



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

REAL PROPERTY TAX ADVISORY COMMISSION

Ray Kamikawa, Chair; Thomas Yamachika, Vice-chair

Members: Schuyler Cole, Howard Garval, Nelson Higa, Amy Hirano, Eugene Soquena

MEETING MINUTES

WEDNESDAY, OCTOBER 22, 2014
COUNCIL COMMITTEE MEETING ROOM
2ND FLOOR
HONOLULU HALE

Members Present: Ray Kamikawa, Chair; Thomas Yamachika, Vice-chair;
Schuyler Cole, Howard Garval, Nelson Higa, Amy Hirano,
Eugene Soquena

Members Absent: None

Staff Present: Sharleen Oshiro, Council Legislative Analyst

Guests Present: Budget and Fiscal Services (BFS): Nelson H. Koyanagi, Jr.,
Director; Gary Kurokawa, Deputy Director and
Administrator, Real Property Assessment Division; Robert
Magota, Assistant Administrator, Assessment Branch

1. Call to Order: The meeting was called to order with a quorum present at 1:01 p.m. by Chair Ray Kamikawa.

2. The minutes of the September 24, 2014 meeting were approved as corrected.

AYES: COLE, GARVAL, HIGA, HIRANO, KAMIKAWA, SOQUENA,
YAMACHIKA - 7.

NOES: None.

EXCUSED: None.

3. Oral Testifiers:

a. Nikki Love Kingman, HANO, summarized her written testimony regarding tax on non-profit organizations.

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4. Sunshine Item: at this juncture, Chair Kamikawa entertained a motion to add to the agenda, the draft report numbered DC 743, pursuant to HRS, Section 92-7, the Sunshine Law. With no objections from the seven members present, DC 743 was added to the agenda to be considered at the meeting.

AYES: COLE, GARVAL, HIGA, HIRANO, KAMIKAWA, SOQUENA,
YAMACHIKA - 7.

NOES: None.

EXCUSED: None.

5. Unfinished Business

- a. Draft Report Real Property Tax Advisory Commission 2014 (DC 743)

1. Historic residential homes: a question was raised as to how the recommended 50% value tax was reached. The percentage was arrived at considering the balance of the imposition to the homeowner versus the benefit of city services to the homeowner.
 2. Hawaiian homestead exemption: after some discussion this section was deleted. It was felt that there were too many questions concerning the restrictions on DHHL residents and due to these restrictions, these "homeowners" did not have the same property rights as other homeowners.
 3. Agricultural exemption: after some discussion and testimony by Mr. Kurokawa, it was decided that this issue will be discussed at the next meeting.
 4. Residential Class A: the Commission has received the most testimony on this issue. It was the consensus of the group that there were unintended consequences which should be addressed by the Council on a timely basis for the next fiscal year. Recommendation will include graduated tax rates.
 5. Commercial property: a differentiation should be made between small and large businesses.
 6. Transient Use: clarification was made that the Commission was not recommending a new class to the Council, but that understanding that this is a compliance issue, the Council may want to consider the problem as such. There was discussion on the issue of verification of the homeowner exemption by tax returns and the resulting issue of confidentiality. There was also a concern regarding TMKs being made public, but it was noted that tax maps are public documents.

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7. Exemptions at time of sale – the concern was raised regarding the timing of filing for an exemption when a sale occurs after the filing deadline. Mr. Magota explained that the process is done annually due to the timing of the budget process. Once the deadline is past, the homeowner may apply before the next year’s deadline.
 8. Weekend rule – should follow everyone else. If deadline falls on a weekend or holiday, it should roll over to next business day.
 - b. Chair Kamikawa suggested that the Report include the same tables and charts by BFS as in the last report.
5. Announcement: Next meeting, Wednesday, November 5, 2014. This is Commission’s final meeting. The final report is due to Council by December 1, 2014. Chair Kamikawa and Vice-chair Yamachika will make further revisions and will circulate for everyone’s review. Everyone is requested to submit revisions in final language. After all comments are received, draft will be finalized for approval at the last meeting.
6. Adjournment: There being no further business, the meeting adjourned at 2:50 p.m.