

STAND. COM. REP. NO. **2020**-26

Honolulu, Hawaii

APR 09, 2026

RE: S.B. No. 3028
S.D. 2
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 S.B. No. 3028, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PROPERTY CONVEYANCE,"

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, adjusts the tax for multifamily properties to reflect value on a per-unit basis, and applies a cost-of-living adjustment to conveyance tax rates;
- (2) Allocate a portion of conveyance tax collections to the Dwelling Unit Revolving Fund, Hawaiian Home Lands Infrastructure and Housing Special Fund, and Special Land and Development Fund; and
- (3) Establish and appropriate funds out of the Hawaiian Home Lands Infrastructure and Housing Special Fund.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Department of Hawaiian Home Lands; Chamber of Sustainable Commerce; Hawai'i

2026-3036 SB3028 HD2 HSCR HMSO



Public Health Institute; Hi'ipaka LLC; Hawai'i Children's Action Network Speaks!; Hawai'i YIMBY; Hawai'i Appleseed Center for Law & Economic Justice; Association of Hawaiian Civic Clubs; HOPE Services Hawaii; Catholic Charities Hawai'i; Nation of Hawai'i; Indivisible Hawai'i; Friends of Amy B.H. Greenwell Ethnobotanical Garden; and numerous individuals. Your Committee received testimony in opposition to this measure from the Grassroot Institute of Hawaii; NAIOP Hawaii; Hawai'i Association of REALTORS; Land Use Research Foundation of Hawaii; and two individuals. Your Committee received comments on this measure from the Department of Taxation; Chamber of Commerce Hawaii; Tax Foundation of Hawaii; The Nature Conservancy, Hawai'i and Palmyra; and one individual.

Your Committee has amended this measure by:

- (1) Removing the allocation of conveyance tax revenues to the Special Land and Development Fund for land acquisition for the Na Ala Hele Program;
- (2) Establishing the Transit-Oriented Development Infrastructure Subaccount within the Dwelling Unit Revolving Fund to receive allocations from the conveyance tax revenues;
- (3) Inserting tax rates for the conveyance of property with a residential dwelling unit, with different rates based on whether or not the purchaser is eligible for a county homeowner's exemption from property tax;
- (4) Inserting tax rates for the conveyance of property with no residential dwelling unit that are the same as existing rates under section 247-2(1), Hawaii Revised Statutes;
- (5) Inserting conveyance tax revenue allocation percentages and amounts; and
- (6) 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3028, S.D. 2, H.D. 1, as amended herein, and recommends that it



pass Third Reading in the form attached hereto as S.B. No. 3028,
S.D. 2, H.D. 2.

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



CHRIS TODD, Chair



