PROPOSED HAWAIʻI COUNTY HOMEOWNER PROPERTY TAX RELIEF BILL

Homeowner Tax Relief and Government Spending Accountability Act of 2027
Lower property taxes. Help local families stay in their homes. Hold county spending accountable.

Citizen proposal for signatures and public review. This is not yet a law and has not been introduced or approved by the Hawaiʻi County Council.

1. What this proposal would do

Hawaiʻi is expensive. Property taxes can be especially difficult for retirees, working families, and residents on fixed incomes. This proposal asks Hawaiʻi County to give qualifying homeowners a tax credit when their annual property taxes exceed 2% of their combined annual gross income. The county would first have to identify ongoing spending reductions to pay for the program, rather than raising other property owners' tax rates.

2. Who would qualify?

• The combined annual gross income of everyone named as an owner on the title must be $80,000 or less.
• The home must be the owner's primary residence in Hawaiʻi County and qualify for the existing homeowner exemption.
• Owners must apply each year and provide proof of the previous calendar year's income, including Social Security and retirement income.
• Existing homeowner and senior exemptions stay in place. The credit is calculated after other exemptions and credits, and cannot lower the bill below the applicable minimum tax (generally $200).

3. How much could you save?

Example: If your annual property tax bill is $2,000, the proposed credit could look like this:

Combined annual income	2% of income	Example tax credit
$25,000	$500	$1,500
$35,000	$700	$1,300
$50,000	$1,000	$1,000
$60,000	$1,200	$800
$80,000	$1,600	$400

These are examples, not guaranteed credits. If your tax bill is already 2% or less of your income, you would not receive an additional credit. Approved credits would apply to the following property tax year.

4. Honolulu already has a similar program

Honolulu offers a property tax credit when qualifying homeowners' taxes exceed 3% of combined gross income, with an $80,000 income limit. In testimony reported in 2025, 4,208 Oʻahu homeowners received about $8.44 million in credits for fiscal year 2026. This proposal uses a 2% threshold, which could give eligible Hawaiʻi County homeowners more relief. Actual county costs still need to be calculated.

5. Additional protections for local families

• Inherited family land: A limited exception would protect residents who inherited a share of non-income-producing family land, with safeguards against vacation homes and investment properties.
• Past-due taxes: Homeowners on an approved payment plan could still qualify.
• Easy applications: Online and paper forms, clear instructions, time to correct mistakes, and a way to appeal denials.
• Retirees: Seniors and people on fixed incomes could qualify under the same income rules.

6. How would the county pay for it?

Before the program starts, County Council would review spending and identify real, ongoing savings, including unnecessary consulting contracts, long-vacant administrative positions, nonessential travel, unused software, excess vehicle and fuel costs, avoidable overtime, overlapping programs, and overpriced contracts. Essential workers and services must be protected.

7. Example savings plan - not verified savings

The following figures are illustrative targets only. They are not documented waste or guaranteed savings:

Possible spending reduction	Example annual savings
Consultants and professional services	$1,250,000
Unneeded administrative positions	$1,000,000
Travel, conferences, office costs	$500,000
Vehicle, equipment, fuel efficiencies	$750,000
Software and technology contracts	$500,000
Duplicated or ineffective programs	$1,000,000
TOTAL EXAMPLE	$5,000,000

For example, 5,000 homeowners receiving an average $1,000 credit would cost about $5 million a year plus administration. The county must determine how many people qualify and verify enough lawful, recurring savings before adopting the program.

8. Require a public financial plan and yearly reporting

Before starting, the county must publish the expected number of eligible homeowners, the full annual cost, exactly which expenses would be reduced, the savings expected from each reduction, whether those savings are legally available and recurring, and any remaining funding gap. Borrowed money, restricted grants, and one-time cuts cannot be counted as permanent funding.

Each year the county would report how many people received credits, the total relief given, what spending was reduced, and how much was actually saved. Once funded and adopted, qualified homeowners would receive the credit under the rules, not through a first-come, first-served fund.

9. Protect essential services and other taxpayers

This proposal does not call for higher property tax rates on homeowners, agricultural properties, qualifying long-term rentals, or locally owned small businesses. It also would not rely on higher penalties or more aggressive collections to pay for relief. Police, fire protection, roads, wastewater, transfer stations, and programs directly helping struggling residents should be protected.

10. Proposed timeline

2027: County Council considers and, if approved, adopts the program.
September 30, 2027: First proposed application deadline.
December 31, 2027: County completes decisions and notifies applicants.
July 1, 2028: First approved credits begin for the 2028–2029 tax year.
If these dates are not feasible, Council would set later dates. Applications would be annual.

Help keep local families in their homes

This proposal asks Hawai‘i County to consider meaningful property tax relief paid for through verified reductions in unnecessary spending - not new tax increases. Add your signature to ask County Council to consider it. Signing does not make it law or guarantee a tax reduction; the Council must review, fund, and adopt legislation.