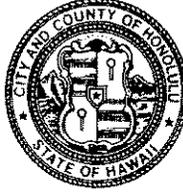


DEPARTMENT OF BUDGET AND FISCAL SERVICES  
**CITY AND COUNTY OF HONOLULU**  
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813  
PHONE: (808) 523-4616 • FAX: (808) 523-4771 • INTERNET: www.honolulu.gov

MUFI HANNEMANN  
MAYOR



MARY PATRICIA WATERHOUSE  
DIRECTOR

PATRICK T. KUBOTA  
DEPUTY DIRECTOR

March 27, 2007

The Honorable Todd K. Apo, Chair  
and Members of the Budget Committee  
Honolulu City Council  
530 South King Street, Room 202  
Honolulu, Hawaii 96813

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CITY CLERK  
HONOLULU, HAWAII

Dear Chair Apo and Members:

We strongly support the addition of a "homeowner" class to lessen the impact of property valuation increases over the past few years. However, we have concerns with Bill 7 (2007), which requires annual filings and income verifications for the thousands of homeowners who do not exceed the stated \$70,000 income threshold. We estimate that for every 10,000 applications, ten additional employees would be required at an estimated cost of \$400,000.

In our budget proposal we submitted a bill for a "homeowner" class, which does not require duplication of services and allows the city to provide tax relief for qualifying owner occupants. We recommend a deferral of Bill 7 (2007).

Please call me at 523-4617 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Patricia Waterhouse".

Mary Patricia Waterhouse, Director  
Department of Budget and Fiscal Services

MPW:dw  
cc: Real Property Assessment Division

APPROVED:

A handwritten signature in black ink, appearing to read "Wayne M. Hashiro".

Wayne M. Hashiro, P.E.  
Managing Director

Dept. Com. No. **240**

**B**