

MITCHELL G. KAHLE

1519 NUUANU AVE., #154, HONOLULU, HAWAII 96817 • 808-524-4040

PUBLIC TESTIMONY

Honolulu City Council, Budget Committee, Tuesday, April 12, 2011, at 9:00 AM

Dear Council Members,

Please accept this testimony in strong opposition to Bill 3 (2011), which seeks to severely weaken restrictions concerning tax exemptions for owners of "historic homes" on Oahu.

Bill 3 appears to have been written by a select committee for the preservation of the status quo. By requesting this bill, the Carlisle administration is once again demonstrating its obedience to the privileged elite, at the direct expense of average taxpayers and working families (i.e., the vast majority of your constituents).

The current law (ROH 8-10.22) is flawed, in that the 100% tax exemption is far too generous. It is in fact the most generous subsidy of its kind in the nation. In addition to the obscene tax giveaway, the City administration has never enforced the ordinance, neither in terms of the requirements for visual access nor with respect to the "material factor" test, which Bill 3 brazenly seeks to eliminate.

In truth, were it not for the selfless efforts of Holly Huber and reports in the newspaper, the Carlisle administration would happily carry on rubberstamping exemptions for the wealthy, while enforcing the ordinances with zeal upon the backs of average taxpayers. The preservation of "historic homes" may or may not be in the public interest, but during this "Great Recession" it can hardly be seen as having any priority.

Bill 3 reeks with the stench of political favoritism. Let's look at the ways Mayor Peter Carlisle is seeking to satisfy the rich and well connected. (NOTE: See Holly Huber's "Material Factor" report for a complete list of multi-millionaires the City is currently exempting from property taxes.) Mayor Carlisle seeks first to eliminate this "Material Factor" requirement altogether. Then the Mayor wants to repeal the visual access requirement, substituting an extremely narrow viewing opportunity, allowing the public visual access only 12 days per year, for less than 8 hours. This represents less than 3% of the available time. Thus, if this loophole were approved, the exemption should be reduced to 3% of the taxes. If the "restrictions" included in Bill 3 are to be enforced, it would require significant resources of the City, costing taxpayers even more than the already excessive subsidy. Bill 3 also discriminates against apartment and condominium owners, by limiting the subsidy to "detached dwellings," regardless of inclusion on the Hawaii Register of Historic Places, which will result in legal liabilities for the City.

I hereby urge the City Council to reject Bill 3, and instead look to the options presented in Bills 2 and 4 (2011).

Sincerely,



Mitchell Kahle

MISC. COM. 469

RECEIVED
CITY CLERK
C & C OF HONOLULU
2011 APR 11 AM 7:55

