

STAND. COM. REP. NO. 139-26

Honolulu, Hawaii

FEB 11 , 2026

RE: H.B. No. 2385  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

Madame:

Your Committee on Housing, to which was referred H.B. No. 2385 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to authorize the Hawaii Housing Finance and Development Corporation to approve and certify general excise tax exemptions for certain housing development projects developed under county housing incentive programs.

Your Committee received testimony in support of this measure from the Grassroot Institute of Hawaii; Hawai'i Appleseed Center for Law & Economic Justice; Centre Urban Real Estate; and Maui Chamber of Commerce. Your Committee received comments on this measure from the Department of Taxation; Hawaii Housing Finance and Development Corporation; Tax Foundation of Hawaii; and one individual.

Your Committee finds that Hawaii continues to face a severe shortage of affordable and workforce housing, and that rising construction costs and financing gaps make it increasingly difficult for projects to move forward. Your Committee believes that general excise tax exemptions for county housing incentive program projects would significantly improve project feasibility by lowering total development costs and aligning State and county



incentive structures. This measure strengthens State and county financing partnerships and expands the range of viable tools to accelerate affordable housing production statewide.

Your Committee notes that it is not the intent of this measure to diminish any existing county authority to approve and certify general excise tax exemptions for county housing development projects. Your Committee will work with the Department of the Attorney General to ensure this remains clear as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 2385, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2385, H.D. 1, and be referred to your Committee on Economic Development & Technology.

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

*LAEC*

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LUKE A. EVSLIN, Chair



HSCR 139-26

Bill/Resolution No.: <b>HB 2385</b>	Committee Referral: <b>HSG, ECD, FIN</b>	Date: <b>2/6/26</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
<b>HSG Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. EVSLIN, Luke A. (C)	<input checked="" type="checkbox"/>			
2. MIYAKE, Tyson K. (VC)	<input checked="" type="checkbox"/>			
3. COCHRAN, Elle	<input checked="" type="checkbox"/>			
4. GRANDINETTI, Tina Nakada	<input checked="" type="checkbox"/>			
5. KILA, Darius K.	<input checked="" type="checkbox"/>			
6. KITAGAWA, Lisa	<input checked="" type="checkbox"/>			
7. LA CHICA, Trish				<input checked="" type="checkbox"/>
8. MURAOKA, Christopher L.	<input checked="" type="checkbox"/>			
9. PIERICK, Elijah	<input checked="" type="checkbox"/>			
TOTAL (9)	<b>8</b>	<b>0</b>	<b>0</b>	<b>1</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u><b>Tyson Miyake</b></u>				
Distribution: Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				