

DEPARTMENT OF BUDGET AND FISCAL SERVICES
KA 'OIHANA MĀLAMA MO'OHELU A KĀLĀ
CITY AND COUNTY OF HONOLULU

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October 5, 2026

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Chair Waters and Councilmembers:

SUBJECT: Opposition to Introduced Bill 60 (2026) – Relating to an Automated Eligibility Screening System for Real Property Tax Adjustments

Bill 60 (2026) (hereinafter "Bill 60") proposes to create an automated eligibility screening ("AES") system for real property tax adjustments. The Department of Budget and Fiscal Services ("BFS") would like to provide written testimony on its opposition to Bill 60.

While we find City Council's proposed legislation innovative and progressive, Bill 60 would create an operational tool that should not be adopted as Ordinance. The City has no jurisdiction over different government agencies as outlined in Bill 60. Generally, the information provided by governmental agencies and the private sector may be unreliable without the corresponding taxpayer social security number and date of birth to accurately support taxpayer identification and program eligibility.

There are many other significant considerations that need to be addressed prior to establishing a successful AES:

1. Full cooperation and commitment will be required from all levels of government taxation agencies (i.e., federal government and State of Hawai'i) to meet the requirements of Bill 60, which will include sharing sensitive income and personal information.
2. A new AES will need to be developed and integrated with the City's existing Computer Assisted Mass Appraisal ("CAMA") system. The total cost and operational timeline to create this type of system are unknown but the start-up costs could total at least \$500,000 and possibly exceed \$1,000,000, and the implementation period could take 3-5 years for the

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AES to be fully operational. Additionally, when there are ordinance changes amending the real property tax program, both the CAMA and AES will require modifications at varying incremental costs and timelines.

3. The annual licensing and maintenance cost are also unknown.
4. Significant additional BFS and Department of Information Technology resources and staffing will be needed to meet and maintain the system requirements as described in Bill 60.
5. Private datasets through procurement agreements have proven to be costly and unfeasible. Vendor quotes for their annual datasets and/or data filtering services were quoted between \$200,000 and more than \$400,000.
6. Lastly, we recommend that the proposed AES status report in subparagraph (e) be removed since there are current filtering methods already in place. Results of both the current eligibility filtering and the proposed AES would be difficult to separate but reflected in the annual submittals of the Assessment List and certification documents already mandated by City ordinance.

In summary, there are several significant information sharing challenges and obstacles that need to be resolved to implement a fully functional AES, and funding it will be difficult given the financial challenges we are currently facing as significant increases in the costs of City operations outpace the growth of our revenues.

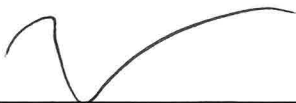
For these reasons, BFS respectfully opposes Bill 60 (2026). If you have any questions, please feel free to call me at (808) 768-3901.

Sincerely,



Andrew T. Kawano
Director

APPROVED:



Krishna F. Jayaram, Managing Director
Office of the Managing Director