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## 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.

1           WHEREAS, the House of Representatives of the Twenty-ninth  
2 Legislature of the State of Hawaii recognizes that for many  
3 local residents, homeownership is not a viable option; and  
4

5           WHEREAS, Hawaii's high cost of living, the regressive  
6 nature of the general excise tax, and current income tax  
7 structure all serve as impediments for local residents in their  
8 endeavors to purchase a first home; and  
9

10           WHEREAS, because of these challenges to local residents,  
11 many are unable to take advantage of Hawaii's homeowner-friendly  
12 atmosphere, which includes having the nation's lowest property  
13 taxes and a reliable appreciation in property values due to the  
14 robust housing market; and  
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16           WHEREAS, those reaping the benefits are often affluent  
17 investors and the international "one percent" based outside of  
18 the State who do not deal with the difficulties that local  
19 residents are faced with and are instead focused on the desire  
20 to make profits rather than to call Hawaii their home; and  
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22           WHEREAS, inherent disadvantages for state residents  
23 continue to contribute to Hawaii's "brain drain" problem as a  
24 recent nationwide survey found that Honolulu had the fourth-  
25 largest percentage of residents who depart to other locations;  
26 and  
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28           WHEREAS, although the City and County of Honolulu's  
29 implementation of "Residential A" classification of lands helps  
30 to address these issues, it does not go far enough with



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

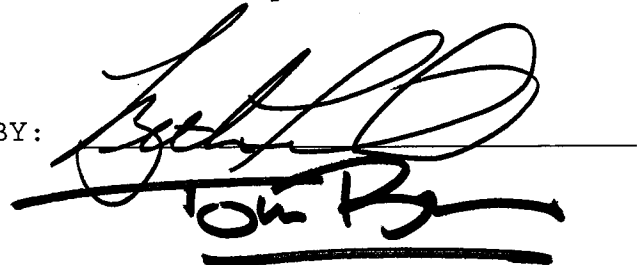
3  
4 WHEREAS, the continuation of the status quo will only serve  
5 to enrich out-of-state investors at the expense of local  
6 residents and exacerbate the need for affordable housing for  
7 local families; and

8  
9 WHEREAS, in light of these problems, creative solutions  
10 should be pursued, such as granting a state refundable tax  
11 credit claimable by local residents, which could help locals  
12 regardless of changes in property tax rates; implementing  
13 graduated property tax rates based on a home's assessed value  
14 and ownership; or examining the interactions between the general  
15 excise, income, and property tax rates to consider whether they  
16 should be amended; now, therefore,

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

26  
27 BE IT FURTHER RESOLVED that certified copies of this  
28 Resolution be transmitted to the Governor, the Mayor of  
29 Honolulu, and each member of the Honolulu City Council.

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31  
32 OFFERED BY:

  
Tom B.

  
Beau

MAR 10 2017

