REPORT OF THE COMMITTEE ON BUDGET

Voting Members:
Val A. Okimoto, Chair; Scott Y. Nishimoto, Vice Chair;
Esther Kia'āina, Augie Tulba, Tommy Waters

Committee Meeting Held
October 14, 2025

Honorable Tommy Waters
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Bill 61 (2025) entitled:

"A BILL FOR AN ORDINANCE RELATING TO REAL PROPERTY TAXATION,"

which passed second reading and was the subject of a public hearing at the October 1, 2025 Council meeting, reports as follows:

The purpose of the bill is to address real property tax exemptions.

Your Committee considered and approved a hand-carried CD1 version of the bill which makes the following amendments:

A. Deletes SECTION 2 of the bill amending ROH § 8-10.31 ("Exemption—Central Kakaako industrial zone limited development"). Renumbers subsequent sections accordingly.

B. In renumbered SECTION 2 of the bill:

1. Deletes the proposed amendments to ROH § 8-10.32(a); and

2. In proposed ROH § 8-10.32(b):

a. Changes "maximum floor area ratio between and including 1.5 and 3.5" to "maximum floor area ratio up to 3.5"; and

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b. Adds a provision that all other qualifications in ROH § 8-10.31 must continue to be met, except for the qualifications set forth in § 8-10.31(c)(3).

C. In renumbered SECTION 4 of the bill, changes the retroactive effective date to January 1, 2025, from February 7, 2024.

D. Makes miscellaneous technical and nonsubstantive amendments.

Andrew T. Kawano, Director of Budget and Fiscal Services, provided comments on the bill and answered questions from the Committee.

Your Committee received oral and written testimony in support from the Hawai'i Community Development Authority.

Your Committee on Budget is in accord with the intent and purpose of Bill 61 (2025), as amended herein, and recommends that it pass third reading in the form attached hereto as Bill 61 (2025), CD1. (Ayes: Kia'āina, Nishimoto, Okimoto, Tulba, Waters – 5; Noes: None.)

Respectfully submitted,

Val A. Okimoto

Committee Chair

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

ORDINANCE _____

BILL **61 (2025), CD1**

A BILL FOR AN ORDINANCE

RELATING TO REAL PROPERTY TAXATION.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. The purpose of this ordinance is to address real property tax exemptions.

SECTION 2. Section 8-10.32, Revised Ordinances of Honolulu 2021 ("Claim for Exemption—Central Kakaako industrial zone limited development"), is amended by amending subsection (b) to read as follows:

"(b) Two years after the initial year for which the property has qualified for an exemption under § 8-10.31, and every two years thereafter for as long as applicable, the owner of the property shall file, on or before September 30, a recertification by the Hawaii Community Development Authority confirming that the property is [~~still~~] subject to [~~the~~] a maximum floor area ratio [~~of 1.5, as required by~~] up to 3.5, pursuant to Hawaii Administrative Rules § 15-217-57[~~.~~]; provided that all other qualifications set forth in § 8-10.31 continue to be met, except for the qualifications set forth in § 8-10.31(c)(3)."

SECTION 3. Ordinance material to be repealed is bracketed and stricken. New material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.

A BILL FOR AN ORDINANCE

SECTION 4. This ordinance takes effect retroactive to January 1, 2025; provided that the amendments made in SECTION 2 of this ordinance do not affect the period of applicability of the Central Kakaako industrial zone limited development exemption, which is between July 1, 2017, and June 30, 2027, pursuant to SECTION 5 of Ordinance 16-21.

INTRODUCED BY:

Scott Y. Nishimoto

Tyler Dos Santos-Tam

DATE OF INTRODUCTION:

August 27, 2025
Honolulu, Hawai'i

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____day of _____, 20 ____.

RICK BLANGIARDI, Mayor
City and County of Honolulu

Report Title:
Real Property Tax Exemption; Central Kakaako Industrial Zone; Real Property Tax ("RPT"); Hawaii Community Development Authority ("HCDA"); Limited Development; Floor Area Ratio

Description:
For properties located in the Central Kakaako industrial zone claiming the Central Kakaako industrial zone limited development real property tax exemption, increases the maximum floor area ratio recertification threshold from 1.5 to 3.5 for properties with inadequate infrastructure, as determined and certified by the Hawaii Community Development Authority. Effective retroactively to January 1, 2025.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.