

Bill 16 Testimony

MISC. COM. 297

TO: Honolulu City Council

FROM: Natalie Iwasa
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DATE: Wednesday, May 20, 2020

SUBJECT: Bill 16, Real Property Tax For-Profit Child Care Centers – **SUPPORT with Amendment**

Aloha Chair Anderson and Councilmembers,

Thank you for allowing testimony on Bill 16, which would increase the minimum real property taxes for for-profit child care centers. I support increasing the taxes on these properties and ask you to amend the bill to remove the exemption.

Several years ago, during discussion of the exemption for for-profit child care centers, it was mentioned that these centers do not have to reveal financial information, such as management salaries, like nonprofit child care centers do. It was therefore suggested that for-profit child care centers apply for exempt status, so that when the discussion came up again, they'd be on equal footing with nonprofit organizations, and the exemption could be removed for for-profit centers.

In 2011 there were 3 properties under the for-profit child care center exemption, and the taxpayer subsidy was \$55,000. For this fiscal year there are 11 properties, and the taxpayer subsidy is \$353,000.

Please amend the bill to remove the exemption for for-profit child care centers under ROH 8-10.33.