

BILL004(22)
Testimony

MISC. COMM. 81

BUDGET (BUD)

BUDGET (BUD) Meeting

Meeting Date: Feb 28, 2023 @ 09:00 AM

Support: 43

Oppose: 2

I wish to comment: 8

Name: Paul Nachtigall	Email: paulnachtigall333@gmail.com	Zip: 96734
Representing: Self	Position: Support	Submitted: Feb 23, 2023 @ 10:31 AM
<p>Testimony:</p> <p>Ordinance 22-007 placed Legal Resort Short Term Rentals into the Hotel and Resort category of property taxation. The 13.9 per assessed 1000 dollars is too high for simple condominium owners that legally rental in resort areas. Ordinance 22-007 caused values to increase and property tax assessments to skyrocket. In many cases property tax assessments doubled and with the quadrupling of property tax from 3.5 to 13.9 property taxes will now increase eight- fold. That is unbearable. I have no desire to cash out and move to Las Vegas. It would be more reasonable, as was done for Bed and Breakfast operations, to carve out a lower tax for Legal Resort Short term Rentals. They do not have income producing opportunities like hotels. High property taxes will drive resort rentals out of business. Legal resort short term rentals are mostly locally owned, contribute to our local economy, do not raise the price of local housing in residential neighborhoods, and deserve your kokua, not abusive tax punishment. Please amend this bill to carve out a lower tax category for legal Resort Short Term Rentals .</p> <p>Thank you for this opportunity to Comment.</p>		
Name: SharLyn Foo	Email: bpacker@maui.net	Zip: 96712
Representing: Self	Position: I wish to comment	Submitted: Feb 23, 2023 @ 11:28 AM
<p>Testimony:</p> <p>Aloha , It is obvious that the \$600,000 threshold is way off. When the average home on Oahu is values at \$1,000,000. Also residential A is an issue. Kauai is 2million for res A.Taxing residents out of their homes and penalizing proper use is unfair . Please consider your constituents.</p> <p>Mahalo ShatLyn Foo</p>		
Name: Thomas Merrick	Email: tom@waikikiplace.com	Zip: 96815
Representing: Self	Position: Support	Submitted: Feb 23, 2023 @ 12:29 PM
<p>Testimony:</p> <p>I strongly support getting a STR property tax rate change. My livelihood depends on the STR's we purchased, at a premium, in the legal RESORT ZONE. Last year the city council passed bill 41 that added huge fees to us that hotels don't have to pay in addition to reducing our occupancy. A 250sf hotel room next to us can have 4 adults yet we are twice the size (450 sf) and can only have a total of 2 occupants. Between all the new Bill 41 regulations it is killing us.</p> <p>-The STR's in the resort zone should never have been included in Bill 41 but now that they have we NEED to be made more equitable to the hotels</p> <p>- Last year Property Tax Administration Chief Steven Takara laid out a possible methodology for the Council to use when determining the rates that set the TVU rate at about 75% of the hotel and resort rate. BUT, to make up for all the fees and lost revenue from restrictions this needs to be more in the 65% range</p> <p>Please PASS this bill and set the new STR rate at 65% of Hotel rate.</p>		
Name: Jill Paulin	Email: jillpaulin@gmail.com	Zip: 96712
Representing: Friends of Kuilima	Position: Support	Submitted: Feb 24, 2023 @ 09:13 AM
Name: Paul Nachtigall	Email: paulnachtigall333@gmail.com	Zip: 96734
Representing: Self	Position: Support	Submitted: Feb 24, 2023 @ 10:28 AM
<p>Testimony:</p> <p>Unfortunately Ordinance 22-007 placed Legal Resort Short Term Rentals into the Hotel and Resort category of property taxation. The 13.9 per assessed 1000 dollars is too high for simple condominium owners that legally rent</p>		

in resort areas. Ordinance 22-007 caused property tax assessments to increase. In many cases property tax assessments doubled and with the quadrupling of property tax from 3.5 to 13.9 - property taxes will now increase eight- fold. That is unbearable. It is more than reasonable, as was done previously for Bed and Breakfast operations, to carve out a lower tax for Legal Resort Short term Rentals. Bill 4 does that thank you.

Unfair high property taxes drive resort rentals out of business. Legal resort short term rentals are mostly locally owned, contribute to our local economy, do not raise the price of local housing in residential neighborhoods, and deserve your kokua. Please pass this amended CD -2 bill to carve out a two tier system for both Bed and Breakfast and other Legal Short Term rentals as presented in the proposed amendment to Bill 4 CD-2

Thank you for this opportunity.

Paul E. Nachtigall

Name: Helena von Sydow	Email: helenavonsydow@gmail.com	Zip: 96731
Representing: Self	Position: Support	Submitted: Feb 24, 2023 @ 01:48 PM

Name: Michelle Yao	Email: yyao2008@gmail.com	Zip: 96816
Representing: Self	Position: Support	Submitted: Feb 25, 2023 @ 11:09 AM

Testimony:

I strongly support this measure. It is fair and reasonable, and ensures legal TVUs pay their right share of property taxes, as compared to hotel units. I applauded budget committee and councilman Say for your efforts in setting this up.

I do want to comment on the Residential A: Given the increase in the property value assessments, Residential A threshold should be adjusted for inflation and increased to at least 1.25M.

Thanks.

Name: Michael Heh	Email: Mikeheh100@gmail.com	Zip: 96731
Representing: Friends of Kuilima	Position: Support	Submitted: Feb 25, 2023 @ 01:37 PM

Testimony:

We support Bill 4 and Council Member Say's proposed CD2 to have two tiers for the new TVU classification and request the threshold between the two tiers be raised from \$600k to \$1.1m. We appreciate your work on Bill 4, including the acknowledgement that TVUs are not zoned like hotels and cannot therefore have amenities like shops, restaurants and stores that make up 49% of their income (per CBRE).

The two tiers will allow more affordable units to accommodate marginal renters, displaced residents, traveling nurses and others requiring temporary housing. It is estimated that 50% of the rooms in certain legal STR buildings accommodate non-vacationers. This is an important component of the island's affordable housing needs. Many of the "newly housed" on our island rely on these week-to-week rentals to put a roof over their heads.

The proposed TVU Tier 2 threshold level of \$600k does not reflect the current average value of TVUs/ NUCs on the island. The original intent of the tiers was to have one tax rate for values below the average and another rate for the portion above that average. A detailed analysis by Friends of Kuilima showed a weighted average value short-term rental property value of \$1.1m based on 2021/ 2022 data. This analysis only includes those exact properties that will be required to register and fall into the new TVU/NUC classification.

The DPP now has a list of those properties registered. This data, along with the newly updated NUC values, should give the Budget & Fiscal Services Department the information needed to calculate an appropriate threshold. If BFS cannot obtain this data, please raise the tier 2 threshold to \$1.1m based on the detailed data shared with Council Members in 2022. This older data is conservative given the increases in the most updated property values on the island.

Name: Wendy Barnfield	Email: wendy@ragingisle.com	Zip: 96712
Representing: Self	Position: Oppose	Submitted: Feb 25, 2023 @ 06:43 PM

Testimony:

With pending property tax hikes for TVU's being considered at outlandish proportions I do support Bill 4 and Council Member Say's proposed CD2 to have two tiers for the new TVU classification. I ask that the threshold between the two tiers be raised from \$600,000 to \$1.1 million at the minimum. I do appreciate the work done on Bill 4 and the acknowledgement that TVU's are not zoned like hotels and therefore can not have shops or restaurants or stores that make up 49% of their revenue (per CBRE). This excessive increase either is intended to put undo financial strain on the TVU owner to where they are forced to sell and therefore reduce or eradicate TVU's all together. This targeting of one group of citizens to "Dig Out " the financial whoas of the state is also very disturbing.

Sincerely,
Wendy Barnfield

Name: Vlad Gurovich	Email: vlad.gurovich@gmail.com	Zip: 96815
Representing: Self	Position: Support	Submitted: Feb 25, 2023 @ 10:30 PM

Testimony:
I Support Bill 4, but I ask the committee to increase the threshold to \$1.1million because it better represents the average value of a TVU today.

Name: Petra Rofoli	Email: petrarofoli@gmail.com	Zip: 96821
Representing: Self	Position: Support	Submitted: Feb 26, 2023 @ 08:19 AM

Testimony:
I support Bill 4, but I ask the committee to increase the threshold to \$1.1 million because it better represents the average value of a TVU today.

Name: Ken Kribel	Email: kkribel@icloud.com	Zip: 96792
Representing: Self	Position: Support	Submitted: Feb 26, 2023 @ 08:22 AM

Testimony:
I am in support of Bill004(22).
Homeowners should not pay the same property tax as hotels. Over 60% of big hotels revenue is generated through food and beverage. TVU owners do not provide food and beverage, thus eliminating any opportunity to generate additional income. Hotels should not be placed in a privileged position. Home owners are struggling while hotels are doing well.
I support Bill004.

Name: Penny Lloyd Bauer	Email: drpenny@connectionmedicine.com	Zip: 96792
Representing: Self	Position: I wish to comment	Submitted: Feb 26, 2023 @ 08:52 AM

Testimony:
I support Bill 4, but ask the committee to increase TVU tier threshold to \$1.1 million because it better represents the average value of a TVU today. Mahalo

Name: Hector Euredjian	Email: bat.hawaii@att.net	Zip: 96825
Representing: Self	Position: Support	Submitted: Feb 26, 2023 @ 08:53 AM

Testimony:
Aloha Council Members
While I support BILL004(22) I also ask to increase TVU Tier Threshold to \$1.1million.
Thank you for your consideration.

Name:	Email:	Zip:
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Graciela Euredjian	graciela@disounthotelshawaii.com	96825
Representing: Self	Position: Support	Submitted: Feb 26, 2023 @ 08:58 AM
<p>Testimony:</p> <p>I support BILL 004(22) however I request that Tier 1 be increased to properties valued above 1.1 million dollars.</p>		
Name: SharLyn Foo	Email: bpacker@maui.net	Zip: 96713
Representing: Self	Position: Support	Submitted: Feb 26, 2023 @ 09:04 AM
<p>Testimony:</p> <p>Aloha, I support bill 4 only in that It is completely wrong to tax legal rentals as hotels The threshold is unrealistic. We small local legal business folks cannot afford any increase at all Mahalo for your time</p>		
Name: Nicolle Kusterer	Email: nicollekusterer@gmail.com	Zip: 96825
Representing: Self	Position: Support	Submitted: Feb 26, 2023 @ 09:05 AM
<p>Testimony:</p> <p>I Support Bill 4, but I ask the committee to increase the threshold to \$1.1 million because it better represents the average value of a TVU today.</p>		
Name: Richie Zeng	Email: richzeng@gmail.com	Zip: 96815
Representing: Self	Position: Support	Submitted: Feb 26, 2023 @ 09:53 AM
<p>Testimony:</p> <p>I Support Bill 4 with one caveat. With the current threshold between TVU Tier 1 and Tier 2 (\$600,000), very few TVUs will be in Tier 1 and almost all will be in Tier 2. I propose increasing the threshold to \$1 to \$1.1 million because this was the average TVU value in 2021. This would allow a roughly equal number of TVUs in Tier 1 and Tier 2.</p> <p>Thank you for your consideration.</p>		
Name: Brian Biggers	Email: oceanfrontforme@gmail.com	Zip: 96815
Representing: Self	Position: Support	Submitted: Feb 26, 2023 @ 12:04 PM
<p>Testimony:</p> <p>I have listed (for sale) some of the condotels that I own because they just don't make sense from a return on investment standpoint.</p> <p>Aside from the zero income (while I still had to pay PROPERTY TAXES , HOA dues, and insurance) during the worst of the pandemic/quarantine rules for visitors (and then meager income for a long time that did not come close to covering the expenses), the major factor that leads to less income (return on the money invested) IS PROPERTY TAXES THAT ARE SEVERAL TIMES HIGHER than what would be due on other real estate purchased at the same price, either here on the mainland or in Waikiki, but not IN THE HOTEL/RESORT ZONE.</p> <p>Hopefully, this bill will lead to a lowering of the onerous property taxes (BTW: the assessed value of many of my condotels and other for-sale real estate that I look at on-line, is MORE than the listing prices !) that we (owners of condotels) are paying on property classified as being in the "Waikiki Resort/Hotel Zone".</p>		

I sure hope this passes.

Please consider raising the Tier 1 limit to 1.1 million (from the proposed \$600,000) ...not only because the assessed valuation of some of my condotels is more than \$600,000 (and again, I believe the assessment of property tax at a tax rate that is 3 to 4 times as high as non hotel zone condos is GOUGING/ONEROUS), but also because your assessment team likes to give them assessed valuations FOR MORE THAN THEY CAN BE SOLD AT !

Name: Maurice Schreiber	Email: mschreiber718@gmail.com	Zip: 52411
Representing: Self	Position: I wish to comment	Submitted: Feb 26, 2023 @ 12:27 PM

Testimony:
I support Bill 4 but ask the ask the committee to increase the threshold to \$1.1 million because it better represents an average value of the current TVU's in today's market.
Mahalo,
Mo Schreiber

Name: Brett Hulme	Email: bhulme87@gmail.com	Zip: 52411
Representing: Self	Position: I wish to comment	Submitted: Feb 26, 2023 @ 12:43 PM

Testimony:
I support Bill 4 but ask the ask the committee to increase the threshold to \$1.1 million because it better represents an average value of the current TVU's in today's market.
Mahalo,
Brett Hulme

Name: Marina Borovok	Email: miborovok@gmail.com	Zip: 96791
Representing: Waialua Vacation Rentals LLC	Position: I wish to comment	Submitted: Feb 26, 2023 @ 12:55 PM

Testimony:
I support Short Term Rentals on the North Shore, Oahu.
There are no hotels to accommodate affordable needs of the working families. Short term rentals would provide this opportunity.
I strongly support Short Term Rentals on the North Shore, Oahu.

Name: Ximena Leal	Email: paola2550@outlook.com	Zip: 96825
Representing: Self	Position: Oppose	Submitted: Feb 26, 2023 @ 01:20 PM

Testimony:
We don't support this Bill because we believe it will allow TVU properties to be taxed even if it is below Hotel/Resort rates, it will still affect the overall value and revenue for a small business owner trying to make ends meet in such struggled economy. If anything we want to ask our legislators to INCREASE the threshold between TVU Tier 1 and Tier 2 from \$600,000 to \$1.1million which was the average TVU value in 2021.
Mahalo for your time.

Name: Jennifer Choi	Email: jenniferchoi549@hotmail.com	Zip: 96740
Representing: Self	Position: Support	Submitted: Feb 26, 2023 @ 01:48 PM

Testimony:
I'll ask the committee to increase the threshold to 1.1 million because it better represents the value of a TVU today

Name:	Email:	Zip:
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Kent Whelihan	whelihankent@gmail.com	96815
Representing: Self	Position: Support	Submitted: Feb 26, 2023 @ 02:24 PM
<p>Testimony:</p> <p>Hello,</p> <p>As a TVU owner in the legally approved Hotel/Resort zone, I would like to voice my support for this Bill. Without this Bill, TVUs will be taxed at the Hotel/ Resort rate of \$13.9 per each \$1,000 of assessed property value. This could be as much as 4 times the regular residential property tax rate. This bill introduces new TVU tax classification that can may allow for a tax rate for legal TVUs which is at a fair & equitable level.</p> <p>Thanks you.</p>		
Name: Barbara Barry	Email: barbaraabarry@gmail.com	Zip: 92625
Representing: Self	Position: Support	Submitted: Feb 26, 2023 @ 02:39 PM
<p>Testimony:</p> <p>I support bill 00422 and also ask to increase TVU Tier Threshold to \$1.1million!</p>		
Name: Paul Swart	Email: paul@starnet.com	Zip: 95132
Representing: Self	Position: Support	Submitted: Feb 26, 2023 @ 02:52 PM
<p>Testimony:</p> <p>To the Budget Committee,</p> <p>A Tier-1 Class for TVU properties with a tax base below \$600K, as proposed in Bill 4, seems to low. The vast majority of TVUs have taxable values of far more than \$600K.</p> <p>I would think the Tier-1 be UP to \$1m and Tier-2 in excess of \$1m.</p> <p>Thank you</p>		
Name: Lia Bosch	Email: apnlodging@twc.com	Zip: 96815
Representing: APN Lodging & Concierge LLC	Position: Support	Submitted: Feb 26, 2023 @ 08:18 PM
<p>Testimony:</p> <p>I am writing to express my strong support for reducing taxes on transient vacation unit (TVU) rentals and to request an increase in the TVU Tier threshold to \$1.1 million. As someone who has experienced firsthand the benefits of vacation rentals, I believe that such a reduction and threshold increase will have a positive impact on both the tourism industry and the local economy.</p> <p>Vacation rentals have become an increasingly popular option for travelers who seek a more personalized and affordable way to explore new destinations. In many cases, TVUs provide a unique and memorable experience that cannot be replicated by traditional hotel stays. Furthermore, vacation rentals are often managed by local residents, which means that the revenue generated by these properties stays within the community, providing a boost to small businesses and the local economy.</p> <p>However, the current tax burden on TVU rentals is significant, which makes it difficult for property owners to keep their prices competitive while maintaining their properties to high standards. This tax burden also puts a strain on local businesses, as visitors have less money to spend on dining and other activities. By reducing taxes on TVU rentals, we can ensure that these properties remain a viable and attractive option for travelers, while also supporting the growth of the tourism industry and the local economy.</p> <p>Furthermore, an increase in the TVU Tier threshold to \$1.1 million will provide relief to small-scale operators who are currently struggling to stay afloat in a challenging economic climate. Many of these operators are already burdened by high operational costs, and additional taxes could be the tipping point that forces them to close their doors. By increasing the threshold, we can</p>		

help these small-scale operators continue to provide unique and valuable vacation experiences, while also supporting the growth of the local economy.

In conclusion, I urge you to consider reducing taxes on TVU rentals and increasing the TVU Tier threshold to \$1.1 million. Doing so will provide significant benefits to the tourism industry and the local economy, while also ensuring that travelers continue to have access to high-quality, affordable vacation rentals.

Thank you for your time and consideration.

Name: Nancy Noll	Email: jimmynoll@yahoo.com	Zip: 92084
Representing: Self	Position: Support	Submitted: Feb 26, 2023 @ 08:31 PM

Testimony:

Dear Committee Members,

Please vote YES on Bill 4 CD2!

I am an owner of a legal TVU and think that this bill with the addition of the new TVU tax classification is a much fairer way to assess tax rate. My TVU shouldn't be taxed the same as a hotel because I can't offer all the extra services and amenities that a hotel can provide and make money on. My TVU is a condo with no amenities other than a public pool, basically the same as a single family home.

Thank you for your consideration.

Nancy Noll

Name: Karen Luke	Email: nahele@yahoo.com	Zip: 96706
Representing: Self	Position: I wish to comment	Submitted: Feb 26, 2023 @ 09:34 PM

Testimony:

The TVU Tier threshold should be no less to \$1.1million--the median price.

Name: Michael Brant	Email: michaeljbrant@hotmail.com	Zip: 96815
Representing: Self	Position: Support	Submitted: Feb 26, 2023 @ 10:03 PM

Testimony:

Yes! Fair and reasonable. And timely, with the huge increases in new property assessments!

Name: Thomas Edwards	Email: onvaconhi@aol.com	Zip: 96822
Representing: Self	Position: Support	Submitted: Feb 26, 2023 @ 11:26 PM

Testimony:

I Support Bill 4, but I ask the committee to increase the threshold to \$1.1million because it better represents the average value of a TVU today.

Name: Jane Moy	Email: snow2136@netzereo.net	Zip: 60615
Representing: Self	Position: Support	Submitted: Feb 27, 2023 @ 02:13 AM

Testimony:

Dear Honorable Council Members,

I support Bill 4 (CD2) (22) with one request below. I am a small independent owner of a short-term rental condo and rely on the

income for my retirement. I believe other TVUs and I should not be taxed at the higher Hotel/ Resort rate of \$13.9 per each \$1,000 of assessed property value. This could be as much as 4 times the regular residential property tax rate. My condo is in a building with few amenities like a full kitchen, a pool and a garage but it does not have all the conveniences of a hotel such as: commercial stores, entertainment, convention spaces and restaurants that bring in extra big revenue for the hotels. This bill introduces new TVU tax classification with two tiers of properties: Tier 1 for properties valued at \$600,000 or less and Tier 2 for properties with value of more \$600,000. I respectfully ask our legislators to INCREASE the threshold between TVU Tier 1 and Tier 2 from \$600,000 to \$1.1million which was the average TVU value in 2021. This would be a fairer guide for short-term rental owners based on average value, other wise the majority of TVUs could be forcibly squeezed to the higher tax bracket leading to possible insurmountable loss and costs with less income. Also possibly devaluating the property by making our short-term rentals less attractive to buyers in a higher tax bracket, forcing us to sell our TVUs for much less.

Thank you for your time and consideration,
Jane Moy and family

Name: Alexei Semenikhine	Email: avsea@hotmail.com	Zip: 96744-4051
Representing: Self	Position: Support	Submitted: Feb 27, 2023 @ 06:54 AM

Testimony:
Aloha kkou,
I would like to support this Bill as it sorely needed.
It would better reflect the facts on the ground, will offer a much needed update to the current system, and redistribute the tax burden in a much fairer way, helping everyone in the process.
Mahalo nui,
Alexei Semenikhine

Name: James Spinello	Email: james@stuffsf.com	Zip: 96815
Representing: Self	Position: Support	Submitted: Feb 27, 2023 @ 07:54 AM

Testimony:
I support this bill. however Please increase the TVU Tier threshold to 1.1 million to help small property owners like myself.

Thank you for your time and understanding
James Spinello
owner of a small unit at the Waikiki Banyan
this is my retirement plan for Hawaii

Name: William Lenker	Email: will@stuffsf.com	Zip: 96815
Representing: Self	Position: Support	Submitted: Feb 27, 2023 @ 07:56 AM

Testimony:
Thank you for your time
I Support this with one adjustment to raise the TVU tier threshold to 1.1 million. This will really help
William Lenker

Name: Aimee Agnew	Email: aagnew2012@gmail.com	Zip: 99503
Representing: Self	Position: Support	Submitted: Feb 27, 2023 @ 08:04 AM

Testimony:
I support Bill 4 and Council Member Say's proposed CD2 to have two tiers for the new TVU classification. I ask that the threshold between the two tiers be raised from \$600k to \$1.1m.
I appreciate your work on Bill 4, including the acknowledgement that TVUs are not zoned like hotels and cannot therefore have

amenities like shops, restaurants and stores that make up 49% of their income (per CBRE).

The two tiers will allow more affordable units to accommodate marginal renters, displaced residents, traveling nurses and others requiring temporary housing. It is estimated that 50% of the rooms in certain legal STR buildings accommodate non-vacationers. This is an important component of the island's affordable housing needs. Many of the "newly housed" on our island rely on these week-to-week rentals to put a roof over their heads.

The proposed TVU Tier 2 threshold level of \$600k does not reflect the current average value of TVUs/ NUCs on the island. The original intent of the tiers was to have one tax rate for values below the average and another rate for the portion above that average. A detailed analysis by

Friends of Kuilima showed a weighted average value short-term rental property value of \$1.1m based on 2021/ 2022 data. This analysis only includes those exact properties that will be required to register and fall into the new TVU/NUC classification.

The DPP now has a list of those properties registered. This data, along with the newly updated NUC values, should give the Budget & Fiscal Services Department the information needed to calculate an appropriate threshold. If BFS cannot obtain this data, please raise the tier 2 threshold to \$1.1m based on the detailed data shared with Council Members in 2022. This older data is conservative given the increases in the most updated property values on the island. Thank you.

Name: Jason Agnew	Email: agnew_jason@yahoo.com	Zip: 99503
Representing: Self	Position: Support	Submitted: Feb 27, 2023 @ 08:07 AM

Testimony:

I support Bill 4 and Council Member Say's proposed CD2 to have two tiers for the new TVU classification. I ask that the threshold between the two tiers be raised from \$600k to \$1.1m.

I appreciate your work on Bill 4, including the acknowledgement that TVUs are not zoned like hotels and cannot therefore have amenities like shops, restaurants and stores that make up 49% of their income (per CBRE).

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Name: Randall Moss	Email: rmosshi2017@gmail.com	Zip: 99503
Representing: Self	Position: Support	Submitted: Feb 27, 2023 @ 08:08 AM

Testimony:

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Name: Sharon Moss	Email: smosshi2017@gmail.com	Zip: 99503
Representing: Self	Position: Support	Submitted: Feb 27, 2023 @ 08:09 AM

Testimony:

I support Bill 4 and Council Member Say's proposed CD2 to have two tiers for the new TVU classification. I ask that the threshold between the two tiers be raised from \$600k to \$1.1m.

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Name: Mitch Maxwell	Email: mitchatbt@aol.com	Zip: 96707
Representing: Self	Position: Support	Submitted: Feb 27, 2023 @ 08:28 AM

Testimony:

I strongly support this bill, and urge you to pass it. TVUs are being attacked on all fronts, and owners of LEGAL TVUs are being treated like criminals. It's simply not fair. Taxing TVUs at resort/hotel rates would be a huge slap in the face, since TVUs have not been given resort/hotel status. Please stop the madness that the hotel lobby has pushed for, and think about your responsibility to serve ALL of the people, not just powerful groups.

Name: lillie mcafee	Email: lilliemcafee@gmail.com	Zip: 96792
Representing: Self	Position: Support	Submitted: Feb 27, 2023 @ 08:31 AM

Testimony:

I support HB 4 and ask that the limit onTVU tier threshold be increased to 1.1 million.		
Name: Theresa Harden	Email: th@invest808.com	Zip: 96815
Representing: Self	Position: Support	Submitted: Feb 27, 2023 @ 08:46 AM
<p>Testimony:</p> <p>BILL004(22)</p> <p>I support Bill 4 because the legal short term rental owners in the resort zoned areas have been overtaxed most of them since 2017 by being over charged by 4 times the homeowner rate. If you compare the SQFT to the income, hotels can afford the resort / hotel property taxes however one unit owner with 200 SQFT to \$20,000 income annually or 500 SQFT units making \$40,000 annually, the penalty is clear assessing TVU/STR the same as resort/hotels is unreasonable, not fair and intended to penalize or deter the legally operating unit owners. Hotels also have far more income streams from their hotels with the many vendors / businesses who pay the hotel a percentage of their income in addition to resort fees and other fees. Additionally, should a tier system be created based on value, then the higher tier should be \$1.2 million and not \$600,000 as property values have increased drastically over the past decades.</p>		
Name: Dawn Borjesson	Email: Friendsofkulima@gmail.com	Zip: 99801
Representing: Friends of Kuilima	Position: Support	Submitted: Feb 27, 2023 @ 08:49 AM
<p>Testimony:</p> <p>To the honorable council members of the Budget Committee, I thank you for the opportunity to supply written testimony for the Bill relating to tax valuations for Short term rentals.</p> <p>Friends of Kuilima supports Bill 4 as currently written for 2 tiers relating to property tax for purposes of determining the annual tax calculation on Short Term Rentals. We also support the separate category classification for transient vacation units rented for less than 180 days.</p> <p>However, we disagree with the tier one median threshold of \$600,000 for property valuation. This amount is not an accurate median valuation and should be amended to be more reflective of current values. We ask this amount be changed to \$1.1 million. Given the current estimated values, the number of properties in this cohort, and considering over the past several years property values have doubled, the lower threshold equates to significant tax increase. As a result, if the first threshold remains at \$600,000~ it will likely have the opposite effect intended. Property owners may discontinue offering needed affordable short term housing alternatives or sell the properties altogether. In either case that reduces or dramatically eliminates that tax revenue the City and County uses for support services.</p> <p>We respectfully ask the committee to support this bill with the increased tier 1 threshold we propose.</p> <p>Mahalo</p>		
Name: G Grand	Email: buttery.ballots_0w@icloud.com	Zip: 96791
Representing: Self	Position: Support	Submitted: Feb 27, 2023 @ 10:57 AM
<p>Testimony:</p> <p>On behalf of myself, our community, we beseech you to VOTE YES in support of Bill 4 to CD2. Without this Bill, TVUs could potentially be taxed at the Hotel/ Resort rate of \$13.9 per each \$1,000 of assessed property value. This could be as much as FOUR times the regular residential property tax rate. It seeks to destroy the 40+ years of our local cottage industry members to urge for REGULATION, NOT ELIMINATION, that we have sought. The vast majority of us have complied in every way we can so we can sustain ourselves without your efforts to the contrary. We have managed firmly for all neighborhood concerns, paid our taxes, registered & complied, and worked with City Officials to build TRUST. It's so easy to cave in via the unlimited resources the offshore American Hotel Associations; the Hotel Unions have to "influence" your decisions, so they have a compete monopoly. As a cap-rate of just 10% of their increased hotel rental incomes, the Hotel CARTEL here in Hawaii have billions at stake to</p>		

engineer their strategies against us: You only have your integrity and the many many thousands of constituents who voted you to represent us. We have grown up here, our kids and grandkids have taken pride in learning the hospitality & service business. We cannot grease your governmental machine like the Hotels can, but we demand you stick up for our rights as well.

We know these mainland based CARTELS are trying to capture you for their own greedy ends, and locals like us having to suffer. As you know from our City countersuit, how dare the government steal without compensation or real care our state & federal constitutional rights as long as we remain respectful guardians. PLEASE don't flush our entire cottage industry down the toilet when there are just a few bad apples that are not even trying to comply: Eliminate them, but not all the rest of us that over the decades, have responsibly done our best to pay huge taxes (still much needed), and complied as best we can.

The Grassroots Institute and many others have unequivocally shown the nonsense indoctrination of STR causing The Housing Crisis, crime, and other problems. There has been so much indoctrination going on politically that the people of Hawaii cannot trust the government to really look out for all the little people. We need you to stand with us, regulate, not put an end to us and our livelihoods. An increase of TAT tax to 25% for only Short Term rentals and not Hotels? Don't YOU and YOUR kids want equal justice under the law too? Do you really want us to fire so many of the people we employ that would not be employed under our longer-term rentals? Over the decades, countless Property Managers have testified how under the Hawaii Landlord-Tenant Law, long-term renters are the ones with the vast majority of Police complaints, causing the most crime, and cannot be booted out efficiently if they cause other troubles. You got to trust in these professionals that know management like we would hope you know the law. Don't be fooled by the slick lies that these heartless hotel lobbyists try to trick you with. Month-to-month rentals have always been huge in Hawaii and you'd be killing those as well. Mind you, I personally rented on a 'month-to-month basis the same home for 27.5 years because that's what was only offered. Don't let the Hotel Goliaths entice you to phase out permitted or STR's in any zoning classifications. It decimates your constituents, and we will never forget or forgive. We need you to stand and deliver for us. Please: NO to both

Name: Ted Kefalas	Email: tkefalas@grassrootinstitute.org	Zip: 96814
Representing: Grassroot Institute of Hawaii	Position: I wish to comment	Submitted: Feb 27, 2023 @ 01:47 PM

Name: Iris Kahaulelio	Email: iriskahaulelio@gmail.com	Zip: 96791
Representing: Self	Position: Support	Submitted: Feb 27, 2023 @ 02:59 PM

Name: Levi Brooker	Email: levibrooker@gmail.com	Zip: 90293
Representing: Self	Position: Support	Submitted: Feb 27, 2023 @ 04:32 PM

Testimony:
I support this bill. TVUs are not granted the same rights as hotels and thus make far less profit, which means they clearly should not be taxed as the same property type. Additionally, there should not be a higher tax rate based on higher assessed values seeing as those properties already have higher mortgage balances and pay much higher monthly GET, TAT and OTAT amounts.

Name: Harald von Sydow	Email: nztrendshi@gmail.com	Zip: 96731
Representing: Self	Position: Support	Submitted: Feb 27, 2023 @ 06:07 PM

Testimony:
Aloha Chair Cordero and Budget Committee Members,
I support Bill 4 and Council Member Say's proposed CD2 to have two tiers for the new TVU classification.
I ask that the threshold between the two tiers be raised to \$1.1m.
The two tiers will allow more affordable units to accommodate marginal renters, displaced residents, traveling nurses and others requiring temporary housing.
It is estimated that 50% of the rooms in certain legal STR buildings accommodate non-vacationers. This is an important component of the island's affordable housing needs. Many of the "newly housed" on our island rely on these week-to-week

rentals to put a roof over their heads.

I ask that the Committee reconsider the threshold level of \$600k as this does not reflect the current average value of TVUs/ NUCs on the island.

A detailed analysis by Friends of Kuilima showed a weighted average value short-term rental property value of \$1.1m based on 2021/ 2022 data. This analysis only includes those exact properties that will be required to register and fall into the new TVU classification. The DPP now has a list of those properties that will be registered.

Again I ask please raise the tier 2 threshold to \$1.1m based on the detailed data shared with Council Members in 2022.

Mahalo,

Harald von Sydow

Name: Rachel O'Sullivan	Email: keala.osullivan@hotmail.com	Zip: 96734
Representing: Self	Position: I wish to comment	Submitted: Feb 27, 2023 @ 07:44 PM

Name: Patricia Lille	Email: lillepat@cox.net	Zip: 96816
Representing: Self	Position: Support	Submitted: Feb 28, 2023 @ 05:44 AM

Testimony:
Please Increase TVU Tier Threshold to \$1.1 million

Name: Shannon Heath	Email: sbheath@icloud.com	Zip: 96731
Representing: Self	Position: Support	Submitted: Feb 28, 2023 @ 07:52 AM

Testimony:
I strongly support the Bill 4, CD2 proposal for a two tier value threshold for the new TVU classification. I respectfully ask that the tier 1, or base amount, threshold be raised from \$600k to \$1.1m to more appropriately reflect current real property values.

Name: Michael J Roberts	Email: lucypoints64@yahoo.com	Zip: 96731
Representing: Self	Position: Support	Submitted: Feb 28, 2023 @ 07:58 AM

Testimony:
I support the Bill 4, CD2 proposal for a two tier value threshold for the new TVU classification. I ask that the tier 1, or base amount, threshold be raised from \$600k to \$1.1m to more appropriately reflect current real property values.

February 24, 2023

Aloha Chair Cordero and Budget Committee Members,

I support Bill 4 and Council Member Say's proposed CD2 to have two tiers for the new TVU classification. I ask that the threshold between the two tiers be raised to \$1.1m.

The two tiers will allow more affordable units to accommodate marginal renters, displaced residents, traveling nurses and others requiring temporary housing.

It is estimated that 50% of the rooms in certain legal STR buildings accommodate non-vacationers. This is an important component of the island's affordable housing needs. Many of the "newly housed" on our island rely on these week-to-week rentals to put a roof over their heads.

I ask that the Committee reconsider the threshold level of \$600k as this does not reflect the current average value of TVUs/ NUCs on the island.

The original intent of the tiers was to have one tax rate for values below the average and another rate for the portion above that average. A detailed analysis by Friends of Kuilima showed a weighted average value short-term rental property value of \$1.1m based on 2021/ 2022 data. This analysis only includes those exact properties that will be required to register and fall into the new TVU classification. The DPP now has a list of those properties that will be registered. This data, along with the newly updated NUC values, should give the Budget & Fiscal Services Department the information needed to calculate an appropriate threshold. If BFS cannot obtain this data, please raise the tier 2 threshold to \$1.1m based on the detailed data shared with Council Members in 2022.

Mahalo,

Jill Paulin
Haleiwa, HI
Friends of Kuilima

February 24, 2023

Aloha Chair Cordero and Budget Committee Members,

We appreciate your work on Bill 4, including the acknowledgement that TVUs are not zoned like hotels and cannot therefore have amenities like shops, restaurants and stores that make up 49% of their income (per CBRE)."

I support Bill 4 and Council Member Say's proposed CD2 to have two tiers for the new TVU classification.

I ask that the threshold between the two tiers be raised to \$1.1m

The two tiers will allow more affordable units to accommodate marginal renters, displaced residents, traveling nurses and others requiring temporary housing.

Please pass this amended CD -2 bill to carve out a two tier system for both Bed and Breakfast and other Legal Short Term rentals, by raising the tier 2 threshold from \$600k to \$1.1m to reflect the current TVU/ NUC average value.

Thank you for this opportunity.

Helena von Sydow

Kuilima Estates West



February 28, 2023

9 a.m.

Honolulu City Council Chambers

To: Honolulu City and County Council Committee on Budget

Councilmember Radiant Cordero, Chair

Councilmember Matt Weyer, Vice Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: Bill 4 CD1 (2022) — RELATING TO REAL PROPERTY TAXATION

Comments Only

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on [Bill 4 CD1 \(2022\)](#), which would create a new “transient vacation” classification and would clarify the definitions of the “bed and breakfast home,” “hotel and resort” and “residential A” classifications.

The proposed CD2 for this bill would create valuation tiers for the transient vacation and bed-and-breakfast classes. Properties valued at under \$600,000 would fall into one tier and those valued above \$600,000 would comprise the other.

While this bill reasonably states that timeshare units are to be taxed in the hotel and resort class, it is perplexing why transient vacation rentals should be taxed at a different rate than hotels, since they serve a similar purpose of offering short-term accommodations.

The committee would be wise to consider the economic benefits of short-term rentals before creating a new tax classification that would give rise to a discriminatory — if not “punitive” — tax rate. One 2018 study of short-term rentals on Oahu concluded they provided 12,000 jobs, an

annual \$129 million in tax revenue, \$564 million in household income and \$2 billion in spending.¹

Should the committee move forward with this new classification, we would suggest that the valuation tiers in the CD2 bill be raised from \$600,000 to at least \$1 million, or removed for bed-and-breakfast homes entirely.

Very few single-family homes on Oahu are valued at under \$600,000, so this low valuation tier would likely not provide any tax benefits to short-term rental or bed-and-breakfast owners.

Instead, the higher tax rate would be a severe burden to existing bed-and-breakfast and short-term rental owners.

Further, we suggest that the committee take this opportunity to amend the Residential A tier 2 class to raise the valuation from \$1 million to at least \$2 million — if not get rid of the threshold completely.

The Residential A classification was created for fiscal year 2015 and tiered beginning in fiscal year 2018.² Today, this classification creates a significant tax burden for landlords — even those renting to working class families.³

For properties valued less than \$1 million, the current residential A rate is \$4.50 per \$1,000. Properties valued over \$1 million face a \$10.50 per \$1,000 rate. Meanwhile, owner-occupied homes face a rate of \$3.50 per \$1,000.

For families who may own two homes and rent one and live in the other, this residential A classification can be disruptive, especially since the median home value on Oahu hovers near \$1 million — the point at which the tax burden on a home in the residential A class would be more than doubled.⁴

A family in such a situation would be doubly burdened. Not only would ownership of their home and a second rental home disqualify them from obtaining the lower homeowner rate or

¹ [“Economic Impact of Alternative Accommodations on Oahu,”](#) Kloninger & Sims Consulting, LLC, July 23, 2018, p. 1

² [“Residential A,”](#) accessed Feb. 23, 2023.

³ Jim Howe and Linda Howe, [“Blangiardi, Kiaaina Must Act On 'Residential A' Property Taxes,”](#) Honolulu Civil Beat, Jan. 5, 2023.

⁴ [“Statewide Housing Statistics,”](#) Title Guarantee Hawaii, Jan. 2023.

any of the homeowner exemptions, but it could also push them into the significantly higher residential A tier 2 bracket, if those homes were valued just above \$1 million.

Keep in mind that the tax rates for the upcoming fiscal year are based on assessments that are lagged about a year. In October 2022, when assessments for fiscal year 2024 were completed, the median sales price of a single-family home was \$1,050,000.⁵

In effect — instead of being narrowly tailored to tax luxury second homes at a higher rate than owner-occupied homes — this classification also would impose additional costs on both landlords and renters.

This discrimination against rental properties is not found anywhere else in the state. Kauai and Maui both offer separate classifications and relatively lower rates for long-term rentals, while Hawaii county offers a lower rate for affordable rentals.⁶

If the Honolulu Council believes Residential A should be kept around at all, it should also consider creating a separate classification for long-term rentals, as well as increasing the tier 2 value to at least \$2 million.

Thank you for the opportunity to testify.

Sincerely,

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

⁵ “[Statewide Housing Statistics](#),” Title Guarantee Hawaii, Oct. 2022.

⁶ “[Real Property Tax Rates for Tax Year July 1, 2022 to June 30, 2023](#),” Real Property Assessment Division, Department of Budget and Fiscal Services, City and County of Honolulu. Aug. 2022.

Testimony in support:
HB 4 CD2

Submitted by:
Iris Kahaulelio
66-815 Kaukonahua Rd.
Waialua, HI 96791

Dear Members of the Budget Committee,

My name is Iris Kahaulelio. I have been a science teacher at Kahuku High School since 1994 and my husband has worked for the City & County of Honolulu, Department of Environmental Services since 2007. We have five children and live in Waialua. Through the discipline of saving and having good credit, we were able to purchase our first home in 2000 and an investment property in 2014. The investment property was a way to supplement our income to offset the high cost of living here on Oahu and to ultimately leave both properties to our children.

Like many working families, we are living paycheck to paycheck so understandably we support any bill that will prevent another financial burden. Creating new tax classifications for transient vacation units on Oahu will allow us to pay less in property taxes than the current resort/hotel tax rate. Without this Bill, TVUs will be taxed at the Hotel/ Resort rate of \$13.9 per each \$1,000 of assessed property value. This could be as much as 4 times the regular residential property tax rate.

I urge you to support HB 4.

Also, please increase the TVU Tier Threshold to \$1.1million.

Mahalo for your consideration,
Iris Kahaulelio

DATE: FEBRUARY 28, 2023

TO: CITY COUNCIL

FROM: RACHEL O'SULLIVAN

SUBJECT: BILL4 (2022), CD1

WRITTEN TESTIMONY RELATING TO REAL PROPERTY TAXATION

The following is my comment to Bill4 (2022), CD1:

My Kupuna and I were born and raised on Oahu. I have lived in my house since 1991; where I raised my children; am 72 years old and hope to retire soon. Recently, the real property taxes on my house built in 1961 has skyrocketed beyond belief. Unless a substantial adjustment is made very soon to the real property taxes for long-time residents of the County of Honolulu, I will not be able to retire and may be forced to work until the day I die, or, sell my home and move out-of-state like so many of my close friends and relatives.

Recently, I requested and received from the Real Property Assessment Division a copy of the properties in my neighborhood used to determine my proposed assessment effective August 2023. To my surprise one of the properties included in my assessment was classified as Residential A.

Under the list of Real Property general classes, Residential and Residential A are in separate property tax classification. Residential is briefly defined as "any property used for residential purposes, and eligible to claim a home exemption." Residential A is a parcel, or portion thereof, does not have a home exemption and the owner may not be a resident. Likewise, the valuation of my Residential property should not be included and compared with other classes, i.e., Hotel and resort, commercial, preservation, etc... This inequity of unfairly determining my Residential real property tax valuation to include Residential A properties is unacceptable and must be corrected going back to when the Residential A classification was created via Bill 42 (2013) which became Ord 13-33, effective tax years beginning July 1, 2014.

Please include appropriate language in this bill to clearly define the valuation process of Residential and Residential A property tax classification. Lastly, the algorithm and residential valuation process used to assess residential properties must be corrected by the Real Property Assessment Division to only assess Residential properties and exclude Residential A properties.