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# A BILL FOR AN ACT

PROPOSING AN AMENDMENT TO ARTICLE VIII, SECTION 3 OF THE HAWAII  
CONSTITUTION RELATING TO THE FUNCTIONS, POWERS, AND DUTIES  
OF REAL PROPERTY TAXATION.

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

1           SECTION 1. The legislature finds that Hawaii has one of  
2 the highest income tax rates and the lowest real property tax  
3 rates in the nation. These tax strategies result in a  
4 disproportionate amount of the overall tax burden being placed  
5 on the residential workforce, who, in turn, effectively  
6 subsidize non-residents' real estate investments in Hawaii.

7           The legislature further finds that removing the exclusivity  
8 of county authority over real property taxes will provide the  
9 State with greater flexibility and control of its taxation  
10 policies.

11           The purpose of this Act is to propose an amendment to  
12 article VIII, section 3, of the Constitution of the State of  
13 Hawaii to repeal the exclusive authority of the counties to  
14 exercise the functions, powers, and duties of real property  
15 taxation, and thereby authorizing the State to also exercise  
16 those powers.



1 SECTION 2. Article VIII, section 3, of the Constitution of  
2 the State of Hawaii is amended to read as follows:

3 **"TAXATION AND FINANCE**

4 Section 3. The taxing power shall be reserved to the  
5 State, except so much thereof as may be delegated by the  
6 legislature to the political subdivisions, and except that ~~[all]~~  
7 functions, powers and duties relating to the taxation of real  
8 property ~~[shall]~~ may be exercised ~~[exclusively]~~ by the counties,  
9 with the exception of the county of Kalawao. The legislature  
10 shall have the power to apportion state revenues among the  
11 several political subdivisions."

12 SECTION 3. The question to be printed on the ballot shall  
13 be as follows:

14 "Shall the exclusivity of the counties as to the functions,  
15 powers, and duties relating to the taxation of real property be  
16 repealed and the State be authorized to also exercise the  
17 functions, powers, and duties relating to the taxation of real  
18 property?"

19 SECTION 4. Constitutional material to be repealed is  
20 bracketed and stricken. New constitutional material is  
21 underscored.



1 SECTION 5. This amendment shall take effect on July 1,  
2 2050; provided that this amendment shall take effect upon  
3 compliance with article XVII, section 3, of the Constitution of  
4 the State of Hawaii.



**Report Title:**

Real Property Taxation; Constitutional Amendment

**Description:**

Proposes an amendment to the Hawaii State Constitution to repeal the exclusive power of the counties as to the functions, powers, and duties relating to the taxation of real property and authorize the State to also exercise those functions, powers, and duties. Effective 7/1/2050. (HD1)

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

