

Bill 9 Testimony

MISC. COM. 57

From: CLK Council Info
Sent: Monday, February 21, 2022 1:21 PM
Subject: Council Testimony

Written Testimony

Name Stuart Simmons
Phone
Email stu_simmons@hotmail.com
Meeting Date 02-23-2022
Council/PH Council
Committee
Agenda Item Bill 9
Your position on the matter Support
Representing Self
Organization

I strongly support Bill 9.

Written Testimony Short-term rentals and vacant homes (often the same property) in residential zoning are contributing to Oahu's housing shortage and rising housing-cost crisis.

Testimony
Attachment

Accept Terms and Agreement 1

IP: 192.168.200.67

From: CLK Council Info
Sent: Tuesday, February 22, 2022 7:34 AM
Subject: Council Testimony

Written Testimony

Name	Vladimir Gurovich
Phone	
Email	vlad.gurovich@gmail.com
Meeting Date	02-23-2022
Council/PH Committee	Council
Agenda Item	Bill 9
Your position on the matter	Oppose
Representing Organization	Self
Written Testimony	I oppose this bill because it considers residential properties lawfully leased for 1 month or 2 months as empty. This artificial distinction is yet another attempt at destroying the legal monthly rental market, including that in Waikiki, on Oahu and to drive this demand to hotels.
Testimony Attachment	
Accept Terms and Agreement	1

IP: 192.168.200.67

TO: Members of the Honolulu City Council

FROM: Natalie Iwasa
808-395-3233

DATE: Wednesday, February 23, 2022

SUBJECT: Bill 9 (2022), Vacant Homes "Supplemental" Tax - **OPPOSED**

Aloha Chair Waters and Councilmembers,

Thank you for allowing testimony on Bill 9, which would create a new tax of 3% of assessed value on vacant residential properties. This tax would be on top of real property taxes, i.e., a \$1 million home would be assessed \$30,000 *on top of* real property taxes of \$3,500 or \$4,500 under current rates.

This bill presumes ALL residential properties are vacant unless an *annual* declaration is filed with the city.

There are many reasons I oppose this bill.

What happens when hundreds of homeowners don't get the notice and / or don't understand that they need to take action in order to not fall into this new category? How many people will be unable to pay the tax and desperately plead with the city and councilmembers for tax compromises?

This bill purports to encourage existing owners to rent or sell their homes to residents. Based on current timelines for real property taxes and exemptions, it appears likely that a potential buyer would be liable for this tax for at least one year. This additional tax may be a deal breaker for some.

Section 1. Purpose

Section 1 states Hawaii has among the lowest property taxes in the nation. We all know this is because, unlike most other jurisdictions, our school system is funded by the state. It's really disappointing to see this statement in this bill.

Section 8- .2. Tax rate

The tax rate in this bill is 3% and is simply outrageous, and I absolutely oppose this.

Section 8- .4. Exemptions

Under (2) any occupancy for less than three months is not counted toward the six

months. Why is this not allowed?

Under (5), a medical exemption is allowed but not more than once every five years. Why?

Under (8), an exemption is allowed for an open building permit but again not more than once every five years. That would mean that an owner who is unlucky enough to have major damage from a storm after a remodel would not qualify.

Under (9), an exemption is allowed for the sale of a property but only once every five years. Why should homeowners potentially face a vacant homes tax merely because they decide to sell their property?

Section 8- .6 Administration

This new “supplemental” tax requires a lot of paperwork – for the city and property owners.

In paragraph (a), notices are “deemed” received by registered owners five days after mailing. In my experience, the post office is not as fast as it once was. It’s typical to receive mail four or five days after it has been mailed. If this bill is signed into law, will the five days be a reasonable amount of time? What about property owners who have their mail on hold and do not receive the notice until several weeks later?

Paragraph (g) allows for rules to be adopted related to appeals, but how long will the appeals process take? Some valuation appeals take two years. Will owners have to pay the tax while their appeal is on file?

Section 8- .8 Enforcement

Per paragraph (b)(1) a person violates this article if the person “does any act or thing which violates this article” What does that even mean?

Under (d) the city has the right to foreclose on a property if related fines, which start at \$25,000 for each day of offense, are not paid following the notice of assessment. What kind of timeframe is required? Will the city be allowed to foreclose on properties if a fine isn’t paid within 20 days? 30 days? Foreclosure should be a last resort.

This bill is not good policy and should not even pass first reading. Please vote “no.”



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**Testimony of Faith Action HousingNOW!
In Support of Bill 9, an Empty Homes Tax,
before the Honolulu City Council
on February 22, 2022 at 10:00am**

Faith Action for Community Equity is an organization of religious and community organizations driven by a deep spiritual commitment to improving the quality of life for all the people of Hawaii by addressing the root causes of social inequities.

Faith Action HousingNOW! supports Bill 9, an Empty Homes Tax for Honolulu.

The proposed Empty Homes Tax can help address the major crises in affordable housing and homelessness that are endangering our entire community. This tax can assist by:

- Increasing our supply of housing stock by incentivizing owners of tens of thousands of vacant housing units to convert them into homes for Oahu residents
- Discouraging outside investment & speculation that cause high housing costs
- Creating dedicated tax revenues for affordable housing & homelessness solutions.

Thank you for helping support new solutions to improve the quality of our community.

Submitted on behalf of Faith Action HousingNOW!
By Ellen Godbey Carson
Email: housing@faithactionhawaii.org

egcarson@icloud.com

From: CLK Council Info
Sent: Tuesday, February 22, 2022 9:23 PM
Subject: Council Testimony

Written Testimony

Name Leslie Keating
Phone
Email keating.leslie@gmail.com
Meeting Date 02-23-2022
Council/PH Council
Committee
Agenda Item Bill 9
Your position on the matter Support
Representing Self
Organization

Written Testimony I support the increased tax for homes that are not a primary residence. It's time to fix our housing crisis which allows investors, vacation rentals and second home owners to displace locals and kanaka who have been priced out of Hawaii.

Testimony Attachment

Accept Terms and Agreement 1

IP: 192.168.200.67