

STAND. COM. REP. NO.

221

Honolulu, Hawaii

FEB 06 , 2025

RE: H.B. No. 1410  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Madame:

Your Committee on Housing, to which was referred H.B. No. 1410 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish the Supportive Housing Special Fund;
- (2) Restructure the conveyance tax to a marginal rate system and adjust the tax for multifamily properties to reflect value on a per-unit basis;
- (3) Allocate revenues from conveyance tax collections to the Supportive Housing Special Fund; and
- (4) Allocate a portion of conveyance tax collections to the Dwelling Unit Revolving Fund to fund infrastructure programs in county-designated transit-oriented development zones or districts that meet minimum standards of transit-supportive density.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Catholic Charities Hawai'i; Hawaii Appleseed Center for Law &

2025-1190 HB1410 HD1 HSCR HMSO-1



Economic Justice; and one individual. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS; and Land Use Research Foundation of Hawaii. Your Committee received comments on this measure from the Department of Land and Natural Resources; Department of Taxation; Department of Budget and Finance; Tax Foundation of Hawaii; and Grassroot Institute of Hawaii.

Your Committee finds that the State's affordable housing crisis requires immediate action to ensure sustainable growth. The existing funding mechanisms for affordable housing and supportive services are fragmented and insufficient, leaving many vulnerable populations without stable housing. This measure will restructure the conveyance tax, thereby generating dedicated revenue for affordable and supportive housing projects.

Your Committee notes the concern raised in testimony that this measure could potentially discourage adaptive reuse and your Committee will continue to work to address this concern as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Requiring proceeds from the conveyance tax deposited into the Dwelling Unit Revolving Fund to only be used to fund infrastructure programs in areas that meet minimum standards of transit-supportive density requirements;
- (2) Inserting definitions for "county-designated transit-oriented development area", "floor area ratio", and "ministerial";
- (3) Amending the definition of "transit-supportive density" to include certain development standards and other requirements;
- (4) Clarifying the calculation of the cost-of-living adjustments to conveyance tax rates;
- (5) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



Your Committee notes that the Department of Taxation has requested an effective date of January 1, 2026, for this measure, to give the Department sufficient time to make changes necessary for the conveyance tax rate changes and amendments to the allocation of revenues.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1410, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1410, H.D. 1, and be referred to your Committee on Water & Land.

Respectfully submitted on  
behalf of the members of the  
Committee on Housing,



---

LUKE A. EVSLIN, Chair



