Mayor Kawakami signs Bill No. 2814 relating to the Residential Investor tax class

LĪHU’E – Mayor Derek S.K. Kawakami has signed Bill No. 2814, amending the minimum assessed value for the Residential Investor tax class.

The bill was passed by the Kaua’i County Council on Jan. 27. A virtual bill-signing ceremony was held on Thursday, where Mayor Kawakami was accompanied by Council Chair Arryl Kaneshiro and Councilmember Luke A. Evslin, along with County Director of Finance Reiko Matsuyama.

The signed ordinance reduces the minimum assessed value for the Residential Investor tax class from $2 million to $1.3 million, which would encourage owners within that range to long-term rent their investment properties.

“With the signing of this bill, it will not only increase tax revenue for the County, but it will also entice more long-term rentals and discourage property investors from leaving those properties vacant for long periods of time,” said Mayor Kawakami. “It will eventually lead to more housing opportunities for our local families. This bill is a courageous step in the right direction, and I thank the Kaua’i County Council and our Department of Finance for their hard work and innovation towards this initiative.”

“We often hear questions from the public regarding what the county is doing to support housing for our local community,” said Council Chair Kaneshiro. “This collaborative effort between the council and the administration is doing just that. Although not a direct affordable housing initiative, this Residential Investor tax class proposal encourages those who own multiple homes to offer these homes
for rent as part of our local housing inventory. I would like to thank the Department of Finance for putting forth this creative effort that will help our housing market in the years to come.”

“To solve the housing crisis, we need to use every tool that we have to increase the supply of housing for Kaua‘i residents,” Councilmember Evslin said. “And ensuring that vacant homes are paying their fair share in taxes is a proven way to reduce vacancy rates.”

The ordinance will take effect for the 2022 tax year.

To view Bill No. 2814, visit https://tinyurl.com/BN2814.