

Honolulu, Hawaii

MAR 06 , 2026

RE: H.B. No. 2147
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 Finance, to which was referred H.B. No. 2147, H.D. 2, entitled:

"A BILL FOR AN ACT PROPOSING AMENDMENTS TO ARTICLES VIII AND X OF THE CONSTITUTION OF THE STATE OF HAWAII TO AUTHORIZE THE LEGISLATURE TO ESTABLISH A SURCHARGE ON RESIDENTIAL INVESTMENT PROPERTY TO INCREASE FUNDING FOR PUBLIC EDUCATION,"

begs leave to report as follows:

The purpose of this measure is to propose a constitutional amendment to repeal the counties' exclusive power to tax real property and authorize the Legislature to establish a state surcharge on county real property taxes on certain residential investment properties, to help fund public education for all of Hawaii's children and adults.

Your Committee received testimony in support of this measure from the Hawaii Teacher Standards Board; Hawai'i State Teachers Association; Democratic Party of Hawai'i Education Caucus; Hawai'i Scholars for Education, Social Justice, and Diversity; Hawaii Children's Action Network Speaks!; and nine individuals. Your Committee received testimony in opposition to this measure from the Department of Budget and Fiscal Services for the City and County of Honolulu; Department of Finance for the County of Hawaii; one member of the Maui County Council; Hawai'i Association



of REALTORS; Grassroot Institute of Hawaii; and four individuals. Your Committee received comments on this measure from the Department of Education and Tax Foundation of Hawaii.

Your Committee notes that the counties have different affordable rental programs that may be affected by this measure and recommends subsequent committees to consider excluding rentals from the application of the surcharge proposed by this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2147, H.D. 2, and recommends that it pass Third Reading.

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



CHRIS TODD, Chair



