

ORPTAC 2021: Subcommittee on VALUATION

RPTAC

UPDATE/REPORT from Meeting: 10/20/21 @ 2pm

21 NOV 19 PM 1:53 CITY CLERK

3rd floor Council Conference Room, Honolulu Hale

Present: Vice-Chair Wong, Commissioner Bean, Commissioner StormoGipson, Commission Aide White; Natalie Iwasa (via WebEx)

COUNCIL COM. 413

SUMMARY of Discussion

- Former ORPTAC Commissioner Iwasa was invited to discuss with the Valuation Subcommittee her thoughts and feedback now, related to the 2019 ORPTAC's experience and recommendations.
- There is still an inability for people to clearly understand (in layman's terms) how their properties are being assessed, valued and how appeals can be done
- Updates and recommendations to improve the RPAD website from 2019 still not been done
- How do other similarly situated municipalities compare with respect to their transparency in process and procedure for assessments, valuation and appeals? Commissioners to look into a handful of examples to share with Commission
- Annual report of appeals and outcomes provided to the Council, and better understanding of the appeals process & "tax compromise" process
- Residential-A classification and its threshold; hypothetical 5% increase in valuation on properties currently under \$1M would provide large surge of properties into Res-A classification, and increase in City revenue from doing so
- Breakdown of properties that are long-term vs. short-term rentals, as well as a closer look at the Res-A classification and the percent of those properties that are not just "2nd homes" but are in fact rented long-term to locals
- Taxation of "vacant homes" makes sense in principal, but the underlying issue/challenge is in the implementation and enforcement of such a tax/classification

QUESTIONS the Subcommittee would like posed to RPAD:

- Please provide at least two complete sample/hypothetical property valuation examples for residential classified properties (**other categories too?**), including the land valuation form (MK127) as well as the building valuation methodology explanation.
- How specifically does the City use income valuation for commercial, industrial, and hotel classifications?
- Please provide a copy of the Marshall and Swift manual, as well as a summary explanation of how the model is implemented