



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3077

OAHU REAL PROPERTY TAX ADVISORY COMMISSION

<https://www.honolulucitycouncil.org/oahu-real-property-tax-advisory-commission>

Commissioners:
Robert Mould, *Chair*
Winston Wong, *Vice-Chair*
Tracy Bean
Jack Legal
James Peters
Calvin Foo Pham
Kenna StormoGipson

DIGITAL SUMMARY

2021 OAHU REAL PROPERTY TAX ADVISORY COMMISSION

Meeting: **Thursday, April 7, 2022 at 2:00 P.M.**

Honolulu Hale, Council Committee Meeting Room and virtually via WebEx

<https://youtu.be/TcDz7POG7lq>

I. CALL TO ORDER

The fifteenth meeting of the 2021 Oahu Real Property Tax Advisory Commission ("ORPTAC") was called to order at 2:05 p.m. by ORPTAC Chair, Robert "Rocky" Mould.

II. ROLL CALL

Quorum present. Chair Mould, Vice-Chair Wong and Commissioners Jack Legal and Tracy Bean were present virtually via WebEx. Commissioner James "Aki" Peters was present in-person at the meeting, and Commissioners Calvin "Foo" Pham and Kenna StormoGipson were excused.

Commission Aide George White from the Office of Council Services was present.

III. TESTIMONY ON AGENDA ITEMS

At 2:08 p.m., there being no testifiers virtually or in-person, testimony was closed. Commission Aide White noted that written testimony was received from two individuals: Natalie Iwasa and Dayle Olmos.

IV. DISCUSSION

At 2:10 p.m., Chair Mould took Agenda item 2(b) out of order, to welcome Administrator Marcy Martin from Maui County's Real Property Assessment Division, who provided remarks and engaged in an open conversation with Commissioners regarding a variety of matters related to Maui County's recent changes in their residential real property tax classifications, their implementation and impact.

Oahu Real Property Tax Advisory Commission
Thursday, April 7, 2022

At 2:51 p.m., Chair turned to Agenda item 2(a), and Commissioners deferred discussion for written follow-up with RPAD regarding queries from the Rates & Classifications subcommittee.

At 2:54 p.m., Chair Mould turned to Agenda item 1 and began discussion on the recommendations & actions of the five remaining exemptions previously deferred by the Commission: ROH Section 8-10.4 (homeowners); ROH Section 8-10.19 (property of U.S. leased under the National Housing Act); ROH Section 8-10.24 (credit unions); ROH Section 8-10.31 (agricultural improvements); and ROH Section 8-10.33 (for-profit child care).

At 2:55 p.m., Chair Mould turned first to ROH Section 8-10.19 (property of U.S. leased under the National Housing Act). Commissioner Legal and Vice-Chair Wong discussed the exemption's purpose and the benefits and disadvantages of the exemption being repealed or maintained, despite it not presently being utilized.

At 3:00 p.m, Chair Mould sought a motion to adopt or amend the recommendation of the subcommittee, to maintain the exemption under ROH Section 8-10.19. Commissioner Legal so moved to adopt, with a second from Commissioner Peters. There being no further discussion and being no objections, there was unanimous consent and the Subcommittee's recommendation to maintain the exemption as recommended by the subcommittee was adopted.

At 3:01 p.m., Chair Mould turned to the exemption under ROH Section 8-10.31 (agricultural improvements) and recommended deferral of discussion on the matter pending written follow-up and confirmation from RPAD regarding the exemption's utilization status. No objection from the Commissioners.

At 3:02 p.m., Chair Mould opened discussion regarding the exemption under ROH Section 8-10.4 (homeowners). Commissioners discussed various ideations to address changes to this exemption, including the possibility of some type of hybrid option that is flexible, progressive and responsive to the market, whether via setting a floor and ceiling, or also incorporating a percentage based metric.

At 3:10 p.m., Budget Chair Councilmember Say shared some thoughts he had with the Commission regarding this exemption and the budgetary considerations the Council takes into account relative to this exemption.

At 3:16 p.m., Administrator Takara shared some brief comments related to the ongoing Commission discussion.

Oahu Real Property Tax Advisory Commission
Thursday, April 7, 2022

At 3:18 p.m., based on the conversations amongst the Commissioners related to the homeowner's exemption, Chair Mould recommended deferral of the matter to allow the Subcommittee on Credits & Exemptions to meet and dive a bit deeper into their recommendation for further discussion with the Commission. Members of the Subcommittee concurred and there was no objection from the Commissioners to defer.

At 3:19 p.m., Chair Mould opened discussion regarding the exemption provided under ROH Section 8-10.24 (credit unions). Commissioners conversed about the exemption as well as the function(s) served by credit unions and whether there remains a distinction between a credit union and a commercial bank.

Commissioners also queried Administrator Takara regarding the basic tax data related to this exemption, who shared relevant background data including the number of claimants (92) and overall value (cost) of the exemption to both the taxpayer and City.

At 3:30 p.m., Budget Chair Say and Administrator Takara provided comments regarding the renewable energy on agricultural land tax credit exemption issue, including the enactment of Bill 39 and the Legislature's consideration of HB1637 (https://www.capitol.hawaii.gov/measure_indiv.aspx?billtype=HB&billnumber=1637&year=2022). Chair Mould indicated that the Policy Subcommittee would be discussing the issue and the Commission would consider addressing it in their final report.

At 3:39 p.m., Chair Mould recommended deferral of ROH Section 8-10.24 (credit unions).

At 3:40 p.m., Chair Mould recommended deferral of discussion on ROH Section 8-10.33 (for-profit child care) for further discussion given further discussion needed amongst the Subcommittee and Commissioner Pham's presence. Vice-Chair Wong provided clarification on the types of entities this exemption applies to the "group for profit child care centers", larger types of child care operations, not 'mom & pop's'.

V. ANNOUNCEMENTS

None.

VI. SCHEDULING OF NEXT MEETING

The next meeting of the Commission will be April 28, 2022 at 2:00 p.m.

VII. ADJOURNMENT

Chair Mould adjourned the meeting at 3:46 p.m.