

REPORT OF THE COMMITTEE ON BUDGET

Voting Members:

Joey Manahan, Chair; Brandon J.C. Elefante, Vice Chair;
Ikaika Anderson, Kymberly Marcos Pine

Committee Meeting Held
February 14, 2018

Honorable Ron Menor
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Bill 3 (2018) entitled:

“A BILL FOR AN ORDINANCE RELATING TO REAL PROPERTY TAXATION,”

which passed first reading at the January 31, 2018 Council meeting reports as follows:

The purpose of the Bill is to promote fairness by providing for the periodic adjustment of the threshold of assessed value that qualifies properties for the “Residential A” real property class.

The Director of Budget and Fiscal Services (BFS) testified in opposition to the Bill. He informed the committee members that adjusting the threshold as outlined in the Bill would substantially affect the revenues collected from Real Property taxes. The Department calculated a \$20,000,000.00 reduction in real property taxes for fiscal years 2016 and 2017, or approximately \$9.7 million dollars a year. Moreover, he explained that if values decrease, there would be more properties classified as Residential A.

Your Committee received no testimony from members of the public on the Bill.

Your Committee received testimony from the Department of Budget and Fiscal Services in opposition to the Bill.

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON FEB 28 2018

COMMITTEE REPORT NO. 76

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Your Committee on Budget is in accord with the intent and purpose of Bill 3 (2018) and recommends that it pass second reading, be scheduled for a public hearing, and be referred back to Committee. (Ayes: Manahan, Anderson – 2; Ayes with reservations: Elefante – 1; Noes: None; Excused: Pine – 1.)

Respectfully submitted,



Committee Chair

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