BILL063(25)
Testimony

MISC. COMM. 521

COUNCIL

COUNCIL Meeting

Meeting Date: Oct 1, 2025 @ 10:00 AM

Support: 0

Oppose: 2

I wish to comment: 1

Name:	Email:	Zip:
Brett Kulbis	brett.kulbis@use.startmail.com	96706
Representing:	Position:	Submitted:
Self	Oppose	Sep 28, 2025 @ 10:50 AM

Testimony:

Chair Waters, and Members of the Council,

Aloha, my name is Brett Kulbis. I am a proud resident of Ewa Beach and a 26-year U.S. Navy veteran. As a concerned resident who believes in fiscal responsibility and accountability, I write in strong opposition to Bill 63(2025) as currently drafted.

Bill 63 (2025), seeks to amend Honolulu's real property tax program for affordable long-term residential rentals. In my opinion, while the objective of increasing affordable rental housing is important to all residents, there are several concerns from a fiscally responsible, private property rights-oriented perspective:

1. The bill's proposed tax exemptions, while well-intentioned, may reduce the city's tax base and shift fiscal burdens to other taxpayers or essential city services. The potential for lost revenue should be weighed against proven benefits to the housing supply and community.

2. The mandatory five-year dedication, with its restrictions and retroactive penalties, could deter property owners from placing units on the rental market and limit flexibility. Introducing punitive "rollback" taxes and penalties for any use violation may be excessive and dissuasive.

3. Ongoing bureaucratic requirements—such as annual petitions, tenant certifications, and periodic reporting—could place administrative burdens not only on private property owners but also on the City, increasing government oversight and costs.

In light of these concerns, please consider the following recommendations as Bill 63 advances to committee:

- Implement more flexible dedication periods or graduated options (such as 3-year commitments) to allow owners to participate without undue risk or loss of future autonomy.

- Consider proportional penalties for non-compliance, ensuring that good-faith mistakes do not result in harsh financial punishment.

- Require a fiscal impact analysis and include selective annual reviews to guarantee that the program achieves intended results without excessive cost.

- Streamline the petition and reporting process to minimize red tape for property owners, promoting voluntary participation rather than discouraging it.

As this bill moves forward, there are sufficient opportunities to address unresolved concerns and build a more effective policy in committee. By thoughtfully refining this measure to ensure that Honolulu's approach to affordable housing truly upholds fiscal responsibility and protects private property rights, principles valued by many residents. Careful attention now will make this legislation stronger and more balanced, benefiting both the city and its people. Please consider these recommendations seriously as we work together toward solutions that are practical, sustainable, and fair. Mahalo for your consideration of these recommendations and for your service to Honolulu.

Respectfully submitted,

Brett Kulbis, Navy Veteran

Ewa Beach

Name:	Email:	Zip:
Linda Howe	lindamhowe@gmail.com	96744
Representing:	Position:	Submitted:
Self	I wish to comment	Sep 29, 2025 @ 04:29 PM

Name:	Email:	Zip:
Natalie Iwasa	iwasajunk@mail.com	96825
Representing:	Position:	Submitted:
Self	Oppose	Sep 30, 2025 @ 11:50 PM

Testimony:

Oral testimony only.

Testimony of Linda Howe
Regarding Bill 63 (25)
October 1, 2025

I am writing to provide comments regarding Bill 63, which appears to develop a framework for long-term rentals to pay annual property taxes at the Residential tax rate, instead of the Residential A rate. I appreciate the effort to seek a fair remedy to the current situation which results in renters paying the highest property taxes!

Having rented our original family home in Coconut Grove to bona fide Oahu residents for more than 15 years, at first glance, Bill 63 appears to offer an option for reducing property taxes and, thus, the rent we need to charge and the cost of housing for tenants .

However, the five year minimum dedication period is too long. I would not hesitate to dedicate for two years and would have to carefully consider three years, but five years is too long. Won't do it. Too much can change.

A question: it appears that a sale of the property, at any point in that dedication period, would initiate a reimposition of the Res A taxes, plus 10% interest and penalties. That is too inflexible. Even if the new owner agreed to continue the dedication, as written, the Bill appears to, regardless, reimpose back taxes and penalties. Is this what you intended? So, no can sell for entire dedication period?

It seems only the DEATH of the owner lifts that pay-back requirement .... but then ONLY if the property is transferred to a family member? That is denying the owner's estate fair access to market.

And what if the tenant fails to timely pay rent, abandons the premises or triggers eviction for other reasons? Does eviction, truncating a 12-month lease, merit revocation of the lower tax rate? If the 12-month lease ends, do we have only 45-days to re-rent? What if we cannot find a qualified tenant in that time frame? What if plumbing or electrical repairs are needed and qualified trades are not available? What if a flood or fire or hurricane renders the property unsuitable for occupancy for more than 45 days? No fault of the owner, but will that trigger reimposition of Res A rates and penalties? And what information/certification will be required of the tenant? Are administrative rules already in place ? So many questions.

Property owners must know the answers to these and other questions in order to make an informed decision on whether to dedicate for any period of time.

So, thank you again for not forgetting the impact of the Res A taxes on renters and for revisiting these proposed solutions. I continue to support these efforts but cannot support Bill 63 in its current form.