



**RESOLUTION**

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**URGING THE ADMINISTRATION TO ANNUALLY REVIEW THE NEW RESIDENTIAL A REAL PROPERTY TAX CLASS'S ASSESSED VALUE THRESHOLD.**

WHEREAS, Ordinance 13-33 created a new Residential A real property tax class that includes certain residential real property with an assessed value of \$1,000,000 or more; and

WHEREAS, past testimony from the Department of Budget and Fiscal Services ("BFS") suggests that the intended tax rate for the Residential A class should be higher than that for the Residential class; and

WHEREAS, testimony from BFS also indicates that the administration views residential properties with an assessed value of \$1,000,000 as luxury and high-end and suggests that the owners and renters of these homes would be more able to afford increases in taxes or rent than owners of other residential property; and

WHEREAS, BFS has provided limited information to the Council regarding the number of properties that are likely to be included in the Residential A class and has not provided a rationale for the specific \$1,000,000 threshold, such as a calculation based on the percentile of residential properties at or above that value, or similar measure; and

WHEREAS, due to soaring real estate prices in the City and County of Honolulu ("City") over the past decade, many modest kamaaina homes are now valued at more than \$1,000,000; and

WHEREAS, a recent real estate study found that Honolulu's home price increases were among the highest in the nation at more than 13 percent year-over-year; and

WHEREAS, if home values continue to increase at a similar pace, the number of properties that qualify for the Residential A classification could dramatically increase from year to year; and

WHEREAS, the Council believes that the assessed value threshold to qualify for the Residential A classification should be reviewed on an annual basis; now, therefore,

**BE IT RESOLVED** by the Council of the City and County of Honolulu that the Council urges the Director of Budget and Fiscal Services to annually review the Residential A assessed value threshold and propose its amendment as real property values change over time; and



**RESOLUTION**

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor and the Director of Budget and Fiscal Services.

INTRODUCED BY:

*[Handwritten Signature]*

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DATE OF INTRODUCTION:

**DEC 16 2013**  
\_\_\_\_\_  
Honolulu, Hawaii

Councilmembers

DEC 16 11:20

CITY COUNCIL  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII  
CERTIFICATE

**RESOLUTION 13-297**

Introduced: 12/16/13 By: JOEY MANAHAN

Committee: BUDGET

Title: RESOLUTION URGING THE ADMINISTRATION TO ANNUALLY REVIEW THE NEW RESENTENTIAL A REAL PROPERTY TAX CLASS'S ASSESSED VALUE THRESHOLD.

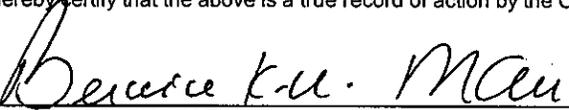
Voting Legend: \* = Aye w/Reservations

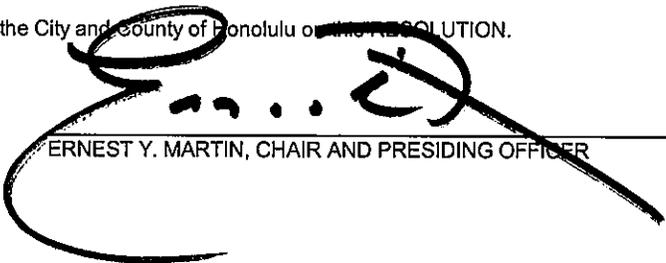
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01/17/14	BUDGET	CR-16(14) – RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION.
01/29/14	COUNCIL	CR-16(14) AND RESOLUTION 13-297 WERE ADOPTED. 9 AYES: ANDERSON, CHANG, FUKUNAGA, HARIMOTO, KOBAYASHI, MANAHAN, MARTIN, MENOR, PINE.

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I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.

  
BERNICE K. N. MAU, CITY CLERK

  
ERNEST Y. MARTIN, CHAIR AND PRESIDING OFFICER