



NEIL ABERCROMBIE
GOVERNOR

EXECUTIVE CHAMBERS
HONOLULU

September 19, 2012

EXECUTIVE MEMORANDUM

MEMO NO. 12-06

TO: All Department Heads

SUBJECT: Provision of Information on State Leases to the Counties

The City and County of Honolulu ("City") and all other counties in the State have ordinances requiring the assessment of taxes on non-residential real property belonging to the State where the occupancy by a tenant for commercial purposes has continued for a period of one year or more, whether the occupancy is pursuant to a permit, license, month-to-month tenancy or otherwise. For example, Section 8-10.17(a)(4), Rev. Ord. of Honolulu, defines a "lease" as any lease for a term of one year or more or which is renewable for such period as to constitute a total term of one year or more. A lease is deemed a lease notwithstanding any right of revocation, cancellation, or termination reserved therein or provided for thereby. *Id.*

The State does not record all of its leases in the Bureau of Conveyances or with Land Court. As such, the City and counties have stated that they are unable to accurately assess commercial tenants on state property in a timely manner. This causes the City and counties to put the lessees - the State's tenants - in a tough financial position because the City and counties will eventually back tax the lessees for multiple years all at one time. The best way to avoid putting the State's tenants in this situation is for the State to provide timely information to the City and counties regarding non-residential leases with commercial tenants that have a term in excess of one year.

To assist the City and counties in their responsibility to appropriately assess non-residential real property, all state agencies that issue leases, licenses, permits, or other dispositions for non-residential real property to tenants who will use the property for commercial purposes, where the leases continue for a period of one year or more, shall provide the City and counties with the information noted on attached Exhibit A. This information shall be provided to the City on an annual basis by September 30th of each year. Each agency should submit the information via the attached form to the City's and individual counties' Real Property Assessment office locations:

City and County of Honolulu
842 Bethel Street, Basement, Honolulu, HI 96813

County of Maui
70 East Kaahumanu Avenue, Suite A-18, Kahului, HI 96732

County of Kauai
444 Rice Street, Suite 454, Lihue, HI 96766

County of Hawaii:
East Hawaii—Aupuni Center, 101 Pauahi Street, Suite 4, Hilo, HI 96720 or
West Hawaii—75-5044 Ane Keohokalole Highway, Kailua-Kona, HI 96740

Agencies are not required to provide information on those leases which are recorded at either the Bureau of Conveyances or Land Court.

NEIL ABERCROMBIE
Governor, State of Hawai'i

For your information and reference, the following agency hereby notifies you of the following leases on State property as of September 30, 201__.

AGENCY: _____

Reporting Period: _____

Type of Document	Name of Grantee	Address of Grantee / Lessee	TMK #	Address of Property	Start Date	Termination Date

EXHIBIT A

Instructions for populating Exhibit A information:

- [1] Date.** Complete the year for which this report pertains. Per executive memo, all state agencies that issue leases, licenses, permits, or other dispositions for non-residential real property to tenants who will use the property for commercial purposes, where the leases continue for a period of one year or more, shall provide the City and counties with the information noted on attached Exhibit A. This information shall be provided to the City on an annual basis by September 30th of each year.
- [2] Agency.** Complete for the department and/or governmental agency with administrative responsibility or oversight of the real properties or lease(s) reported in the table.
- [3] Reporting Period.** Complete for the reporting period to which this table refers. The table should cover all leases of State real property that are in effect as of September 30th of the year in which this report is filed.
- [4] Type of Document.** Enter the type of document, grant or arrangement that the real property is conveyed. Common examples would be via: lease, permit, license, easement, etc.
- [5] Name of Grantee.** Input the name of the person(s), company, organization or business entity shown on State records as responsible for the lease of the State property in question. This is the lessee.
- [6] Address of Grantee.** Input the address for the lessee according to State records. Specifically, enter the address to which real property tax bills or inquiries by the City or counties are to be referred.
- [7] TMK#.** Input the Tax Map Key (TMK) number of the real property which is being leased or granted.
- [8] Address of Property.** Input the situs or street address that corresponds to the TMK of the real property. This should also match the address for the property being leased or granted.
- [9] Start Date.** Enter the date the lease or grant was initiated to the lessee.
- [10] Termination Date.** Enter the date the lease or grant expires.