," Yamashiro explained.

Yamashiro pointed out that it is important now for the Foundation and others to "get very discriminating between historic and nostalgic... so we want to save everything, say all Victorian homes, or one fine example,..." he said. "It's a question of how much the public is willing to pay.

At this point, the outsourcing of support indicates the public is willing to invest in preserving the island's historic assets for posterity. The Foundation would especially like to thank Councilman Yamashiro and his committee members, Tom Nekota and all the county council members whose votes made this significant tax relief possible. —SNR

S.Process for Tax Exemptions

1. Properties must be listed on the Hawaii Register of Historic Places. See page 6 for criteria and where to get forms.
2. Owners must petition the Director of Finance of the county in which the property is located. See page 7 for application.

-Procedure for Tax Exemptions-