



February 18, 2020

REAL PROPERTY TAX EQUITY MEASURES

Honolulu City Councilmember Brandon Elefante recently introduced two bills to better serve all Oahu citizens by helping to make real property taxes more equitable.

Bill 11 (2020) deletes the Real Property Tax exemptions for credit unions. Currently, 87 locations operating as credit unions pay a minimum tax of \$1,000 per year. The 87 credit union parcels would be assessed, case by case. Without the exemption, these parcels could generate approximately \$3.3 million in real property taxes. This minimum tax was last increased in 2015 from \$300 per year via Ordinance 15-36. (ROH Section 8-10.24 Exemption—Credit Union)

Bill 12 (2020) increases the minimum tax for historic homes to \$1,000 per year. Owners of 372 historic homes currently pay a \$300 minimum tax. In order to qualify, these homes must be placed on the Hawaii Register of Historic Places and follow certain rules and regulations. These historic homes are valued at approximately \$625 million, which equates to about \$4.1 million in real property taxes. With the proposed \$1,000 minimum tax increase, the City could collect \$372,000 instead of \$111,600 with the current \$300 minimum tax. (ROH Section 8-10.22 Exemption—Historic residential real property dedicated for preservation)

“This is all about equity and leveling out the tax playing field,” said Councilmember Elefante. “These proposed changes were recently recommended by the Oahu Real Property Tax Advisory Commission and I believe, for the greater good of the City, it’s time to consider repealing the tax exemption for credit unions and increase the historic homes tax. The commission had recommended changes to these real property tax exemptions in 2014, 2017, and again last year.”

Bills 11 and 12 go before the City Council tomorrow for First Reading then they will likely be referred to the Budget Committee for further public discussion. For more information on these measures and the Honolulu City Council, please go to the following web sites: <http://www.honolulucitycouncil.com/> or <http://www.honolulu.gov/council>

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