



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3077

COMMITTEE ON BUDGET

Voting Members:

Calvin K.Y. Say, Chair
Radiant Cordero, Vice Chair
Brandon J.C. Elefante
Esther Kia'aina
Heidi Tsuneyoshi
Andria Tupola

AGENDA

REGULAR MEETING
CITY COUNCIL CHAMBER
WEDNESDAY, NOVEMBER 17, 2021
9:00 A.M.

THE MEETING IS IN RECESS UNTIL
3:30 P.M. OR IMMEDIATELY AFTER
THE ADJOURNMENT OF THE
COMMITTEE ON PUBLIC SAFETY
MEETING, WHICHEVER IS LATER.
NEW ZOOM ID: 99772098414
NEW PASSWORD/PASSCODE: 507722

[Zoom Link](#)

ID: 92280908224
Password: 111721BUD

PUBLIC PARTICIPATION AND TESTIMONY

Pursuant to Governor David Ige's Emergency Proclamation Related to the State's COVID-19 Delta Response, issued on October 1, 2021, in order to allow public participation in a manner consistent with safe practices and social distancing requirements, this meeting will be conducted as a remote meeting by interactive conference technology, with the following procedures in effect for the meeting:

VIEWING THE MEETING AND RESTRICTIONS ON ENTRY

Members of the public will not be allowed into the meeting room, but may view the meeting on a live broadcast. The meeting will be viewable: (1) by internet live streaming through www.honolulucitycouncil.com and (2) by televised live broadcast on Olelo TV Channel 54.

After the meeting, the meeting will be viewable on demand at <http://www.honolulucitycouncil.tv/>. Copies of older meeting videos may be requested by calling the City Clerk's Office at (808) 768-5822, charges may apply.

Some Councilmembers and presenters may be participating in the meeting by interactive conference technology from remote locations.

ORAL TESTIMONY

Oral testimony will be permitted on all items on the agenda, subject to the following restrictions:

1. Persons may submit oral testimony remotely through the Zoom video conferencing platform. To participate, persons should visit www.zoom.us, click "Join," enter ID **92280908224**, and complete the registration process. Registrants will receive an email that contains links and information on joining the meeting by either phone

or video conference. Zoom testifiers are strongly encouraged to register at least 24 hours before the start of the meeting. Remote testimony will be taken at the start of the agenda and then closed.

2. To audio conference on the day of the meeting call **+1-253-215-8782**, enter ID **92280908224** and Passcode **838319523**.
3. Each speaker may not have anyone else read their statement and is limited to a one-minute presentation.

WRITTEN TESTIMONY

Written testimony may be faxed to (808) 768-3826 or transmitted via the internet at <http://www.honolulu.gov/ccl-testimony-form.html>, or mailed to Office of the City Clerk, Attention: Information Section, 530 South King Street, Room 100, Honolulu, HI 96813. If submitted, written testimonies, including the testifier's address, email address and phone number, will be available to the public at both <https://hnldoc.ehawaii.gov> and on the City's Council's pilot website: <https://www.honolulucitycouncil.com>. Written testimony will not be accepted in person at the meeting.

Should you have any questions, please call (808) 768-3819 or send an email to darcie.nago@honolulu.gov.

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MATERIALS AVAILABLE FOR INSPECTION

Meeting materials ("*board packet*" under HRS Section 92-7.5) are accessible at <https://hnldoc.ehawaii.gov/hnldoc/browse/agendas> by clicking on the appropriate Committee meeting.

Accommodations are available upon request to persons with disabilities. Please call (808) 768-3819 or send an email to darcie.nago@honolulu.gov at least three working days prior to the meeting.

FOR ACTION

1. **[RESOLUTION 21-232](#) – APPOINTMENT OF MR. PATRICK CHANDLER TO THE BOARD OF REVIEW I FOR REAL PROPERTY TAX APPEALS.** Confirming the appointment of Mr. Patrick Chandler to the Board of Review I for real property tax appeals for a term expiring on June 30, 2026. (Transmitted by Communication [MM-136](#); public hearing held 11/10/21)
2. **[RESOLUTION 21-257](#) – RECEIPT AND EXPENDITURE OF LIMITED PURPOSE MONIES FOR THE 2019 BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT AWARD 19-DJ-06.** Approving the receipt and expenditure of limited purpose monies in the amount of \$175,000 for the purpose of entering into a contract with the State Department of the Attorney General to provide services for the advancement of the Weed and Seed project. (Transmitted by Communication [D-730](#))

Related communications:

[CC-362](#) Council Chair Waters, objecting to Departmental Communication 700 – Request for Receipt and Expenditures in the amount of \$175,000 from the Department of the Attorney General, State of Hawai'i.

[CC-363](#) City Clerk Glen I. Takahashi, notifying the Department of the Prosecuting Attorney of an objection to Departmental Communication 700.

[D-700](#) Department of the Prosecuting Attorney, requesting approval for the receipt and expenditure of limited purpose monies.

3. **[RESOLUTION 21-253](#) – QUARTERLY REPORTS OF OVERTIME USE AND COMPENSATORY TIME OFF.** Requesting the City Administration to provide the Council with quarterly reports of overtime use and compensatory time off authorized by each executive City department.
4. **[RESOLUTION 21-224](#) – PERFORMANCE AUDIT OF THE IMPLEMENTATION OF THE CITY'S CAPITAL IMPROVEMENT PROGRAM BY THE DEPARTMENT OF DESIGN AND CONSTRUCTION.** Directing the City Auditor to conduct a performance audit of the Department of Design and Construction's implementation of the City's Capital Improvement Program.

5. **RESOLUTION 21-254 – CONCESSION AGREEMENT FOR A TEN YEAR TERM TO PROVIDE OFF-STREET PARKING AT SIX CITY-OWNED FACILITIES.**
Authorizing the Director of the Department of Budget and Fiscal Services, or the Director's Designee, to enter into a concession agreement for a term of up to ten years, to manage and operate off-street parking at the six City-owned parking facilities managed by the Department of Transportation Services, provided that the concessionaire expends \$25,000.00 or more per facility to upgrade and improve the parking-related access and revenue control and for ongoing maintenance costs. (Transmitted by Communication [D-723](#))
6. **RESOLUTION 21-255 – SALE OF PARCEL 1, A PORTION OF FORT STREET MALL MINI PARK, HONOLULU, HAWAII, TAX MAP KEY: 2-1-010:025 (POR).**
Approving the sale of Parcel 1 to the Roman Catholic Church in the State of Hawaii for the recommended sale price of \$20,000 with restrictions. (Transmitted by Communication [D-725](#))

PROPOSED CD1 TO RESOLUTION 21-255 (Submitted by Councilmember Say)
– The CD1 (OCS2021-1009/11/9/2021 3:37 PM) makes the following amendments:

- A. Clarifies in the BE IT RESOLVED clause that the Council is approving the sale of Parcel 1 subject to the conditions described in the resolution and Departmental Communication 725 (2021).
 - B. Makes miscellaneous technical and nonsubstantive amendments.
7. **BILL 40 (2021), CD1 – RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.** Establishing a transient accommodations tax for the City and County of Honolulu, providing for its imposition and disposition, and facilitating the receipt and deposit of the revenues derived from the transient accommodations tax. (Bill passed second reading and public hearing held 11/10/21)

PROPOSED CD2 TO BILL 40 (2021), CD1 (Submitted by Councilmember Say) –
The CD2 (OCS2021-0991/11/9/2021 2:18 PM) makes the following amendments:

- A. In SECTION 2 of the bill, amends proposed new ROH Chapter 8A as follows:
 1. In proposed ROH Section 8A-1.1(2), removes the reference to ROH Chapter 6, Article 61;

2. In accordance with Act 1, Section 7, First Special Session 2021, clarifies in proposed ROH Section 8A-1.4 that:
 - a. The tax imposed by the chapter does not apply to gross rental proceeds, and fair market rental value received as payments under written contracts if the written contract:
 - aa. Was entered into prior to the effective date of the measure; and
 - bb. Does not provide for the passing on of increased rates of taxes; and
 - b. The tax imposed by this chapter will be imposed on the gross rental, gross rental proceeds, and fair market rental value from all contracts entered into on or after the adoption of the chapter, regardless of whether the contract allows for the passing on of any tax or any tax increases;
3. In proposed ROH Section 8A-1.5, clarifies that violations are appealable within 30 days of the notice of violation;
4. In proposed ROH Section 8A-1.7, specifies that taxpayers must also transmit with the return a remittance covering the residue of any taxes due;
5. In proposed ROH Section 8A-1.8:
 - a. Specifies in a new subsection (b) that any return or amended return required by ROH Section 8A-1.8 must be filed with the Director of Budget and Fiscal Services within 90 days after the change, correction, adjustment, or recomputation is finally determined or an amended return is filed with the Internal Revenue Service, and must be accompanied by a copy of the document issued by the United States notifying the taxpayer of the change, correction, adjustment or recomputation; and
 - b. Specifies in a new subsection (c) that the statutory period for the assessment of any deficiency or the determination of any refund attributable to the report required by proposed ROH Section 8A-1.8(a) will not expire before the expiration of one year from the date the Director of Budget and Fiscal Services

is notified by the taxpayer or Internal Revenue Service, whichever is earlier, of the report required in proposed ROH Section 8A-1.8(a) and further specifies that the Director of Budget and Fiscal Services and the taxpayer may agree, in writing, to the extension of that period;

6. In proposed ROH Section 8A-1.11, specifies in a new subsection (c) that the taxpayer will have 30 days to respond to a proposed tax assessment by the Director of Budget and Fiscal Services and that after the 30-day period, if there is no response from the taxpayer, the Director of Budget and Fiscal Services shall mail a notice to the taxpayer specifying the amount assessed and that amount will be due 20 days after the date the notice was mailed;
7. Adds proposed new ROH Section 8A-1.12, which provides for a process for taxpayers to request a refund of the taxes assessed and imposes a deadline for taxpayers to make a refund claim;
8. Adds proposed new ROH Section 8A-1.13, which authorizes the Director of Budget and Fiscal Services to examine records, issue subpoenas/summonses, and accept testimony, and provides for certain penalties for giving false testimony and for neglecting or refusing to obey any subpoena/summons;
9. Renumbers proposed ROH Section 8A-1.12, relating to appeals, as Section 8A-1.14, and:
 - a. Specifies a 30-day deadline for taxpayers to appeal to the Tax Appeal Court; and
 - b. Deletes the requirement that all taxes must be paid pending appeal;
10. Renumbers proposed ROH Section 8A-1.13, relating to disclosure and destruction of returns, as Section 8A-1.15, and clarifies that any person who violates proposed new ROH Section 8A-1.15 shall be guilty of a misdemeanor, as opposed to being punished in accordance with HRS Section 237D-13;
11. Renumbers proposed ROH Section 8A-1.14, relating to collection by suit, as ROH Section 8A-1.16;

12. Adds proposed new ROH Section 8A-1.17, relating to certain amounts held in trust and to liability of key individuals, which specifies that officers, members, managers, and other persons having control or supervision over amounts collected pursuant to proposed new ROH Chapter 8A are subject to personal liability for wilfully failing to pay the taxes due;
 13. Renumbers proposed ROH Section 8A-1.15, relating to penalty and interest, as ROH Section 8A-1.18, and amends subsection (a) by adding proposed new subdivisions (3) and (4), which specify certain penalties for a taxpayer's failure to file a tax return or failure to pay the tax;
 14. Renumbers proposed ROH Sections 8A-1.16 (relating to application of tax) and 8A-1.17 (relating to the Director) as ROH Sections 8A-1.19 and 8A-1.20, respectively; and
 15. Renumbers proposed ROH Section 8A-1.18, relating to administrative rules, as ROH Section 8A-1.21 and clarifies that the Director of Budget and Fiscal Services is further authorized to prescribe forms in conformity with proposed new ROH Chapter 8A and that such forms, and any rules adopted by the Director, will have the force and effect of law.
- B. Clarifies in SECTION 3 of the bill that for purposes of SECTION 3 of Ordinance 18-39, as amended by Ordinance 19-25, "city revenues" shall not include transient accommodations taxes collected by the City and deposited into the Transit Fund pursuant to Section 8A-1.1(2) of the Revised Ordinances of Honolulu 1990, as amended.
- C. Specifies in SECTION 6 of the bill that the Revisor of Ordinances shall, pursuant to the Revisor of Ordinances' authority under ROH Section 1-16.3(b)(1), replace the phrase "effective date of this ordinance," with the actual effective date.
- D. Makes miscellaneous technical and nonsubstantive amendments.

Committee on Budget Agenda
Wednesday, November 17, 2021

Related communications:

[CC-348](#) Disclosure of Interest Statement submitted by Councilmember Elefante.

[CC-349](#) Disclosure of Interest Statement submitted by Councilmember Elefante.

8. [**BILL 39 \(2021\), CD1**](#) – **REAL PROPERTY TAXATION.** Amending the provisions relating to the alternate energy improvements real property tax exemption. (Bill passed second reading and public hearing held 11/10/21)

Related communications:

[CC-390](#) Council Chair Waters, regarding solar facilities real property tax classification.

[D-742](#) Department of Budget and Fiscal Services, submitting proposed amendments to Bill 39, CD1.

CALVIN K.Y. SAY, Chair
Committee on Budget