
A BILL FOR AN ACT

PROPOSING AMENDMENTS TO ARTICLE X OF THE HAWAII STATE CONSTITUTION.

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

1 SECTION 1. The legislature finds that Hawai‘i is the only
2 state in the nation with a single, centralized public school
3 district funded and operated exclusively by the State. In every
4 other state, public education is primarily financed through
5 locally assessed real property taxes. As a result, landowners
6 elsewhere bear a direct and proportionate responsibility for
7 supporting the education systems that sustain their communities.

8 In contrast, Hawai‘i's public schools are funded largely
9 through state income taxes paid by working families and through
10 the general excise tax, a regressive levy imposed on nearly all
11 goods and services. This structure has produced some of the
12 lowest property tax rates in the nation. These unusually low
13 rates have incentivized real estate speculation and attracted
14 large-scale investment capital, contributing to Hawai‘i having
15 one of the highest percentages of privately owned land held by
16 out-of-state investors in the United States.



1 The legislature further finds that this inequitable funding
2 model is not accidental. It is the legacy of the historic
3 dominance of the large landholding corporations commonly known
4 as the "Big Five" – Alexander & Baldwin, Inc.; Castle & Cooke,
5 Inc.; C. Brewer & Co., Ltd.; Theo H. Davies & Co., and Amfac
6 (formerly known as American Factors and originally H. Hackfeld &
7 Co.). These entities used their political and economic power to
8 shape Hawai'i's constitutional and fiscal framework so that the
9 State assumed sole responsibility for education funding while
10 severely limiting the ability to raise revenue through taxation
11 of real property. This structure shielded landowners from
12 paying for the education of their workers and tenants; instead,
13 deducting those costs from wages earned and goods purchased.

14 The legislature finds that the beneficiaries of this system
15 today are no longer plantation-era corporations, but some of the
16 wealthiest individuals and investment entities in the world,
17 including billionaire landowners and absentee investors. These
18 individuals enjoy property tax rates in Hawai'i that are far
19 lower than those imposed on comparable properties in their
20 states of residence, while their purchasing power inflates land
21 values, drives up housing costs, and displaces local families.



1 This dynamic undermines community stability, exacerbates
2 inequality, and threatens the long-term viability of local
3 homeownership in Hawai‘i.

4 The purpose of this Act is to end longstanding tax
5 inequities, eliminate preferential treatment for large and
6 absentee landowners, and establish county-based school districts
7 funded through real property taxes. This Act seeks to ensure
8 that those who own and profit from Hawai‘i's land contribute
9 fairly to public education, to reduce the disproportionate tax
10 burden on working families, to protect local residents, and to
11 strengthen community accountability and control over public
12 schools.

13 SECTION 2. Article X of the Constitution of the State of
14 Hawaii is amended by adding a new section to be appropriately
15 designated and to read as follows:

16 **"COUNTY SCHOOL DISTRICTS**

17 Section . Each county shall incorporate and organize a
18 school district for the establishment, operation and funding of
19 public schools. The boundaries of the school district shall be
20 coextensive with the boundaries of the county.



1 The governing boards of each county school district shall
2 be authorized to initiate and carry on any programs, activities,
3 or to otherwise act in any manner that is not in conflict with
4 any law.

5 For the purposes of this section, the county of Kalawao
6 shall be deemed to be included in the county of Maui."

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

"PUBLIC EDUCATION

10 **Section 1.** The State shall provide for the establishment,
11 support and control of [a statewide system of public schools
12 free from sectarian control,] a state university, public
13 libraries and such other educational institutions as may be
14 deemed desirable, including physical facilities therefor.

15 The legislature shall provide for a system of public
16 schools.

17 There shall be no discrimination in public educational
18 institutions because of race, religion, sex or ancestry; nor
19 shall public funds be appropriated for the support or benefit of
20 any sectarian or nonsectarian private educational institution,
21 except that proceeds of special purpose revenue bonds authorized



1 or issued under section 12 of Article VII may be appropriated to

2 finance or assist:

3 1. Not-for-profit corporations that provide early

4 childhood education and care facilities serving the general

5 public; and

6 2. Not-for-profit private nonsectarian and sectarian

7 elementary schools, secondary schools, colleges and

8 universities."

9 SECTION 4. The two separate questions to be printed on the

10 ballot shall be as follows:

11 "Shall the public education system in the State be

12 decentralized by requiring the creation of county school

13 districts for the establishment, operation, and funding of

14 public schools?

15 If so, shall the county school districts be permitted to

16 initiate and carry on any programs, activities, or

17 otherwise act in any manner that is not in conflict with

18 any law?"

19 SECTION 5. Constitutional material to be repealed is

20 bracketed and stricken. New constitutional material is

21 underscored.



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

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INTRODUCED BY:



A handwritten signature in black ink, appearing to read "Kina Cao". The signature is written in a cursive style with a horizontal line underneath it.

JAN 26 2026



H.B. NO. 2234

Report Title:

Constitutional Amendment; Education; Decentralized Public Education; County School Districts

Description:

Proposes a constitutional amendment to decentralize the public education system in the State by establishing county school districts for the establishment, operation, and funding of public schools, and to authorize the boards of those school districts to initiate and carry on any programs, activities, or otherwise act in any manner that is not in conflict with any law.

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