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Testimony on HB1589
Relating to Real Property
House Committee on Economic Revitalization, Business and Military Affairs
Keali'i Lopez, President and CEO of 'Ōlelo Community Television
February 19, 2009

Chair McKelvey, Vice Chair Choy, members of the House Committee on Economic Revitalization, Business and Military Affairs. Aloha, I'm Keali'i Lopez, president and CEO of 'Ōlelo Community Television, and we support of HB ¹⁵⁹³~~1589~~.

We are a local non-profit organization located in Mapunapuna. The building that we own is located on a parcel of land that we lease. We have 26 years remaining on our lease and could soon see our lease rent increase substantially when we renegotiate terms later this month.

A substantial increase in lease rent, coupled with major increases in our other operating expenses could place us in a very precarious financial position. In this respect, we are no different from a small business that operates on a very slim margin. However, we are unable pass these increases on to our customers.

We understand that lessors have rights, to include the expectation of a reasonable return on their investments, but clearly there is a need for safeguards to ensure that lessees are not subject to unreasonable increases that drastically curtail services or force them out of business.

We are members of the Citizens for Fair Valuation, a non-profit organization committed to ensuring fair valuation of the commercial and industrial ground leases in the Sand Island, Mapunapuna and Kalihi Kai areas. We believe that fair interpretation of leases is crucial to the health of non-profit organizations and small businesses that all of us rely upon.

Because of this, we ask that you support that the term of "fair and reasonable" in commercial ground leases are renegotiated have these equity provisions. In summary, I ask for your support of HB ¹⁵⁹³~~1589~~. That concludes my testimony.



LATE TESTIMONY

STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE
W A HARRIMAN CAMPUS
ALBANY NY 12227

Max Birdsall
Director

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February 18, 2009

Angus McKelvey
Hawaii State Capitol
415 South Beretania Street, Room 427
Honolulu, HI 96813
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Dear Mr. McKelvey:

It is my understanding that the State of Hawaii is considering working with IBM and the IBM Tax Audit & Compliance Solution (TACS). The purpose of this letter is to let you know that the New York State Department of Taxation and Finance has been working with IBM over the past seven years in the use of TACS to address our tax gap. We have focused on audit selection, refund analysis, and most recently debt collection. Our work with IBM and TACS have resulted in significant returns to the State of New York.

In an article published in mid-2008 in the Weekly State Tax Report, we estimated our tax revenue savings at \$600 million from the implementation of our CISS solution and the inclusion of TACS. We expect to see continued savings as our debt collection solution contributes to the savings.

We are supportive of the results IBM has helped us achieve on this project and would be willing to answer questions you might have about our innovative tax compliance work.

Sincerely,

A handwritten signature in cursive script that reads "Max Birdsall".

Max Birdsall
Director of Information Technology Services