HOUSE OF REPRESENTATIVES
TWENTY-NINTH LEGISLATURE, 2017
H.R. NO. 109

STATE OF HAWAII

HOUSE RESOLUTION

URGING THE GOVERNOR AND LEADERS OF THE CITY AND COUNTY OF HONOLULU TO WORK WITH THE LEGISLATURE TO PROVIDE PROPERTY TAX BREAKS FOR STATE RESIDENTS WHILE INCREASING TAXES FOR OUT-OF-STATE AND FOREIGN INVESTORS.

WHEREAS, the House of Representatives of the Twenty-ninth Legislature of the State of Hawaii recognizes that for many local residents, homeownership is not a viable option; and

WHEREAS, Hawaii's high cost of living, the regressive nature of the general excise tax, and current income tax structure all serve as impediments for local residents in their endeavors to purchase a first home; and

WHEREAS, because of these challenges to local residents, many are unable to take advantage of Hawaii's homeowner-friendly atmosphere, which includes having the nation's lowest property taxes and a reliable appreciation in property values due to the robust housing market; and

WHEREAS, those reaping the benefits are often affluent investors and the international "one percent" based outside of the State who do not deal with the difficulties that local residents are faced with and are instead focused on the desire to make profits rather than to call Hawaii their home; and

WHEREAS, inherent disadvantages for state residents continue to contribute to Hawaii's "brain drain" problem as a recent nationwide survey found that Honolulu had the fourth-largest percentage of residents who depart to other locations; and

WHEREAS, although the City and County of Honolulu's implementation of "Residential A" classification of lands helps to address these issues, it does not go far enough with

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assistance to local residents nor does it protect against future
increases in property taxes; and

WHEREAS, the continuation of the status quo will only serve
to enrich out-of-state investors at the expense of local
residents and exacerbate the need for affordable housing for
local families; and

WHEREAS, in light of these problems, creative solutions
should be pursued, such as granting a state refundable tax
credit claimable by local residents, which could help locals
regardless of changes in property tax rates; implementing
graduated property tax rates based on a home's assessed value
and ownership; or examining the interactions between the general
excise, income, and property tax rates to consider whether they
should be amended; now, therefore,

BE IT RESOLVED by the House of Representatives of the
Twenty-ninth Legislature of the State of Hawaii, Regular Session
of 2017, that this body strongly urges the Governor and the
leaders of the City and County of Honolulu to collaborate with
the Legislature to develop a plan that includes tax incentives
and would level the playing field for local families who are
forced to compete with out-of-state and foreign investors to own
properties in Hawaii; and

BE IT FURTHER RESOLVED that certified copies of this
Resolution be transmitted to the Governor, the Mayor of
Honolulu, and each member of the Honolulu City Council.