

Honolulu, Hawaii

**FEB 11**, 2026

RE: H.B. No. 2049  
H.D. 1

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

Madame:

Your Committees on Housing and Water & Land, to which was referred H.B. No. 2049 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Restructure the conveyance tax to a marginal rate system for the sale of properties with residential use and adjust the tax for multifamily properties to reflect value on a per-unit basis;
- (2) Apply a cost-of-living adjustment to conveyance tax rates; and
- (3) Allocate conveyance tax revenues to the Dwelling Unit Revolving Fund for transit-oriented development infrastructure and to the Hawaiian Home Lands Trust Fund.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands; Office of Planning and Sustainable Development; O'ahu Youth Action Board; Oahu Metropolitan Planning Organization; Hawai'i YIMBY; Hawai'i Appleseed Center for Law & Economic Justice; Hawai'i Children's



Action Network Speaks!; and numerous individuals. Your Committees received testimony in opposition to this measure from the Moloka'i Land Trust; Hawai'i Land Trust; NAIOP Hawaii; Hawai'i Association of REALTORS; Kobayashi Group; and five individuals. Your Committees received comments on this measure from the Department of Taxation; Department of Land and Natural Resources; Tax Foundation of Hawaii; The Nature Conservancy, Hawai'i and Palmyra; and two individuals.

Your Committees find that the existing conveyance tax structure has not kept pace with dramatic increases in housing prices, resulting in inequitable burdens and insufficient revenue to support critical infrastructure and affordable housing needs. Your Committees further find that the State's fragmented approach to funding infrastructure in transit-oriented development areas, as well as the absence of dedicated and predictable funding for the Department of Hawaiian Home Lands, limits the State's ability to deliver housing efficiently and equitably. This measure ensures a fairer tax structure and establishes stable, long-term revenue streams to support infrastructure, housing production, and the delivery of homes to native Hawaiian beneficiaries.

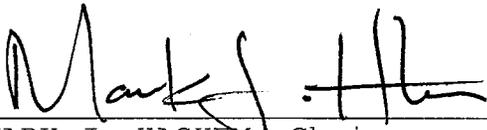
Your Committees have amended this measure by:

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

As affirmed by the records of votes of the members of your Committees on Housing and Water & Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2049, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2049, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.



Respectfully submitted on  
behalf of the members of the  
Committees on Housing and Water  
& Land,

  
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MARK J. HASHEM, Chair

  
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LUKE A. EVSLIN, Chair





