

Honolulu, Hawaii  
, 2026

**MAR 06**

RE: H.B. No. 1741  
H.D. 2

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

Madame:

Your Committee on Judiciary & Hawaiian Affairs, 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 treat the mandate as a housing affordability impact fee, with certain exemptions;
- (2) Prohibit a county from adopting, amending, or enforcing an inclusionary mandate for residential or mixed-use projects, 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 the Hawaii Appleseed Center for Law & Economic Justice; Housing Hawai'i's Future; Grassroot Institute of Hawaii; Democratic



Party of Hawai'i; Hawai'i YIMBY; and one individual. Your Committee received testimony in opposition to this measure from LIMBY Hawaii and three individuals. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that inclusionary mandates can be well-intentioned tools to generate affordable units. However, in practicality, they function as unpredictable cost burdens that reduce overall housing production. This measure creates a targeted framework that allows inclusionary mandates to apply in circumstances where there is a clear policy rationale, which will encourage affordability and overall housing production.

Your Committee has amended this measure by 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 Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1741, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1741, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary &  
Hawaiian Affairs,

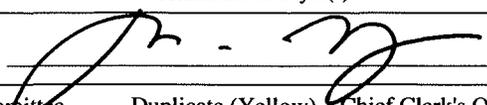


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DAVID A. TARNAS, Chair



Record of Votes of the Committee on Judiciary & Hawaiian Affairs

Bill/Resolution No.: HB 1741 HD1	Committee Referral: HCG, WAL, JHA	Date: 2/26/2026		
<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)				
JHA Members	Ayes	Ayes (WR)	Nays	Excused
1. TARNAS, David A. (C)	✓			
2. POEPOE, Mahina (VC)	✓			
3. BELATTI, Della Au				✓
4. COCHRAN, Elle				✓
5. HASHEM, Mark J.	✓			
6. KAHALOA, Kirstin	✓			
7. SAYAMA, Jackson D.	✓			
8. TAKAYAMA, Gregg	✓			
9. GARCIA, Diamond	✓			
10. SHIMIZU, Garner M.			✓	
TOTAL (10)	7	0	1	2
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: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				