

DEPARTMENT OF BUDGET AND FISCAL SERVICES
KA 'OIHANA MĀLAMA MO'OHĒLU A KĀLĀ
CITY AND COUNTY OF HONOLULU

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March 24, 2026

The Honorable Luke A. Evslin, Chair
The Honorable Tyson K. Miyake, Vice-Chair
and Members of the House Committee on Housing
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Evslin, Vice-Chair Miyake, and Committee Members:


SUBJECT: Testimony on Senate Bill 3333, SD1 (2026)
Hearing: March 25, 2026 at 10:00 a.m., Conference Room 430
and via Videoconference

The Department of Budget and Fiscal Services, City and County of Honolulu ("City"), expresses **strong concerns** with Senate Bill ("SB") 3333, SD1 (2026), which directs each county to apply certain tax relief to qualifying affordable housing properties.

While the City acknowledges the intent of this bill, the City will continue to exercise its authority under the Constitution of the State of Hawai'i, Article VIII, § 3, which provides that the powers and duties relating to the taxation of real property shall be exercised exclusively by the counties. To that end, the City believes this measure will be ineffective if passed.


For this reason, the City respectfully expresses **strong concerns** with SB 3333, SD1 (2026). The City will, however, continue to discuss and consider the pros and cons of the requested relief. Thank you for the opportunity to provide testimony on this measure.

Sincerely,


Andrew T. Kawano
Director



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March 25, 2026

The Honorable Luke A. Evslin, Chair

House Committee on Housing

State Capitol, Conference Room 430 & Videoconference

RE: Senate Bill 3333, SD1, Relating to Taxation

HEARING: Wednesday, March 25, 2026, at 10:00 a.m.

Aloha Chair Evslin, Vice Chair Miyake, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR **supports** Senate Bill 3333, SD1, which requires each county to apply any applicable real property tax exemptions, reduced assessments, or tax classifications for any affordable housing subject to income, resale, or occupancy restrictions as of the date a qualifying owner takes title to the affordable housing for the upcoming tax period, consistent with county procedures. Effective 4/19/2042.

As an example, on Oahu, homeowners must file a home exemption for property taxes by September 30 to apply to the following tax year. Additionally, taxpayers may file an appeal by January 15 after assessment notices are issued on December 1. As a result, homeowners who purchase an affordable housing unit between these periods may be subject to higher property tax rates until they are able to file for the homeowner exemption in September for the following year. As such, this measure can help homebuyers of affordable housing units by ensuring that the appropriate tax rate is applied at the time of purchase.

Mahalo for the opportunity to testify on this measure.

