

BILL046(24)
Testimony

MISC. COM. 581
COUNCIL

I stand here today on behalf of my best friend's mother, Shirley, a woman who has been like a second mother to me throughout my life. I am here to oppose Bill 46.

Shirley is about to celebrate her 82nd birthday. She's a widow, living on a fixed income, and her home is her one significant asset—the cornerstone of her family's future. My friend, her daughter, deeply wants Shirley to come live with her family, not only to ensure her safety as she becomes more frail but also to spend precious time together with her and her grandchildren.

The thought of this bill passing terrifies them both. If Shirley sells her home now, the capital gains taxes she would owe are overwhelming. The home represents more than the house itself; it is the result of sacrifices Shirley and her late husband made throughout their 50-year marriage. It is her legacy. Her dream is to hold onto the home until she passes so her daughter can inherit it with a stepped-up basis, preserving its value for her family.

Shirley especially doesn't want her daughter and grandchildren burdened with student loans. She wants to ensure their future is bright and secure, to provide them opportunities she never had. Renting out the house isn't an option either—its deferred maintenance would require over \$40,000 to address, a sum neither Shirley nor her daughter can afford.

Shirley is not alone. There are countless Kupuna and island families like hers who could be hurt by the unintended consequences of this bill, it is impossible to create exemptions for them all. In passage of this Bill the government would force her to make decisions that impact not only her future, but her past; the home is not rentable, the tax burden would be too cumbersome and selling would cripple her legacy. What is she to do? Is she to stay in the home alone and lonely instead of having the opportunity to be surrounded by love with her daughter and grandchildren? I believe its creators had good intentions to help more people own or rent a home, but as written, it risks placing a heavy burden and impossible choices on our Kupuna and families who are simply trying to preserve the legacies they worked so hard to build.

I respectfully urge you to delay the passage of this bill at least until the Earnest and Young study is completed. This would give you the necessary time to make thoughtful revisions armed with more informative and factual information. Hopefully, the study will provide insight for your review to guide your decisions so our City can create more affordable homes without it coming at the expense of other island families losing the ones they already own.

Thank you for your time and for listening to Shirley's story.

Catherine Matthews

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