

PROPERTY TAX RELIEF NOW
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June 6, 2007

Barbara Marshall, Chair
Honolulu City Council

Re: Bill 16 (2007) CD1

Madam Chair

My name is Bob Grantham. I am testifying on behalf of PROPERTY TAX RELIEF NOW.

We support the purpose of this bill, to provide a one time tax credit of \$200.00 to homeowners. The Council has the authority to lower or raise the property tax rates for any or all of the tax classifications. To begin with, in our opinion a one time tax credit is not an adjustment of the residential and apartment tax rate. Providing this one time credit to homeowners who have a homeowner's exemption is clearly discriminatory as it is provided to a classification (homeowners) that does not even exist. This type of discrimination could possibly invite a class action suit.

A more equitable manner to utilize the 28 million dollars the credit will cost would be to lower the residential and apartment rate to \$3.09. The attached exhibit illustrates how this would benefit all residential and apartment owners. The exhibit also lists the dollar benefit with the \$3.09 rate as opposed to the \$200.00 credit. The break even point is a one million dollar property evaluation. Note that an evaluation of \$600,000 (close to the latest median price) would cost the tax payer \$80.00 more with the \$3.09 rate. Do the math.

We were pleased to see that the editorial in Sundays Advertiser agrees with us that this bill Does nothing for the 40 percent of our residents who are renters.

These 28 million dollars should be used to lower the resident and apartment rate to \$3.09

Respectfully submitted,


Bob Grantham

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CITY CLERK
HONOLULU, HAWAII

Misc. Com. No. 847
COUNCIL

PTRNOW STRONGLY SUPPORTS LOWERING THE TAX RATE TO \$3.09

3.09 RATE
COMPARED

PROPERTY VALUE FOR TAXATION X 1,000	PROPOSED TAX RATE	TAX WITH 3.29 TAX RATE	\$200 CREDIT EFFECTIVE		PTRNOW PROPOSED		3.09 RATE COMPARED TO 200 CREDIT	TO 200 CREDIT PER MONTH
			TAX RATE	TAX WITH 200 CREDIT	TAX RATE	TAX WITH TAX RATE 3.09		
200	3.29	658	2.29	458	3.09	618	160	13.33
400	3.29	1,316	2.79	1,116	3.09	1,236	120	10.00
600	3.29	1,974	2.96	1,774	3.09	1,854	80 X	6.67
800	3.29	2,632	3.04	2,432	3.09	2,472	40 X	3.33
1,000	3.29	3,290	3.09	3,090	3.09	3,090	0	0.00
1,200	3.29	3,948	2.68	3,748	3.09	3,708	-40	-3.33
1,400	3.29	4,606	2.75	4,406	3.09	4,326	-80	-6.67
1,600	3.29	5,264	2.81	5,064	3.09	4,944	-120	-10.00
1,800	3.29	5,922	2.86	5,722	3.09	5,562	-160	-13.33
2,000	3.29	6,580	2.90	6,380	3.09	6,180	-200	-16.67
2,200	3.29	7,238	2.93	7,038	3.09	6,798	-240	-20.00
2,400	3.29	7,896	2.96	7,696	3.09	7,416	-280	-23.33
2,600	3.29	8,554	2.98	8,354	3.09	8,034	-320	-26.67
2,800	3.29	9,212	3.00	9,012	3.09	8,652	-360	-30.00
3,000	3.29	9,870	3.22	9,670	3.09	9,270	-400	-33.33
3,200	3.29	10,528	3.23	10,328	3.09	9,888	-440	-36.67
3,400	3.29	11,186	3.23	10,986	3.09	10,506	-480	-40.00
3,600	3.29	11,844	3.23	11,644	3.09	11,124	-520	-43.33
3,800	3.29	12,502	3.24	12,302	3.09	11,742	-560	-46.67
4,000	3.29	13,160	3.24	12,960	3.09	12,360	-600	-50.00

CREDIT OF \$200 FOR OWNER-OCCUPANTS (200 X 139,637) EQUALS \$27,927,400.

27,927,400

27,842,156

85,244

\$200 CREDIT FOR ONLY OWN-OCCUPANTS (139,637)

\$3.09 TAX RATE FOR ALL RES & APT OWNERS (250,085)

LESS TAX REVENUE WITH \$3.09 TAX RATE

HOWEVER, 110,448 MORE PROPERTY OWNERS AND RENTERS WOULD BENEFIT.

THE \$200 CREDIT TO ONLY QUALIFIED OWNER-OCCUPANTS IS DISCRIMATORY

SEVERAL COUNCIL MEMBERS HAVE EXPRESSED THEIR DESIRE TO LOWER THESE TAX RATES AS MUCH AS POSSIBLE

NOW IS THE TIME TO STAND BEHIND YOUR WORDS