



**HONOLULU CITY COUNCIL**  
**KE KANIHELA O KE KALANA O HONOLULU**  
CITY AND COUNTY OF HONOLULU

**COMMITTEE ON HOUSING,  
SUSTAINABILITY AND HEALTH**

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**Voting Members:**

Matt Weyer, Chair  
Esther Kia'āina, Vice Chair  
Tyler Dos Santos-Tam  
Val A. Okimoto  
Augie Tulba

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**AGENDA  
ADDENDUM**

REGULAR MEETING  
CITY COUNCIL CHAMBER  
WEDNESDAY, SEPTEMBER 25, 2024  
2:30 P.M.

Pursuant to Section 92-3.7, Hawai'i Revised Statutes, this meeting will be conducted as a remote meeting by interactive conference technology, with the following procedures in effect for the meeting:

The meeting will be viewable: (1) by internet live streaming through <https://www.honolulu-citycouncil.org/meetings>; (2) by televised live broadcast on 'Ōlelo TV Channel 54; and (3) on the monitor situated outside the Council Chamber. Viewers who experience a loss of viewing signal should try switching to another viewing option.

After the meeting, the meeting will be viewable on demand at <https://www.honolulu-citycouncil.org/meetings>. 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.

Remote and in-person oral testimony will be permitted on all items on the agenda when each agenda item is taken up. Each speaker may not have anyone else read their statement and is limited to a one-minute presentation.

**Remote Testimony**

1. For direct access to submit oral testimony call: +1-253-215-8782, enter ID **85496155810** and Passcode **809357**.
2. To testify by videoconference visit: <https://hnlidoc.ehawaii.gov/hnlidoc/testimony>. Videoconference access information will be provided upon registration. Testifiers are encouraged to register/submit testimony at least 24 hours prior to the meeting.

Persons wishing to testify in-person in the Council Chamber are requested to register by 2:30 p.m. by filling out the registration form in person outside the Council Chamber. Persons who have not registered will be given an opportunity to speak following the oral testimonies of the registered speakers.

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Written testimony may be uploaded at <https://hnldoc.ehawaii.gov/hnldoc/testimony>, 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, e-mail address, and phone number, will be available to the public at <https://hnldoc.ehawaii.gov>.

Should you have any questions, please call (808) 768-3119 or send an email to [sherry.arca@honolulu.gov](mailto:sherry.arca@honolulu.gov).

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.

If you need an auxiliary aid/service or other accommodation due to a disability or an interpreter for a language other than English, please call the Office of the City Clerk Information Section at (808) 768-5822 between 7:45 a.m. and 4:30 p.m. or send an email to [sherry.arca@honolulu.gov](mailto:sherry.arca@honolulu.gov) as soon as possible or at least three (3) business days before the scheduled meeting. Requests made as early as possible have a greater likelihood of being fulfilled.

**THIS ADDENDUM ITEM PROVIDES A DESCRIPTION OF A PROPOSED CD1 AMENDMENT TO AGENDA ITEM NO. 4 – BILL 46 (2024).**

**FOR ACTION**

4. **BILL 46 (2024) - REAL PROPERTY TAXATION.** Addresses the taxation of vacant residential properties in the City and County of Honolulu. (Consecutive referral: HSH, BUD) (Bill passed first reading on 8/7/24; Committee postponed action on 8/21/24)

PROPOSED CD1 TO BILL 46 (2024) (Submitted by Councilmember Kia'āina) – The CD1 (OCS2024-0872/9/20/2024 11:42 AM) makes the following amendments:

- A. In SECTION 1 of the bill, adds the following: "A 2024 study by *Demographia International Housing Affordability* ranks Honolulu as having the third worst 'impossibly unaffordable' housing in the United States and the 89th worst out of 94 least affordable housing markets in eight major nations of the English-speaking world."
- B. In SECTION 2 of the bill:
1. At proposed § 8-\_\_\_.1 ("Definitions"):
    - a. Adds the definitions of "Bed and Breakfast Home," "Floor Area," "Permitted Occupant," and "Transient Vacation Unit";
    - b. Revises the definition of "Dwelling Unit" to read as follows:

"A single-family home, each individual unit in a duplex, condominium, apartment, or otherwise a housing unit containing a room or rooms connected together, constituting an independent housekeeping unit for a family and containing a single kitchen. The term does not include accessory dwelling units or ohana dwelling units.";
    - c. Revises the definition of "Empty Home" to include any bed and breakfast home or transient vacation unit on a residential property that does not qualify for any of the exemptions in § 8-\_\_\_.4;

- d. Revises the definition of "Principal Residence" to read as follows:

"The usual dwelling where a person lives, makes his or her home, and conducts his or her daily affairs and to which place the individual has, whenever absent, the intention of returning with the intent to reside, and is generally the residential address used on documentation related to employment or education on Oahu, billing, paying bills and receiving mail, identification, taxation, and insurance, including, without limitation, income tax returns, driver's licenses, personal identification, vehicle registration, and utility bills. A person may only have one principal residence."; and

- e. Revises the definition of "Residential Property" to include property that is:

- (1) Classified as residential, residential A, bed and breakfast home, or transient vacation under § 8-7.1; or
- (2) Dedicated for residential use under § 8-7.5, including any property improved with a dwelling unit, condominium unit, apartment building, or duplex unit (adding the reference to the citation and deleting "accessory dwelling unit" and "ohana dwelling unit").

2. Revises proposed § 8-\_\_\_.2(a) ("*Empty homes tax*") to require that an empty homes tax for each tax year on every parcel on which an empty home is situated be levied, assessed, and collected.
3. Revises proposed § 8-\_\_\_.2(c) ("*Tax calculation for properties with multiple dwelling units*") to clarify that the square footage is "of the floor area."
4. Revises the exemptions at proposed § 8-\_\_\_.4 ("Exemptions") to:
  - a. Change the exemption for a dwelling unit that is "the principal residence of one or more of the owners for at least six months in the tax year" to a "dwelling unit [that] is physically occupied by an owner, renter, or other permitted occupant of the property for an aggregate total of six months or more in the tax year" (at § 8-\_\_\_.4(1));

- b. Delete the exemption at § 8-\_\_\_.4(2) and add a new exemption for a "dwelling unit [that] is classified or dedicated as a long-term rental," defining "long-term rental" for the purposes of proposed Section 8- \_\_\_.4 to mean "a dwelling unit rented for 12 consecutive months or more" (at § 8-\_\_\_.4(2));
- c. Clarify that the exemption applies to a dwelling unit or residential property that is subject to a probate court proceeding or the title to the property is the subject of pending litigation before a court of competent jurisdiction during a tax year [deleting the six month requirement for the pendency of the litigation]; and to substitute the condition that the "exemption is only valid for the tax years during which such court action was active, resolved, and for the following tax year" for the alternative exemption for "property [that] is subject to a court order that prohibits its occupancy for at least six months of the tax year" (at § 8-\_\_\_.4(3));
- d. Increase the exemption for a newly transferred property following the death of the owner to five tax years and allows for the same five-year exemption for properties most recently transferred by will, intestate succession, or operation of law to a new owner beginning during the tax year of this measure's adoption (at § 8-\_\_\_.4(4));
- e. Clarify that the exemption applies to the owner, renter, or permitted occupant of the dwelling undergoing medical care, "including but not limited to residing in an assisted living facility" and deletes the requirement that the owner has not previously claimed the exemption in the past five years (at § 8-\_\_\_.4(5));
- f. Clarify that the exemption applies to occupants who are deployed outside of the City on active duty with the armed forces of the United States during the tax year and deletes the requirement that the deployment be for at least six months in the tax year (at § 8-\_\_\_.4(6));

- g. Clarify that the exemption applies to a dwelling unit or property having an open building permit, which may be claimed only while the permit is open, "until and including the tax year during which a certificate of occupancy is issued for the work completed under the building permit or the dwelling unit is otherwise lawfully occupiable (at § 8-\_\_\_.4(8));
  - h. Clarify that the exemption applies to the dwelling unit or property subject to active sales or rental efforts in the prior tax year instead of the tax year and that the exemption must not be claimed for the sale of property more than one tax year in any five-year period (at § 8-\_\_\_.4(9));
  - i. Substitute "a part of" for "thereon" in referencing dwelling units within certain State-licensed group homes (at § 8-\_\_\_.4(10));
  - j. Delete as unnecessary the qualifier for a nonprofit organization that it is "registered in the State and qualifies for a tax exemption from the State and federal income taxes" because it is included in the definition of "nonprofit organization" in the article (at § 8-\_\_\_.4(11)); and
  - k. Add a new exemption from the empty homes tax for bed and breakfast homes and transient vacation units that are provided to transient occupants for compensation for an aggregate total of six months or more in the tax year and is operating in compliance with all applicable laws (at § 8-\_\_\_.4(15)).
- 5. In proposed § 8-\_\_\_.5(a) and (f), clarifies that the properties subject to City notification and notice of assessment requirements are "residential" properties.
  - 6. In proposed § 8-\_\_\_.5(i), clarifies that a request for a \_\_\_-day extension of the deadline for filing a property status declaration must be within \_\_\_ days before the deadline for filing the declaration.
  - 7. In proposed § 8-\_\_\_.6(a)(2), clarifies that the attestation relates to all dwellings on the property instead of dwelling units;

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8. In proposed § 8-\_\_\_.6(a)(3), clarifies that a property owner must include in the owner's annual property status declaration whether each dwelling on the property qualifies for an empty homes tax exemption and, if so, to specify which exemption and the justification for claiming the exemption.
  9. In proposed § 8-\_\_\_.6(c), removes properties with accessory dwelling units or ohana dwelling units and clarifies that the total square footage is "of the floor area."
  10. In proposed § 8-\_\_\_.6(e), adds "residential" before "property" to clarify that the empty homes tax must be paid by the owner of the residential property.
- C. Adds a new SECTION 3 requiring the Revisor of Ordinances, pursuant to the Revisor's authority under SECTION 2 of Ordinance 23-7, to update the Reporting Requirements Table to include the reporting requirements enacted by SECTION 2 of this ordinance; and renumbers the subsequent SECTION.
- D. Makes miscellaneous technical and nonsubstantive amendments.

MATT WEYER, Chair  
Committee on Housing, Sustainability  
and Health