

JAN 23 2026

A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The legislature finds that the State's housing
2 crisis continues to worsen, driven in part by the growing
3 concentration of single-family residential properties held by
4 large investment entities, including hedge funds and real estate
5 investment trusts. These entities often acquire significant
6 numbers of homes, restricting opportunities for local families
7 to purchase housing, inflating prices, and contributing to
8 community instability.

9 The legislature further finds that these concerns have also
10 prompted federal legislative proposals aimed at mitigating the
11 impact of large-scale institutional ownership on the nation's
12 housing supply. While such federal action is important, state-
13 level measures are also necessary to address Hawaii's unique
14 challenges, including limited land availability and a high cost
15 of living.

16 Accordingly, to reduce speculative practices that
17 artificially inflate housing costs and displace local families,



1 this Act seeks to protect the State's housing market from
2 speculative and predatory practices, preserve homeownership
3 opportunities for local residents, and foster a more stable and
4 equitable housing system.

5 SECTION 2. The Hawaii Revised Statutes is amended by
6 adding a new chapter to be appropriately designated and to read
7 as follows:

8 **"CHAPTER**

9 **SINGLE-FAMILY RESIDENCE PURCHASING RESTRICTIONS TO CERTAIN**

10 **PURCHASERS**

11 **§ -1 Definitions.** As used in this chapter:

12 "Community land trust" means a nonprofit organization
13 exempt from certain taxes pursuant to section 501(c)(3) or
14 section 501(c)(4) of the United States Internal Revenue Code, or
15 that is incorporated under the not-for-profit corporation law,
16 or both, whose primary purpose is to provide affordable housing
17 by owning land and leasing or selling residential housing
18 situated on that land to households that meet certain income
19 requirements.

20 "Covered entity" means any partnership, corporation, or
21 real estate investment trust that:



(1) Owns ten or more single-family residences;

(2) Manages or receives funds pooled from investors and acts as a fiduciary with respect to one or more investors; and

(3) Has \$30,000,000 or more in net value or assets under management on any day during the taxable year.

"Covered entity" does not include:

(1) An organization that is described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code, as amended, or an organization primarily engaged in the construction or rehabilitation of single-family residences;

(2) A community land trust; or

(3) A creditor or its loan servicer acquiring ownership of real property in full or partial satisfaction of a secured debt.

"Department" means the department of commerce and consumer affairs.

"Director" means the director of commerce and consumer affairs.



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1 "Single-family residence" means any residential property
2 consisting of one to four dwelling units. "Single-family
3 residence" does not include:

4 (1) Any unoccupied single-family residence acquired
5 through foreclosure;

6 (2) Any single-family residence that is not rented or
7 leased and used as the principal residence, as defined
8 under section 121 of the Internal Revenue Code, of any
9 person who has an ownership interest in the covered
10 entity that seeks to purchase the single-family
11 residence; or

12 (3) Any single-family residence constructed, acquired, or
13 operated with federal, state, or local appropriated
14 funding sources.

15 **§ -2 Restriction on acquisition.** (a) It shall be
16 unlawful for a covered entity to purchase or acquire any
17 interest in a single-family residence in the State after the
18 effective date of this section.

19 (b) Subsection (a) shall not apply to:



(1) Property acquired through foreclosure or deed in lieu of foreclosure, provided the property is alienated within one year of acquisition;

(2) Property acquired for the purpose of converting the property to long-term affordable housing, subject to conditions established by the housing finance and development corporation; and

(3) Property acquired prior to the effective date of this section.

(c) A covered entity or covered entity's agent that violates this chapter shall be subject to civil damages and penalties in an amount not to exceed one-half of the fair market value of the property.

§ -3 Reporting; penalties; certification. (a) The director shall require reporting as the director determines necessary or appropriate to carry out the purposes of this chapter, including reporting with respect to:

(1) The dates upon which single-family residences owned by a covered taxpayer were acquired by the taxpayer; and



1 (2) Whether any person acquiring a single-family residence
2 from a covered taxpayer owns any other single-family
3 residences at the time of the acquisition.

4 (b) Any person who fails to report information required
5 under subsection (a) or who fails to include correct information
6 in the report shall pay a fine of \$20,000; provided that no fine
7 shall be imposed under this subsection with respect to any
8 failure if it is shown that the failure was due to reasonable
9 cause and not willful neglect. The fine under this subsection
10 shall be paid upon notice and demand by the director.

11 (c) The director shall require a certification from each
12 individual to whom a single-family residence is sold or
13 transferred from a covered taxpayer. The certification shall be
14 signed by the purchaser or transferee and state the following:

15 (1) The name and address of the purchaser or transferee;

16 (2) That the purchaser is not a covered entity under this
17 chapter; and

18 (3) An acknowledgement that the purchaser or transferee
19 shall be subject to the penalties established in
20 subsection (b) for any false certification.



1 § -4 **Forms and procedures; rules.** (a) The director
2 shall prescribe forms and procedures necessary to achieve the
3 purposes of this chapter.

4 (b) The department shall adopt rules pursuant to chapter
5 91 to implement this chapter.

6 § -5 **Enforcement.** (a) The attorney general shall
7 enforce this chapter by applying, in the name of the people of
8 the State of Hawaii, to the supreme court, upon notice of five
9 days, for an order enjoining the continuance of a violative
10 activity subject to this chapter, including but not limited to
11 bringing an action for injunctive or declaratory relief if a
12 single-family residence is in the process of being or has been
13 sold in a manner that contravenes the requirements of this
14 chapter, and imposing civil damages and penalties pursuant to
15 this chapter."

16 SECTION 3. This Act does not affect rights and duties that
17 matured, penalties that were incurred, and proceedings that were
18 begun before its effective date.

19 SECTION 4. If any provision of this Act, or the
20 application thereof to any person or circumstance, is held
21 invalid, the invalidity does not affect other provisions or



1 applications of the Act that can be given effect without the
2 invalid provision or application, and to this end the provisions
3 of this Act are severable.

4 SECTION 5. This Act shall take effect upon its approval.

INTRODUCED BY:





S.B. NO. 2819

Report Title:

Housing; Single-family residence; Purchasing Restrictions

Description:

Prohibits certain entities from purchasing single-family residences in the State of Hawaii. Requires reports and certifications to the Department of Commerce and Consumer Affairs. Establishes penalties and enforcement authority.

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

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