

**TESTIMONY**

**ORPTAC MEETING**

**2/22/22 at 2PM**

## White, George

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**From:** Lou Frickman <lou92822@gmail.com>  
**Sent:** Sunday, February 20, 2022 7:38 PM  
**To:** White, George  
**Cc:** Waters, Tommy  
**Subject:** Written Testimony For the February 22, 2022, ORPTAC Meeting

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February 21, 2022

ATTN: Mr. George White, Commission Aide    VIA EMAIL: [George.white@honolulu.gov](mailto:George.white@honolulu.gov)  
Oahu Real Property Tax Advisory Commission  
530 South King Street, Suite 207  
Honolulu, HI 96813

SUBJECT: Written Testimony  
On the Proposal to Increase Oahu's Home Exemption  
For the February 22, 2022, ORPTAC Meeting

Aloha mai, Commission Members,

We thank you for the opportunity to submit written testimony on this subject.

We agree that this Property Tax Advisory Commission favorably consider a raise in the Honolulu county home exemption available to owner-occupants to keep pace with the rise in inflation and increased property values.

According to Bloomberg January 12, 2022,

U.S. consumer prices soared last year by the most in nearly four decades, sapping the purchasing power of American families and setting the stage for the Federal Reserve to begin hiking interest rates as soon as March.

The consumer price index climbed 7% in 2021, the largest 12-month gain since June 1982, according to Labor Department data released Wednesday. The widely followed inflation gauge rose 0.5% from November, exceeding forecasts.

Newswatch February 10, 2022, reports:

The U.S. rate of inflation climbed again in January to 7.5% and stayed at a 40-year high, suggesting upward pressure on consumer prices is unlikely to relent soon.

Using data collected from its computerized Multiple Listing Service (MLS) system, the Honolulu Board of Realtors reported the following statistics:

## Single-Family Home Resales

	Number of Sales	Median Sales Price
January 2022	326 +12.0%	\$1,050,000 +18.9%
January 2021	291	\$833,000

## Condominium Resales

	Number of Sales	Median Sales Price
January 2022	552 +40.8%	\$510,000 +12.8%
January 2021	392	\$452,000

Therefore, we submit the following to the Commission for consideration:

OWNER-OCCUPANT	CURRENT HOME EXEMPTION	PROPOSED HOME EXEMPTION
Under the age of 65	\$100,000	\$150,000
Age 65 and older	\$140,000	\$200,000

In addition, we humbly suggest that the Commission consider maintaining the above proposal as a minimum and consider periodic increases, perhaps annually, for the reasons noted above, which we reiterate – to keep pace with rising inflation and property value increases.

Mahalo for your service to the owner-occupant homeowners of Honolulu County, and mahalo nunui for the opportunity to comment.

Respectfully,

Mr. and Mrs. David and Llewelyn Ka'uhane Frickman  
P O Box 240848 Honolulu, HI 96824  
Email: [lou92822@gmail.com](mailto:lou92822@gmail.com)

Cc: Mr. Tommy Waters, City Council Representative, Council District  
4 [Tommy.waters@honolulu.gov](mailto:Tommy.waters@honolulu.gov)

## White, George

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**From:** Stefanie Y. Sakamoto <ssakamoto@imanaka-asato.com>  
**Sent:** Monday, February 21, 2022 9:06 AM  
**To:** White, George  
**Subject:** RPTAC testimony  
**Attachments:** 220222\_Oahu RPTAC testimony (1).pdf

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Aloha George,  
Attached please find testimony for tomorrow's RPTAC meeting.

Please let me know if there are any questions.

Mahalo,  
Stefanie Sakamoto  
On behalf of HCUL





Hawaii Credit Union League

Your Partner For Success



1654 South King Street  
Honolulu, Hawaii 96826-2097  
Telephone: (808) 941.0556  
Fax: (808) 945.0019  
Web site: [www.hcul.org](http://www.hcul.org)  
Email: [info@hcul.org](mailto:info@hcul.org)

**Testimony to the Oahu Real Property Tax Advisory Commission  
Tuesday, February 22, 2022  
2:00 PM, Via Videoconference**

To: Robert Mould, Chair  
Winston Wong, Vice-Chair  
Members of the Commission

Re: Tax Status of Hawaii's Credit Unions

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League, the local trade association for 48 Hawaii credit unions, representing over 867,000 credit union members across the state.

All Hawaii credit unions are nonprofit financial cooperatives chartered under the Federal Credit Union Act of 1934. That law was enacted in the midst of the Great Depression for the purpose of promoting thrift among members and creating a source of credit for provident or productive purposes. Now, in the wake of the COVID-19 worldwide pandemic, such affordable financial services are needed more than ever, especially by working residents and small businesses.

Unlike for-profit financial service providers that are able to access capital from external sources – such as issuing additional stock or acquiring subordinated debt – credit unions can strengthen their capital only by retention of net income. Capital is needed to support growth and as a reserve for contingencies.

Each credit union has a limited field of membership, pursuant to the aforementioned Federal Credit Union Act. Fields of membership can be occupation-based (such as employees of the state or county government), association-based (such as members of a church or labor union), or community-based (living or working within a defined local community).

Regardless of field of membership or asset size, all credit unions have nonprofit tax status because of their unique structure, purpose, and public benefit. Furthermore, credit unions do not have a competitive advantage over for-profit financial service providers.

- As to structure, unlike for-profit corporations whose financial benefits accrue to a relatively small group of investor-stockholders, financial benefits of nonprofit credit unions accrue to all member-owners – in the form of higher yields on savings, lower rates on loans, and lower or no fees on services. Unlike for-profit corporations where voting power is greater for those owning more stock, credit unions are democratically controlled, with each member having one vote, without regard to the amount on deposit. Additionally, unlike for-profit corporations, directors are unpaid volunteers who are elected by fellow members of the credit union without the use of proxies.

- As to purpose, credit unions fulfill the statutory purpose of promoting thrift among members and creating a source of credit for provident or productive purposes. Members come from all walks of life, as evidenced by the vast membership of Oahu credit unions mentioned earlier. Credit unions on Oahu have a membership rate of approximately 56 percent of the island's resident population, which is among the highest membership rates in the nation. That would not have been possible if the credit unions of Oahu were not fulfilling their purpose.
- As to public benefit, credit unions are an alternative provider of affordable financial services. Especially in this time of economic and financial uncertainty – when for-profit financial service providers have lowered deposit interest rates to almost zero, tightened loan underwriting standards, and raised fees – credit unions have been a welcome beacon of hope to their members. Non-members also benefit from having credit unions in the marketplace. Several independent researchers have found that credit unions have a moderating influence on bank pricing – thus, lowering bank loan rates and raising bank deposit interest rates.
- As to credit unions having a competitive advantage over for-profit financial service providers, credit unions must serve a limited field of membership and cannot serve everyone – in Hawaii and outside Hawaii – as banks can. In addition, the range of products and services credit unions are permitted to offer is far narrower than the range of products and services banks are permitted to offer, access to capital is far more limited for credit unions than for banks and thrift institutions, credit unions cannot compensate directors whereas other financial service providers can, and the list of differences goes on and on.

Credit unions should not be treated like for-profit financial service providers because they are inherently different in structure, purpose, and public benefit. Due to this fundamental difference in structure and ownership, **a tax on credit unions is a tax on its members**. **We respectfully recommend that the real property tax exemption in the City and County of Honolulu be left intact.**

Thank you for the opportunity to provide comments on this important issue.

## White, George

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**From:** Meylysa Duldulao <meylysa@gmail.com>  
**Sent:** Monday, February 21, 2022 1:25 PM  
**To:** White, George  
**Subject:** Written Testimony for 2-22-2022 Hearing of Oahu Real Property Tax Advisory Commission

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Aloha Members of the Oahu Real Property Tax Advisory Committee,

My name is Meylysa Duldulao, and I am writing in support of increasing the home exemption. My husband and I own and live in 303 Liliuokalani Ave, Apt 802, Honolulu, HI 96815. I agree that \$100,000 is not enough to keep up with the rapidly inflated housing prices.

It is especially difficult for seniors, like my mother, who owns her own condo in 1911 Kalakaua Ave, Apt 502. When she bought it in 2017, she paid \$205,000. Now units in the building are selling for \$338,000, and driving up the value of her property and her tax bill.

I am also writing to show concern over repealing the tax exemption for Credit Unions. I am speaking as a member of 2 credit unions. I would not want our credit union expenses to go up, as the increased costs will be dispersed to us members.

Finally, though I don't see Bill 4 on the agenda, I wanted to say that I support appropriate taxation of short term rentals in the residential zones, and for time shares to pay resort/hotel tax. My husband and I own a transient vacation unit at 1911 Kalakaua, Apt 608 in the Resort/Mixed Use Precinct of Waikiki Special District, and we are paying the Resort Property tax. We feel that all transient vacation units should pay the same tax as we do.

Mahalo for your time,

Meylysa Duldulao  
808-203-8338



Mey Duldulao

Check out <http://YesFinanciallyFree.com> and get your free Parents Guide to Financial Freedom

"Think of yourself as a role model for others-showing that you can be kind, generous, loving AND rich" -T Harv Eker from Secrets of the Millionaire Mind

## White, George

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**From:** Sarah Chinen <sarahchinen@gmail.com>  
**Sent:** Sunday, February 20, 2022 10:45 AM  
**To:** White, George  
**Subject:** Homeowner exemption

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

Dear Mr. White,

Please accept this as written testimony regarding our homeowner exemption.

My property taxes have been increasing due to the rising value of our home because of the real estate market. Years ago, the \$100,000 exemption made a big difference, when the house was worth about \$300,000. Nowadays, you can't find any homes on the market for less than \$800,000.

May I suggest a sliding scale of 30%, and 40% for kupuna of assessed value of the home for the exemption? That would be such a huge relief to homeowners.

To offset this decline in revenue to the City, increase the non-homeowner rates by 5%. As an investor, I would support this increase but not too much more because that would affect the rental rates to prospective and current tenants. Even though 5% sounds like too little, it would be based on today's inflated real estate market.

Thank you very much for your consideration,

Sarah Chinen  
PO Box 10592  
Honolulu, HI. 96816

(808) 352-0000



## White, George

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**From:** Y Yao <yyao2008@gmail.com>  
**Sent:** Monday, February 21, 2022 11:05 PM  
**To:** White, George  
**Subject:** Written testimony of the Property Tax Advisory Commission meeting on 2/22/22

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Aloha,  
Below is my testimony:

I support increasing the exemption amount, and I would suggest the amount be increased to at least 150,000.

I also want to provide feedback regarding Bill 4. Bill 4 should be passed in its current form, as it addresses two loopholes in the current property tax assessment concerning TVUs in the residential zoned districts.

The first loophole is TVUs in the residential zone paying only residential property tax. Transient vacation units in the resort zone, along with hotels, have been paying the hotel and resort property tax for decades. It is shocking to me when I found out the TVUS in the residential zones, which include TVUS with Non-conforming use certificates and TVUs in the A1-A2 apartment zone have always been paying the residential property tax. These TVUs in the residential zones are doing the same business as those in the resort zone and the hotels, but have not paid their fair share of property tax for decades. This is a loophole. I am glad Bill 4 will fix it.

The second loophole is timeshare units in the residential zones. First of all, I am shocked to find out timeshare units have been allowed in the residential zones. Secondly, they have been paying only residential property tax. Do you know that timeshare units are being advertised as TVUs on airbnbs? I hope this Bill 4 passes, so at least the property tax loophole regarding time share units can be addressed immediately.

Thanks.

Yang Yao

## White, George

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**From:** RAY SASAKI <rsasakijr@aol.com>  
**Sent:** Monday, February 21, 2022 3:39 PM  
**To:** White, George  
**Subject:** RE: Bill 7: Relating to Real Property Taxation

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Aloha Mr. White:

Please support & vote "yes" on Bill 7 to increase property exemption on Oahu.

Thank you for your consideration.

Mahalo,  
Raymond T Sasaki, Jr.

Sent from my iPad

## White, George

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**From:** Ethan Tomokiyo <tomo1004@gmail.com>  
**Sent:** Monday, February 21, 2022 5:28 PM  
**To:** White, George  
**Subject:** Bill 7

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Please support Bill 7!

~ Ethan Tomokiyo

Sent from my iPhone

## White, George

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**From:** Gayle Tomokiyo <gayletomo@gmail.com>  
**Sent:** Monday, February 21, 2022 9:00 PM  
**To:** White, George  
**Subject:** Bill 7

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Please support Bill 7.

Thank you,  
Gayle Tomokiyo  
Sent from my iPhone



## White, George

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**From:** patju@hawaii.rr.com  
**Sent:** Monday, February 21, 2022 7:01 PM  
**To:** White, George  
**Subject:** Testimony for Tues. Feb. 22 re `Oahu Property TaxExemption  
**Attachments:** Testimony for Tuesday, February 22, 2022 RE `Oahu Property Tax Exemption.docx  
**Importance:** High

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Aloha,

I am hoping that my Email and Attachment arrives in time for the Commission Meeting and that it reaches the right people in our City Government.

Patricia Jardin-Urieff

February 21, 2022

TO: George White

FROM: Patricia Jardin-Urieff

**SUBJECT: Testimony Regarding `Oahu Property Tax Emptions (including the home exemption).**

I am property owner and live at 1433 Brigham St. Hon, Hawaii 96817. My Email Address is [patju@hawaii.rr.com](mailto:patju@hawaii.rr.com) My phone number is (808) 291-0979.

I am currently 83 ½ years old. I currently have the home exemption.

My Recommendations:.

1. CONTINUE THE `OAHU PROPERTY TAX HOME EXEMPTION.
2. Give additional Tax Exemption to seniors who get documentation showing their DISABILITY. Rationale: we seniors who live with disabilities and who want/choose to remain living in our home/on our property have additional monthly and yearly big expenses: Prescription Drugs, payments for Yard Services, payments for persons who come to clean the house, payments to persons who come to give us a bath. `Oahu Senior Citizens, most of whom lived here all our lives. Now living with a Disability in/on one's property results in additional costs annually to maintain self in own home.

Thank you for a chance to let decision makers know the facts.