

# **Pa'auilo Mauka Kalopa Community Association**

## **October 2018 Newsletter**

### **President`s Message**



*PMKCA President Joe Clarkson*

Aloha PMKCA Neighbors

### **Kalopa Park Report**

For many years a dedicated group of PMKCA members and other volunteers have worked to support Kalopa State Park. Recently, in addition to the maintenance of the Polynesian Garden and the Nature Trail, the volunteers have identified and begun eradication of strangler fig invasive trees. Although these strangler figs have not gotten as much press as the rapid ohia death issue, they can seriously affect our Park.

Strangler fig seeds, which are spread by birds, germinate in crevices atop other trees. The new fig seedlings grow their roots downward and envelop the host tree while also growing upward to reach into the sunlight zone above the canopy. Eventually the fig can kill the host tree.

A special mahalo goes to UH Big Island Invasive Species Committee volunteers James Parker and Bobby (last name not available) for guiding the group in this new project.

Work continues on the Polynesian Garden site as well as along the Nature Trail. The work consists primarily of weeding out invasives, replanting endemics and indigenous plants, and cleaning informational signs and marking the trail so our visitors don't get lost. This group has been working faithfully on these sites for years. Mahalo to Dave DeEsch, Diana Nui, Kristina Adams, Anna St Johns, Ken Hinck, Monica Gebhart, Francis Higgins, and especially to Linda Gallano for keeping this project organized.

We welcome anyone interested in these projects to join us. We meet the first Tuesday of every month at 9 a.m. for the Strangler Fig Project and at 11 a.m. for all the other sites.

### **Real Property Tax and Agricultural Land – Part 1**

I first became aware of a new initiative by the Hawai'i County Real Property Tax Office earlier this year when I received a blank application form from them. Returning the form was required for the continuance of non-dedicated agricultural assessment for the 16 acres my wife and I own in Kaapahu Homesteads.

At first, I thought the new application was due to our placing the land in a revocable living trust and thereby changing the technical owner, but then heard of other property owners in the PMKCA area that had lost their ag assessments and were now being assessed at fair market value, resulting in a steep jump in property taxes owed.

I made some inquiries about the issue to Council Chair Val Poindexter's office, which they then referred to the Tax Office. What follows are the questions I asked and the answers I got back from

the Tax Office. This is an important issue for those of us who live on ag-zoned property and I will follow up next month with more detailed information on what we can do to help keep our ag assessment status. My questions are numbered and the answers from the Tax Office are in italics.

1. Has there been a change in county standards as to how ag assessments are made? Parcels that have been assessed as pastureland for many years and for which no change in use has been made are now having their assessments changed.

*No change has been made in County standards. The Real Property Tax Division was audited in 2012 and an area that was considered to be "abused" is the Ag program. This was brought up in County Council many times over the past 6 years. The assessment standard is that every parcel be reviewed every 6 years. Kau, Puna, and South Hilo were already reviewed. We are working on reviewing parcels in North Hilo and Hamakua. Next we are working on North and South Kohala areas, then North and South Kona to complete the island at which point we will begin the process all over again.*

2. Where is the impetus for the audit coming from? Is it from the council, the mayor, the state, or has it been initiated by the Tax Office?

*Many years ago, no application was required to be in the non dedicated agricultural program. All it took was for an appraiser to drive around and see active use of either pasture, orchards, etc and the appraiser could assign the lower Ag Value which is much lower than market value.*

*The impetus for Real Property Tax reviewing all properties came for an outside audit that was conducted in 2012 which revealed the Real Property Tax Division did not have applications on file and furthermore was not checking to be sure properties in the program continued to do active agricultural.*

*The Real Property Tax Office did look at all new applications, however, they were found to be insufficient at reviewing parcels that were already in the program.*

3. How is it decided who must re-apply for ag status? Is the audit triggered by a change in ownership or does it happen in accordance with some systematic procedure?

*Many properties are difficult to do site inspections whether there are gates, paper roads, no phone #s to current owners or access off other parcels. A review of imagery taken between 2014 through 2016 was utilized. For many parcels where it appeared to be questionable or the type of use changed from what was noted in the system, a letter was sent out for owners to submit an application.*

4. If this audit of non-dedicated ag status is being done under some systematic procedure, is it possible to learn what that procedure is? In other words, how are lands being chosen to be audited?

*Hopefully I explained this better in #1 and #3.*

5. How long is this process expected to take? And if it is expected to take several years, how is it decided which parcels get the benefit of several additional years of avoiding being audited? In pursuit of fairness, perhaps no parcel should have tax payments increased until all parcels are audited.

*We started in an area that had the best imagery available at that time which was Kau and Puna. We then continued around the island. There were refile letters that were requested in an area of Keauhou through Holualoa in South Kona due to some non conformity issues that were also raised in 2011-2013 during the appeal process.*

6. How may we obtain the detailed procedures by which the Tax

Division determines whether and what type of ag use is being made? In other words, what evidence, if any, is being required in addition to the information gathered by the questionnaire?

*Attached is a guideline of what the appraisers utilize. There are many other things that can be taken into consideration such as orchards may not always be in rows as there may be blue rock or irrigation issues, carrying capacity guidelines are too high during droughts and are subject to change year to year.*

7. Will every parcel get an on-site visit prior to change of status? If so, what will the site visit consist of and will the landowner be able to be present? We have received reports that changes of long time non-dedicated ag to non-ag status have been made without a site visit. If that is being done, how is the change in use of land being determined?

*No not every site will get a visit prior to the change of status. The lower agricultural land values are a benefit of those that are actively doing ag. It has been perceived by some that because they always received it, they are entitled to continue to receive it whether there is active agricultural on the property currently.*

*Another misconception is having a garden for self consumption or to share with friends is enough to be in this program. The Ag program was originally setup for the large pineapple/sugar and coffee plantations. Then as the plantations were closing, there was a time where families had to farm where they lived in order to supplement their decreasing incomes or low pensions and this is where the program became very effective and useful. Unfortunately what we see today is that the farms are gone, there are older trees not being harvested and the property is not kept up with.*

*If there is no active Ag, there is no other determination being made other than the taxable value is the market value unless there is a homeowner exemption OR an Affordable Rental program on file.*

8. Do people who don't return the questionnaire automatically have their parcel status changed to lose non-dedicated ag assessment status?

*I believe it was not just a questionnaire that was sent out, it was a request for a new Ag application. Yes, if the owner did not reply to the County then the property will be removed from the Non Dedicated Ag program.*

*Real Property Tax has over 10,000 parcels currently in the Non Dedicated Agricultural program. Unfortunately, we will not be able to see all the parcels and therefore do rely on correspondence with the owners via mail. In addition to the letters, owners are encouraged to review the assessment notices which are sent in March of each year. Owners have the right to appeal their net taxable values.*

Best Regards,

Joe Clarkson  
President, PMKCA