

Honolulu, Hawaii

**FEB 20**, 2026

RE: H.B. No. 2049  
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. 2049, 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) Restructure the conveyance tax to a marginal rate system for the sale of properties with residential use, applying higher rates only to property values exceeding specified thresholds;
- (2) Adjust the conveyance tax for multifamily residential properties to reflect value on a per-unit basis;
- (3) Tie conveyance tax rates to a cost-of-living adjustment to maintain equity over time;
- (4) Allocate a portion of conveyance tax revenues to the Dwelling Unit Revolving Fund to fund infrastructure programs in areas that meet transit-supportive density requirements; and
- (5) Establish a dedicated conveyance tax allocation to the Department of Hawaiian Home Lands to provide predictable



funding for multi-year planning and infrastructure and to leverage additional public and private capital for beneficiary housing.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands; Department of Land and Natural Resources; Office of Planning and Sustainable Development; Indivisible Hawai'i; Oahu Metropolitan Planning Organization; Hawaii Appleseed Center for Law & Economic Justice; Hawai'i Children's Action Network Speaks!; Hawai'i YIMBY; Catholic Charities Hawai'i; Hope Services Hawaii; Church of the Crossroads; Hawaiian Council; The Queens Court; Nation of Hawai'i; Ka Lāhui Hawai'i; Kanehili Community Association; and numerous individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS; Grassroot Institute of Hawaii; NAIOP Hawaii; and one individual. Your Committee received comments on this measure from the Department of Taxation; Trust for Public Land; The Nature Conservancy Hawai'i and Palmyra; Kua'āina Ulu 'Auamo; Wākui Community Development Corporation; and Ke Ao Hāli'i.

Your Committee finds that the Department of Hawaiian Home Lands requires dedicated and predictable funding to support long-term infrastructure planning and the timely delivery of homes to beneficiaries. Your Committee further finds that allocating a portion of conveyance tax revenues to the Hawaiian Home Lands Trust Fund provides a stable and fiscally responsible funding source that can be leveraged to support multi-year development and advance the State's obligations to native Hawaiian beneficiaries.

Your Committee has amended this measure by:

- (1) Clarifying that the annual cost-of-living adjustment applies only to the property value brackets and not to the conveyance tax rates; 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 Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2049, H.D. 1, as amended herein, and recommends that it



be referred to your Committee on Finance in the form attached  
hereto as H.B. No. 2049, H.D. 2.

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



---

DAVID A. TARNAS, Chair



