

March 19, 2026

The Honorable Glenn Wakai, Chair

Senate Committee on Energy and Intergovernmental Affairs

The Honorable Chris Lee, Chair

Senate Committee on Water, Land, Culture and the Arts
State Capitol, Conference Room 224 & Videoconference

RE: House Bill 1990, HD2, Relating to Residential Real Property

HEARING: Thursday, March 19, 2026, at 3:00 p.m.

Aloha Chair Wakai, Chair Lee, and Members of the Joint Committees:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR provides **comments expressing concerns** on House Bill 1990, HD2, which establishes penalties, including fines and liens, for an owner of residential real property's failure to remediate zoning violations. Requires, under certain conditions, county planning or permitting agencies to record the notice of violation as a lien on the property with the Bureau of Conveyances. Requires referral to the applicable county corporation counsel for foreclosure if the owner fails to satisfy certain conditions. Effective 7/1/3000.

While HAR appreciates the intent of ensuring compliance with zoning laws, however this measure may have unintended consequences. Under the current language, the bill does not distinguish between serious health and safety hazards and minor technical violations. For example, a minor landscaping issue or weed abatement notice could trigger the same severe penalties as a major structural safety violation.

Additionally, HAR is concerned with the accelerated timelines established in this measure, which could result in foreclosure proceedings within a very limited timeframe. With a minimum fine of \$1,000 per day, fines could exceed \$20,000 relatively quickly, at which point the notice of violation constitutes a lien on the residential property. In addition, if within thirty days of receiving the notice of violation the property owner fails to both satisfy the violation and commence remediation to the satisfaction of the county, the applicable county planning or permitting agency is required to record the notice as a lien with the Bureau of Conveyances ("Bureau"). Within 30 days of recording the lien, the Bureau must refer the matter to the applicable county corporation counsel to initiate foreclosure proceedings. This quick timeline raises concerns, particularly for homeowners who may be ill, traveling, temporarily absent, or otherwise unaware that notices have been issued.

Mahalo for the opportunity to provide testimony on this measure.

March 19, 2026, 3 p.m.
Hawaii State Capitol
Conference Room 224 and Videoconference

To: Senate Committee on Energy and Intergovernmental Affairs

Sen. Glenn Wakai, Chair
Sen. Stanley Chang, Vice Chair

Senate Committee on Water, Land, Culture and the Arts

Sen. Chris Lee, Chair
Sen. Lorraine R. Inouye, Vice Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: TESTIMONY IN OPPOSITION TO HB1990 HD2 — RELATING TO RESIDENTIAL REAL PROPERTY

Aloha Chairs, Vice Chairs and other Committee Members,

The Grassroot Institute of Hawaii **opposes** [HB1990 HD2](#), which would allow counties to commence foreclosure procedures upon residential real property and use the revenues to satisfy unpaid civil fines for unaddressed zoning violations related to the property.

We sympathize with the desire of the counties to address nuisances and recoup fines. However, it is also necessary to protect the equity interests of homeowners. Otherwise, any actions taken to recoup fines via foreclosure sales would be vulnerable to legal challenge.

In [Tyler v. Hennepin County, Minnesota](#), the Supreme Court held that the county's retention of the excess value of the plaintiff's home above her tax debt violated the U.S. Constitution's takings clause. By treating the violation as a lien and then requiring that foreclosure proceedings be carried out pursuant to chapter 667, HB1990 HD2 does mitigate this issue to some degree. However, because of the special circumstances involved in this type of foreclosure, it would be helpful to explicitly state that the revenues from the sale after satisfaction of the lien should be remitted to the property owner.

Moreover, because of the government’s role in the foreclosure and sale of private property under this bill, we are concerned that such sales could be vulnerable to corruption. Without a provision requiring that the property be sold promptly at or near market value, it is possible for a bad actor to deprive the owner of his or her equity interest in the property.

For example, in [Michigan](#), corruption at the local level resulted in some foreclosed properties being sold to friends and families of local officials at far below market value.¹

There is currently a case before the U.S. Supreme Court, [Pung v. Isabella County](#), that centers specifically on whether the Fifth Amendment requires compensation based on fair market value in foreclosure situations such as those envisioned by this bill.

If this bill were to move forward, we suggest that the Committee amend it to include the bolded section as follows:

(b) Within thirty days after the applicable county planning or permitting agency files the notice of violation at the bureau of conveyances, the bureau of conveyances shall refer the matter to the applicable county corporation counsel to foreclose the property pursuant to part IA or part II of chapter 667; **provided that the county sell the property at no less than the market value of similarly situated properties and that all revenues received from the sale that exceed the amount of any and all liens be refunded to the property owner.**

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

¹ [“Ending Home Equity Theft.”](#) Pacific Legal Foundation, accessed Feb. 4, 2025.