

Honolulu, Hawaii

FEB 20 , 2026

RE: H.B. No. 1741
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 Water & Land, to which was referred H.B. No. 1741, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Deem a county inclusionary mandate as a form of development exaction and treats the mandate as a housing affordability impact fee, with certain exemptions;
- (2) Prohibit a county from adopting, amending, or enforcing an inclusionary mandate or inclusionary mandates for residential or mixed-use development, under certain circumstances;
- (3) Establish additional requirements for a needs assessment study for a county-imposed inclusionary mandate; and
- (4) Establish a criterion that allows luxury residential projects or projects that receive certain discretionary value increases to be subject to inclusionary mandates.

Your Committee received testimony in support of this measure from Hawai'i YIMBY; Grassroot Institute of Hawaii; Housing

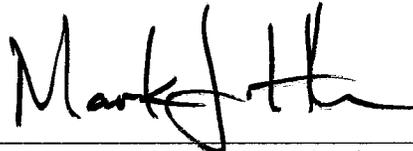


Hawai'i's Future; Hawaii Appleseed Center for Law & Economic Justice; and three individuals.

Your Committee finds that this measure would require the counties to conduct a study analyzing the costs of mandating that housing projects include a certain amount of affordable housing as a condition of permit approval before imposing such a requirement. If the study found that the requirement would increase the cost of market-rate housing, the county would not be allowed to enforce inclusionary zoning unless it provided incentives to offset all of the costs associated with it. Your Committee further finds that this measure is a prudent approach to dealing with affordable housing mandates that have been shown to actually stifle homebuilding.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1741, H.D. 1, and recommends that it be referred to your Committee on Judiciary & Hawaiian Affairs.

Respectfully submitted on
behalf of the members of the
Committee on Water & Land,



MARK J. HASHEM, Chair



Record of Votes of the Committee on Water & Land

Bill/Resolution No.: HB1741, HD1	Committee Referral: HSG, WAL, JHA	Date: 2/19/26		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input 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)				
WAL Members	Ayes	Ayes (WR)	Nays	Excused
1. HASHEM, Mark J. (C)	✓			
2. MORIKAWA, Dee (VC)	✓			
3. BELATTI, Della Au	✓			
4. ICHIYAMA, Linda	✓			
5. IWAMOTO, Kim Coco		✓		
6. POEPOE, Mahina	✓			
7. WOODSON, Justin H.	✓			
8. SHIMIZU, Garner M.		✓		
9. SOUZA, Kanani	✓			
TOTAL (9)	7	2	0	0
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: _____ <i>[Signature]</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				