

**SUPPORT FOR BILLS 1 (2005), 12 (2006)**

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HONOLULU, HAWAII

TO Councilmember Donovan Dela Cruz, Chair, Honolulu City Council

FROM: Robert R. Kessler, Private Citizen

DATE: February 23, 2006

RE: **SUPPORT FOR BILL 1 (2005)** Relating to the Homeowner's Exemption for Real Property Taxation  
**SUPPORT FOR BILL 12 (2006)** Relating to Limits on Real Property Taxation

The Council is considering several bills to address the problem of skyrocketing real property tax. **None are adequate** in that they do not offer any long term real relief, nor do they roll back taxes to a more reasonable base year. However Bill 1 and Bill 12 take steps in that direction and so earns my **reluctant support**.

**The Homeowner's Exemption Bill (Bill 1)** accomplishes two positive things. First it satisfies the Council's wishes to distinguish between owner occupants and absentee owners. Second, it recognizes the need to provide relief to our struggling homeowners, particularly those who have occupied their homes for a long time and who now are retired on fixed incomes. However Bill 1 does not roll back assessments to a more reasonable base year which would help our struggling young families and our retirees. Nor does it provide any exemption indexing to allow for unusual appreciation such as we have seen in the last few years and which can quickly overwhelm the benefits of the exemption. This is an imperfect bill, but I grudgingly support it.

**The Property Tax Limits Bill (Bill 12)** supposedly establishes limits to the changes on real property taxes from year to year. While it purports to offer stability for the taxpayer, the language of this bill is convoluted and tortured, and contains too many loopholes for the City. There is no assurance that the promised stability will actually occur. Further, it contains no provision for rolling back assessments to a more reasonable base year, and so offers no immediate relief for taxpayers. The principle this bill claims to pursue is good; the bill itself is seriously flawed. My support for this bill is conditioned on the Council modifying this bill to establish an earlier base year for assessments, and simplifying the wording.

Regarding **other bills** being considered, I support none. I believe that any bill that ties real property tax to income is just another form of income tax and should not be passed.



Robert R. Kessler  
 444 Nahua St., PH 09  
 Honolulu, HI 96815  
 Ph. 922-6188

Misc. Com. No. 0544

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