

Testimony by Suzanne Young, CEO  
Honolulu Board of Realtors

Regarding Bill 8 – Relating to Real Property Taxation

Honolulu City Council  
Wednesday, February 22, 2017  
Honolulu Hale

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Aloha Chair Menor and City Council Members,

The Honolulu Board of REALTORS (HBR) supports Bill 8 relating to real property taxation. As the City moves forward with rail transit and the anticipated mixed-use strategy of transit-oriented development, Bill 8 offers a necessary solution.

Condominium owners in mixed use developments are paying property taxes based on the higher valued commercial use of their property despite the duo purpose of residential use. Under Bill 8, condominium owners will be required to dedicate their mixed use unit for residential use in order to receive the benefit of the lower residential tax rate. In the absence of a dedication the unit would be classified based on the unit's highest and best use in the same manner as all other property. The dedication will be automatically renewed every 5 years for residential use which eliminates the burden of proof for the taxpayer, and the administrative burden on the City.

We believe Bill 8 is a win-win for the City, taxpayers and our development community as they anticipate mixed-use opportunities along the rail line.

Mahalo for your consideration.