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**From:** Paul Richards [mailto:paul\_28827@msn.com]  
**Sent:** Tuesday, April 22, 2014 8:17 PM  
**Subject:** Budget Committee Testimony - Bill 18 & 25 in STRONG OPPOSITION  
**Importance:** High

Chairwoman Kobayashi and Vice Chair Chang and Committee Members, Aloha!

Mahalo for allowing us to submit this testimony in STRONG OPPOSITION to both Bills 18 and 25 regarding increasing the real property taxes and directly affecting the non-profit organizations.

As a Hawaiian Homestead organization and a IRS Federally recognized 501c-3 organization, the idea to assess real property taxes on non-profits "is very unsettling" and in most parts would directly affect the recipients of the services and products received through normal payments or via government agencies.

In addition, Hawaiian homestead residents residing on Oahu island were initially afforded through the wisdom and forcefulness of the City Council on the Fasi Administration towards realizing that ALL Hawaiian homestead lands are "trust lands" and the lessee's do not own these lands such as other leaseholders and fee simple owners do! In fact, these "trust lands" are held by the trustee, the State of Hawaii as part of the agreement of the Admissions Act which upon approval by Congress led the US Federal Government requiring the new State Government to act as Trustee for the Native Hawaiian people on all the islands.

For these reasons, the lessee's do not fully enjoy the benefits of the other fortunate population who are able to use these real property as collateral for lines of credits and the limitations for borrowing are miniscule to none in comparison to the normal market. If the County wants to increase and assess a real property tax, they should proceed to tax the State of Hawaii. Like all the counties in the State, each county has a varying amount of assessment processes as a result of the real property tax assessment movement done in the 1990's.

However, over the recent years as new, young elected officials enter into the "market" their institutional knowledge is totally dependent upon the "senior level" and more than likely had either "passed on" or retired. We've witnessed comments ranging from "Hawaiian homesteaders can't afford the real property taxes so that's why its so low," to "...they're in a lower tax bracket..." Obviously, the sterotypical classification exists.

However, the original amount of \$100 for real property taxes was the amount agreed upon as the total amount of services received from the County and in light of the current level, it should be reduced since Hawaiian homestead communities on O'ahu are subject to:

- Red tape for replacing street lights which are burnt, with the excuse the City is not responsible for the streets on homestead communities,
- Board of Water maintenance of sewer lines do not apply in comparison to other communities on the island of O'ahu where problems occur on Hawaiian homestead properties,
- Street cleaning was eliminated from all Hawaiian homestead communities,

For these reasons and much more unmentioned, we STRONGLY OPPOSE these bills.

We welcome and invite your comments or questions concerning this matter and look forward to the opportunity to further explain our position.

Malama pono,

Paul P. Richards, President  
Waimanalo Hawaiian Homes Association (WHHA)  
Na Kuhio 'Ike (NKI) a Subsidiary of WHHA  
Auamo I Na Alaka'i (AINA)

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