

BILL063(25)
Testimony

MISC. COMM. 643

COUNCIL

COUNCIL Meeting

Meeting Date: Dec 3, 2025 @ 10:00 AM

Support: 2

Oppose: 0

I wish to comment: 1

Name: Linda Howe	Email: lindamhowe@gmail.com	Zip: 96744
Representing: Self	Position: I wish to comment	Submitted: Dec 2, 2025 @ 09:31 AM

Name: Ross Isokane	Email: isokane@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Dec 2, 2025 @ 12:41 PM

Testimony:

I support Bill 63 (2025) and its goals to incentivize the long-term rental of more housing units to residents.

Please consider complementing this bill by increasing property tax rates (which are among the lowest in the nation) and increasing home owner-occupant exemptions. During a housing crisis, we need to incentivize the use of homes to be occupied by residents (owner-occupants or long-term rentals). We need to discourage homes being kept empty/vacant for speculative investment purposes or being used for vacation/unpermitted short term rentals in residential neighborhoods.

Name: Suzanne Young	Email: diopilo.hardison@hcentral.com	Zip: 96816
Representing: Honolulu Board of REALTORS	Position: Support	Submitted: Dec 2, 2025 @ 03:09 PM

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.

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Testimony by Suzanne Young, CEO
Honolulu Board of REALTORS®

Bill 63 (2025)

Relating to real property taxation.

Honolulu City Council
Wednesday, December 3, 2025, at 10 A.M.
City Council Chamber

Aloha Chair Waters, Vice Chair Tupola, and Members of the Honolulu City Council,

Mahalo for the opportunity to testify. On behalf of the Honolulu Board of REALTORS® and our more than 6,800 members, we express our support for Bill 63 and its intent; however, we believe amendments are necessary to make the bill more practical and appealing to property owners.

First, the dedication period should be shortened to account for potential life changes, such as the loss of a family member or children returning from college, that may lead an owner to sell, transfer title, or discontinue participation in the program.

Second, the grace period to avoid penalties should be extended. The current 45-day window does not allow sufficient time for major repairs or renovations when a tenant moves out, especially if permits are required, or if finding a qualified tenant takes longer than expected.

Third, there should be an exception to the sale or transfer penalty if the new owner intends to occupy the property. The spirit of this bill is to house local families, and penalizing families who purchase a property to make it their home runs contrary to that spirit.

Finally, while tying rent limits to HUD guidelines provides clarity, BFS should work closely with volunteers to ensure these requirements are easy to understand and access. We also recommend increasing the AMI restriction. At 100%, there is little financial incentive to participate, as the potential penalties and significantly reduced rental income pose substantial financial risks.

The bill's intent is laudable, and we appreciate the Council's efforts to address housing challenges for local families. With these adjustments, the bill could more effectively achieve its purpose.

Mahalo for the opportunity to testify.