

STAND. COM. REP. NO. 753-26

Honolulu, Hawaii

FEB 20 , 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 Judiciary & Hawaiian Affairs, to which was referred H.B. No. 2147, H.D. 1, 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 an amendment to the Constitution of the State of Hawaii to repeal the counties' exclusive power to tax real property, and to authorize the Legislature to establish a state surcharge on real property taxes levied by the counties on certain residential investment properties, for the purpose of helping to fund public education for all of Hawaii's children and adults.

Your Committee received testimony in support of this measure from the Hawai'i Teacher Standards Board; Early Childhood Action Strategy; Hawai'i State Teachers Association; Hawai'i Children's Action Network Speaks!; Democratic Party of Hawai'i Education Caucus; and seven individuals. Your Committee received testimony in opposition to this measure from the Office of the Mayor of the County of Maui; Real Property Tax Administrator of the County of Hawai'i; Department of Budget and Fiscal Services of the City and

2026-1664 HB2147 HD2 HSCR HMSO



County of Honolulu; Department of Finance of the County of Kauai; Hawai'i Association of REALTORS; Grassroot Institute of Hawaii; Law Office of Georgette A. Yaindl, LLC; and three individuals. Your Committee received comments on this measure from the Department of Education and Tax Foundation of Hawaii.

Your Committee finds that the ballot question in this measure, as received by your Committee, is similar to the ballot question in S.B. No. 2922, H.D. 1, Regular Session of 2018, which was declared invalid by the Hawaii Supreme Court in *City & County of Honolulu v. State*, 143 Hawai'i 455, 431 P.3d 1228 (2018). Accordingly, your Committee has amended the ballot question to ensure that it is clear and neither misleading nor deceptive for voters in accordance with state law.

Your Committee further finds that beginning with the 2024 elections, the Office of Election will provide voters with a digital voter information guide that includes an explanation drafted by the Department of the Attorney General of each state constitutional amendment to be proposed to voters on the ballot. Your Committee believes that this guide will aid in clarifying the constitutional question that voters are tasked with making, as recommended by the Hawaii Supreme Court.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "surcharge";
- (2) Clarifying the ballot question; and
- (3) 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. 2147, 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. 2147, H.D. 2.



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



DAVID A. TARNAS, Chair



