

---

## A BILL FOR AN ACT

---

PROPOSING AMENDMENTS TO ARTICLES VII AND X OF THE CONSTITUTION  
OF THE STATE OF HAWAII TO AUTHORIZE THE LEGISLATURE TO  
ESTABLISH A SURCHARGE ON RESIDENTIAL INVESTMENT PROPERTY  
AND VISITOR ACCOMMODATIONS TO INCREASE FUNDING FOR PUBLIC  
EDUCATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that Hawaii's public  
2 schools are underfunded. Compared to school districts of  
3 similar size in other states, Hawaii ranks two hundred twenty-  
4 seventh in per-pupil funding before adjusting for cost of  
5 living. At \$11,823 per student, Hawaii education spending  
6 trails major private schools, which average \$15,173 in per-pupil  
7 spending. Hawaii also ranks last nationally in capital  
8 improvement expenditures for public schools, appropriating about  
9 \$300 per pupil, compared to averages in other states of \$1,200  
10 to \$1,500.

11       The legislature further finds that chronic underfunding of  
12 public schools undermines the State's goal of providing a  
13 quality education to all of Hawaii's children. Specifically,  
14 insufficient education funding results in delayed repairs to  
15 school facilities; overheated classrooms; higher class sizes; a



1 lack of adequate classroom supplies; elimination of arts,  
2 career, and technical education courses; budget cuts for special  
3 education and English language learner programs; and an  
4 increasing number of vacant teacher positions throughout the  
5 State.

6 The purpose of this Act is to propose amendments to the  
7 Constitution of the State of Hawaii to advance the State's goal  
8 of providing a quality education for the children of Hawaii by  
9 authorizing the legislature to establish a surcharge on  
10 residential investment property and visitor accommodations.

11 SECTION 2. Article VII, section 3, of the Constitution of  
12 the State of Hawaii is amended to read as follows:

13 **"TAXATION AND FINANCE**

14 **Section 3.** The taxing power shall be reserved to the  
15 State, except so much thereof as may be delegated by the  
16 legislature to the political subdivisions, and except that all  
17 functions, powers and duties relating to the taxation of real  
18 property shall be exercised exclusively by the counties, with  
19 the exception of the county of Kalawao[-]; provided that the  
20 legislature shall not be prohibited from establishing a  
21 surcharge on residential investment property pursuant to



1 Article X, Section 1. The legislature shall have the power to  
2 apportion state revenues among the several political  
3 subdivisions."

4 SECTION 3. Article X, section 1, of the Constitution of  
5 the State of Hawaii is amended to read as follows:

6 "PUBLIC EDUCATION

7 Section 1. The State shall [~~provide~~] make sufficient sums  
8 available for the establishment, support and control of a  
9 statewide system of quality public schools free from sectarian  
10 control, a state university, public libraries and such other  
11 educational institutions as may be deemed desirable, including  
12 physical facilities therefor. There shall be no discrimination  
13 in public educational institutions because of race, religion,  
14 sex or ancestry; nor shall public funds be appropriated for the  
15 support or benefit of any sectarian or nonsectarian private  
16 educational institution, except that proceeds of special purpose  
17 revenue bonds authorized or issued under section 12 of Article  
18 VII may be appropriated to finance or assist:

19 1. Not-for-profit corporations that provide early  
20 childhood education and care facilities serving the general  
21 public; and



# H.B. NO. 182

2. Not-for-profit private nonsectarian and sectarian elementary schools, secondary schools, colleges and universities.

The legislature may establish, as provided by law, a surcharge on residential investment property and visitor accommodations to fund a quality public education for all of Hawaii's children."

SECTION 4. The question to be printed on the ballot shall be as follows:

"Shall the legislature be authorized to establish, as provided by law, a surcharge on residential investment property and visitor accommodations to fund a quality public education for all of Hawaii's children?"

SECTION 5. Constitutional material to be repealed is bracketed and stricken. New constitutional material is underscored.

SECTION 6. This amendment shall take effect upon compliance with article XVII, section 3, of the Constitution of the State of Hawaii.

INTRODUCED BY:



JAN 19 2017



# H.B. NO. 182

**Report Title:**

Public Education; Residential Investment Property Surcharge;  
Visitor Accommodation Surcharge; Constitutional Amendment

**Description:**

Proposes amendments to the Constitution of the State of Hawaii to advance the State's goal of providing a quality education for the children of Hawaii by authorizing the legislature to establish, as provided by law, a surcharge on residential investment property and visitor accommodations.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

