

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII 'I
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau
P.O. BOX 259

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GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 2049, H.D.1, Relating to Housing

BEFORE THE:

House Committee on Judiciary & Hawaiian Affairs

DATE: Friday, February 13, 2026

TIME: 2:00 p.m.

LOCATION: State Capitol, Room 325

Chair Tarnas, Vice-Chair Poepoe, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 2049, H.D.1, for your consideration.

Section 2 of H.B. 2049, H.D.1, amends section 201H-191, Hawaii Revised Statutes (HRS), to direct conveyance tax revenues collected pursuant to section 247-7(4), HRS, be deposited to the dwelling unit revolving fund, restricting those proceeds to transit-supportive density infrastructure programs. "Transit-supportive density" is defined to have the same meaning as in section 206E-246, HRS.

Section 3 amends section 247-2(a), HRS, to restructure the conveyance tax to a marginal rate system. The measure retains the existing property value brackets but leaves the applicable percentage tax rates unspecified.

For the first category in section 247-2(a)(1), HRS, the following new description is added: "For the sale of a property with a residential dwelling unit for which the purchaser is eligible for a county homeowner's exemption from property tax." Additionally, a new top bracket is added for properties with a value of at least \$20,000,000.

For the second category in section 247-2(a)(2), HRS, the description is changed

from “a condominium or single-family residence,” to “a property with a residential dwelling unit.” A new top bracket is also added for properties with a value of at least \$20,000,000.

A third category is created, section 247-2(a)(3), HRS, “For the sale, lease, sublease, or assignment of any property with no residential dwelling unit.” The top bracket is for properties with values of at least \$10,000,000.

Unlike the first and second categories, which are structured as marginal rate systems under which the tax is applied incrementally to portions of the property value within each bracket, the third category applies a single rate based on the total value of the property. Accordingly, once the property value meets a specified threshold, the applicable rate applies to the entire value of the property rather than only to the portion within that bracket.

Additionally, a new provision is added specifying that any conveyance of property that is used for transient accommodations (as defined in section 237D-1, HRS) for any period during the two years prior to the date of conveyance will be subject to the tax imposed under section 247-2(a)(2), HRS.

The bill further specifies a new method of applying the conveyance tax rates to a “multifamily residential property,” defined as “a structure that is located within the state urban land use district and divided into five or more dwelling units.” For conveyances of multifamily residential properties, the “value,” for purposes of determining the relevant conveyance tax rates under section 247-2(a)(2), HRS, is determined by dividing the actual and full consideration by the number of residential dwelling units in the property. The conveyance tax is then calculated by applying the applicable rate to the actual and full consideration for the transfer of the property.

Section 3 also amends section 247-2(b), HRS, to require the Director of Taxation, no later than December 15 of the preceding calendar year, to recompute the property value brackets set forth in section 247-2(a), HRS, based on a cost-of-living adjustment (COLA) factor. The purpose of the COLA adjustment is to account for inflationary increases in residential property values over time.

Section 4 amends section 247-7 by adding two special funds to receive allocations of conveyance tax revenues. It also increases the minimum distribution amounts for the two special funds currently receiving allocations from conveyance tax revenue.

The measure has a defective effective date of July 1, 3000.

DOTAX recommends amending section 247-2(b) to clarify that the annual inflation adjustment will apply only to the bracket amounts (i.e., “value” of the property)

and not the tax rates, as follows:

(b) For each taxable year beginning after December 31, 2026, the director of taxation, no later than December 15 of the preceding calendar year, shall recompute the "value" in sections 247-2(a)(1), (a)(2), and (a)(3) by multiplying the dollar amounts for the preceding taxable year by a cost-of-living adjustment factor, if the cost-of-living adjustment factor is greater than 1.0, and rounding off the resulting product to the nearest \$1; provided that if the cost-of-living adjustment factor is less than or equal to 1.0 in a given year, then no adjustment shall occur in the following year.

DOTAX further notes that it can implement the tax law changes in this bill with a January 1, 2027 effective date.

Thank you for the opportunity to provide comments on this measure.

JOSH GREEN, M.D.
GOVERNOR
STATE OF HAWAII
*Ke Kia'āina o ka Moku'āina 'o
Hawaii*

SYLVIA J. LUKE
LT. GOVERNOR
STATE OF HAWAII
*Ka Hope Kia'āina o ka Moku'āina
'o Hawaii*



KALI WATSON
CHAIRPERSON, HHC
Ka Luna Ho'okele

KATIE L. LAMBERT
DEPUTY TO THE CHAIR
Ka Hope Luna Ho'okele

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
Ka 'Oihana 'Āina Ho'opulapula Hawaii'i

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TESTIMONY OF KALI WATSON, CHAIR
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON JUDICIARY AND
HAWAIIAN AFFAIRS
ON FEBRUARY 13, 2026 AT 2:00PM IN CR 325

HB2049, HD1, RELATING TO HOUSING

February 13, 2026

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) strongly **supports** this bill which 1) restructures the conveyance tax to a marginal rate system for the sale of properties with residential use, 2) adjusts the tax for multifamily properties to reflect value on a per-unit basis, 3) applies a cost-of-living adjustment to conveyance tax rates, 4) allocates revenues from conveyance tax collections, 5) allocates a portion of conveyance tax collections to the Dwelling Unit Revolving Fund to fund infrastructure programs in county-designated transit-oriented development areas that meet minimum standards of transit-supportive density and 6) allocates a portion of conveyance tax revenues to the Hawaiian Home Lands Trust Fund.

This bill would allocate thirty per cent or \$60,000,000, whichever is less, to be paid into the Hawaiian Home Lands Trust Fund. At this rate, DHHL would be able to complete all twenty-eight (28) projects pursuant to Act 279, Session Laws of Hawaii 2022, within 10-12 years (see attachment). This bill would provide predictable funding for multi-year planning and infrastructure while also leveraging additional public and private capital for beneficiary housing.

Thank you for your consideration of our testimony.

An Annual Appropriation of \$60M will enable DHHL to deliver more than 8,000 Lots by 2039, unlocking \$5.2 billion in Private Funding

DHHL Site Development Lots Developed by Year



Phase 1: Infrastructure Development (2029 Completion)

Based on internal projections, DHHL will exhaust the initial \$600 million from Act 279, used for site infrastructure for approximately 2,100 lots, by 2029.

Housing Construction & Financial Model

Once site infrastructure is complete, private developers will build single- and multi-family units.

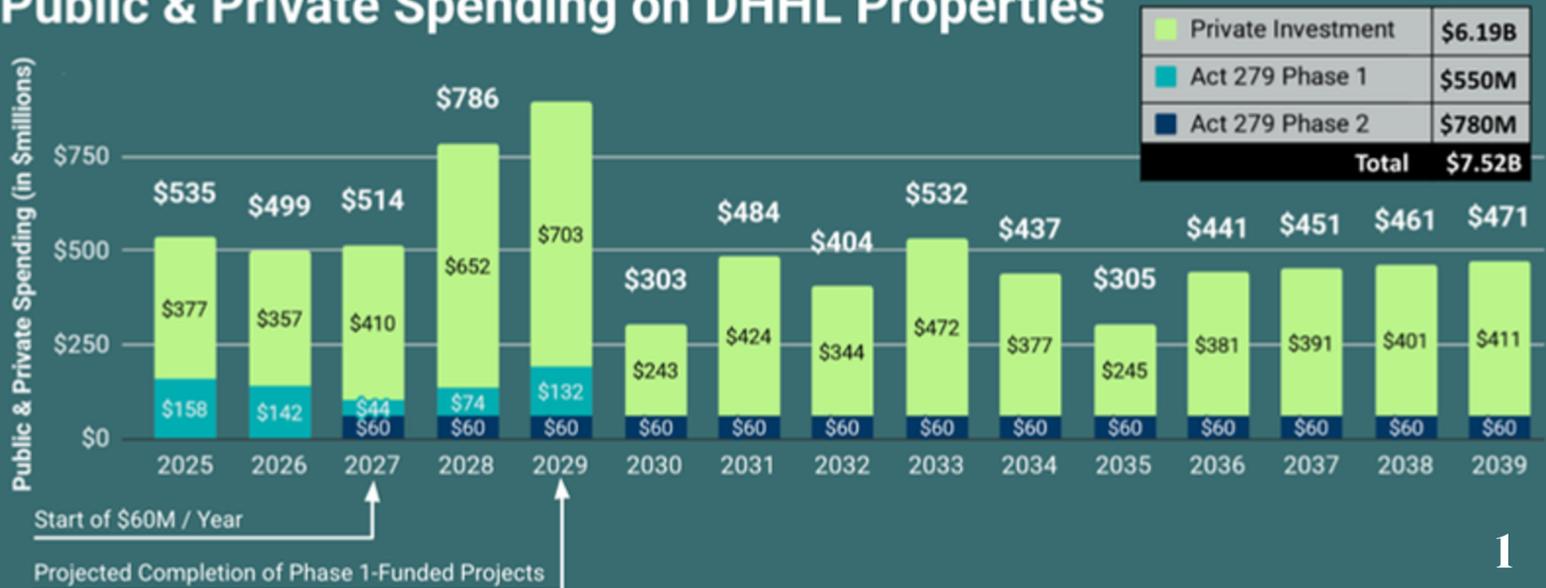
- **Average Vertical Construction Cost:** \$630,000* per unit
- **Total Projected Private Development Cost:** \$6.19 billion

Phase 2: Portfolio Completion (FY 2039 Projection)

With an additional \$60 million per year (starting in Fiscal Year 2027), DHHL expects to prepare site infrastructure for its entire portfolio, adding approximately 6,100 lots. All site infrastructure is projected to be complete by the end of Fiscal Year 2039.

* Calculations assume 2.5% annual inflation for years 2026 and beyond.

Public & Private Spending on DHHL Properties



Exploring Financing Strategies

DHHL considered a comprehensive range of financial options for Phase 2 Act 279 funding and deliver developed lots to beneficiaries, with a focus on balancing speed of development with long-term Departmental stability.

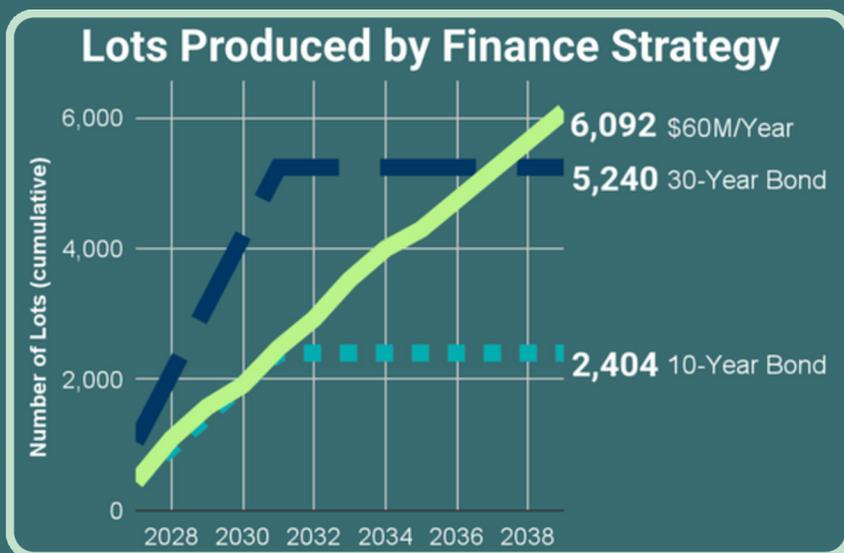
Recently, DHHL considered using annual state funding as a dedicated source for debt-service payments. This would provide a significant influx of funds for construction activities.

Analysis of Bonding and Debt Financing

To determine the optimal finance strategy, DHHL considered the Return on Investment (ROI) for general obligation bonds. The results favor a direct cash-based approach. The findings were:

- **High Cost, Reduced Output:**
 - 10-Year Financing: This option would yield 60% fewer lots (only 2,404 developed vs. 6,092 projected), making it financially unviable.
 - 30-Year Financing: This option would produce 15% fewer lots (5,240 developed vs. 6,092 projected) while simultaneously incurring long-term debt.
- Bonding would require DHHL to allocate significant funds towards interest and financing costs instead of directly investing that capital into site construction and infrastructure development.

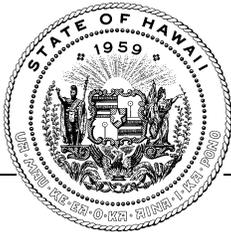
Ultimately, the analysis demonstrated that while debt financing might offer an upfront capital injection, its long-term cost drastically reduces the total number of lots DHHL can deliver, making it a poor fit for maximizing the program's impact.



Bond Period:	10-Years	30-Years
Total Borrowed	\$505.3M	\$1,103.5M
Interest Rate:	3.25%	3.50%
Term (Years):	10	30

Annual Debt Service:	\$60M	\$60M
Annual Principal:	\$43.6M	\$21.4M
Annual Interest:	\$16.4M	\$38.6M

Total Payments	\$600.0M	\$1,800M
Interest Payments:	\$94.7M	\$696.5M
Principal Payments	\$505.3M	\$1,103.5M



**STATE OF HAWAI'I
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
DIRECTOR

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Statement of
MARY ALICE EVANS, Director

before the
HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

Friday, February 13, 2026

2:00 PM

State Capitol, Conference Room 325

in consideration of
HB 2049, HD 1
RELATING TO HOUSING.

Chair Tarnas, Vice Chair Poepoe, and Members of the House Committee on Judiciary and Hawaiian Affairs.

The Office of Planning and Sustainable Development (OPSD) **supports with comments** on HB 2049, HD 1, which restructures the conveyance tax to a marginal rate system and adjusts the tax for multifamily properties to reflect value on a per-unit basis and ties conveyance tax rates to a cost-of-living adjustment. It also allocates a portion of conveyance tax collections to the Dwelling Unit Revolving Fund (DURF) to fund infrastructure programs in county-designated transit-oriented development (TOD) areas that meet minimum standards of transit-supportive density and establishes a dedicated conveyance tax allocation to the Department of Hawaiian Homelands.

OPSD **supports** State investment in higher-density, mixed-use communities around rail stations and areas designated for TOD served by public transit—this allows individuals and households of all income ranges to live in proximity to goods, services, and other amenities and promotes more walkable, vibrant communities for all residents. This is in line with the TOD Council's Strategic Plan to have individuals and families living in a transit-friendly area where goods and services are near their residence.

As noted in the measure, the *TOD Infrastructure Finance and Delivery Strategy Study* conducted by OPSD pursuant to Act 88, Session Laws of Hawai'i 2021, found that new revenue sources were needed to help address the significant funding gap for public infrastructure required in key TOD areas statewide.

A key recommendation of the Study was to increase revenues from available tax mechanisms, such as the conveyance tax, and to dedicate a portion of the increased tax revenues to address infrastructure and housing needs in TOD areas.

Thus, OPSD **supports** portions of the conveyance tax revenues to supportive housing and DURF for housing and infrastructure in county-designated TOD areas. These funding sources are essential to increasing and preserving Hawai'i's housing stock and increasing housing in transit-oriented communities.

Thank you for the opportunity to testify on this measure.

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

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LAND
STATE PARKS

Testimony of
RYAN K.P. KANAKA'OLE
Acting Chairperson

Before the House Committee on
JUDICIARY & HAWAIIAN AFFAIRS

Friday, February 13, 2026
2:00 PM
State Capitol, Conference Room 325

In consideration of
HOUSE BILL 2049, HOUSE DRAFT 1
RELATING TO HOUSING

House Bill 2049, House Draft 1, proposes restructuring the conveyance tax (CTX) rate system and revising the annual allocations of the collected revenue. The bill increases the land conservation fund (LCF) CTX revenue cap from \$5.1 million to \$10 million and reduces the allocation of the CTX to the LCF from 10 percent to 5 percent. **The Department of Land and Natural Resources (Department) supports this measure.**

The Department recognizes the importance of increasing funding for the rental housing revolving fund, the Hawaiian home lands trust fund, and the dwelling unit revolving fund, while also acknowledging that the land conservation fund offers important complementary benefits. Given sufficient CTX collections, raising the LCF's annual CTX revenue cap from \$5.1 million to \$10 million would enhance the LCF's land acquisition program. The Department's current goal for effective State-funded land acquisition is \$10 million in annual CTX revenue to ensure sufficient funding for land conservation. The proposed \$10 million revenue cap would facilitate that level of funding.

Mahalo for the opportunity to comment on this measure.



TRUST FOR PUBLIC LAND'S TESTIMONY IN PARTIAL OPPOSITION HB 2049 HD1
House Committee on Judiciary & Hawaiian Affairs
Friday, February 13, 2026, 2:00 p.m., Conf. Rm. 325

HAWAII

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Aloha e Chair Tarnas, Vice Chair Poepoe, and Members of the Committee,

Trust for Public Land (TPL) appreciates the intent of HB 2049 to establish a steady source of funding for the Department of Hawaiian Homelands but strongly opposes proposed changes affecting the State Legacy Land Conservation program in HRS Section 247-7(1) (pp. 13-14 of bill) that decrease the percentage of conveyance tax revenue from 10% to 5%. However, TPL supports the proposed change to increase the cap from \$5.1M to \$10M.

In 2005, HRS Section 247-7(1) established funding for the State's Legacy Land Conservation Program under the Department of Land and Natural Resources, Division of Forestry and Wildlife setting aside up to 10% of the State's real estate conveyance tax (but currently capped at \$5.1M) to protect/purchase important agricultural, coastal, cultural/historic, habitat, natural, open space/scenic, parks, recreation/hunting, and watershed lands throughout the state. With this funding, many culturally important areas have been protected with strong support from Native Hawaiian communities – for example, heiau sites (Maunawila Heiau, Hāwea Heiau) and larger cultural landscapes (Lapakahi State Historic Park, Mahukona Navigation and Ecological Complex, Kaunāmano, Kāwā, Mokae to Maka'alaie).

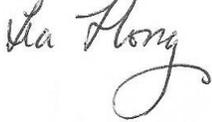
HB 2049 proposes to cut the amount of real estate conveyances dedicated to the Legacy Land Conservation Program from 10% to 5% and increase the cap on program funding from \$5.1M to \$10M. TPL opposes the decrease from 10% to 5% because this could drastically reduce current funding levels used to protect important lands (including culturally important lands and lands that are returned to Native Hawaiian stewardship or ownership) throughout the State. Total conveyance tax revenue over the last six fiscal years (FY2020-FY2025) has ranged from \$ 61.1 million to \$188.4 million and averaged \$99.6 million. At the proposed reduced 5% rate, total Legacy Land Conservation Program funds would have been \$712,772 less than what was funding under the existing law. The proposed \$10 million LCF revenue cap would not have been reached until unless conveyance taxes reached \$200 million (which did not happen). Under the proposed 5% level, the existing \$5.1M revenue cap would not have been reached until total conveyance tax collections reached \$103 million (which did not in all years except FY2022). Under the proposed change to decrease the percentage of real estate conveyance taxes from 10% to 5%, the Legacy Land Conservation Program could lose up to half of the revenue that it currently receives.

Trust for Public Land suggests that HRS Section 247-7 remain at 10% but recommends and supports increasing the cap to \$10 million (as proposed in the legislation). The \$10 million cap would be reached when total conveyance tax collections reach \$100M. The existing revenue cap of \$5.1M does not meet the urgent need to conserve land as land prices rise exponentially year after year. Every year, the program is inundated with worthy projects needing double, triple, or quadruple the amount of funding available.

Again, we appreciate the bill's intent to provide DHHL with consistent funding. However, the State Legacy Land Program provides vital funds to conserve culturally important and other watershed and coastal lands throughout the state – strongly supported by the Native Hawaiian community. We therefore strongly oppose proposed changes to HRS Section 247-7(1) (pp. 13-14 of bill) that decrease the percentage of conveyance tax revenue from 10% to 5% but support the proposed change of HRS Section 247-7(1) to increase the cap from \$5.1M to \$10M.

I apologize that I will not be able to attend this hearing in person or by Zoom as I have a pre-existing conflict that cannot be moved.

Respectfully,

A handwritten signature in cursive script that reads "Lea Hong". The signature is written in black ink and is positioned below the word "Respectfully,".

Lea Hong
Associate Vice President
Hawai'i State Director
Edmund C. Olson Trust Fellow



Protect Democracy Move Forward

www.indivisiblehawaii.org

info@indivisiblehawaii.org

To: Hawai'i State House Committee on Judiciary and Hawaiian Affairs
Re: Testimony in STRONG SUPPORT of HB2049 HD1

Dear Chair Tarnas, Vice Chair Poepoe, and the Members of Committee,

Members of Indivisible Hawai'i thank you for this opportunity to testify in strong support of HB2049 HD1 which would tweak the conveyance tax on the transfers of entity ownership when the transfer is essentially equivalent to the sale of real property.

More of Hawai'i's real estate is being bought up by investors, and this tax makes sure that they are contributing more to local communities. Owners of luxury homes still pay very low conveyance tax rates, only about 0.5% to 1.25%. Other high cost housing cities like Seattle and San Francisco have much higher transfer taxes, ranging from 2 to 7 percent on high-value properties.

HB2049 HD1 would also allocate a portion of conveyance tax collections to the Hawaiian Home Lands Trust Fund and also to the Dwelling Unit Revolving Fund to fund much needed development. The additional tax revenue from tweaking the conveyance tax could also fund affordable housing, homeless programs, land conservation, and so on.

Thank you for your consideration.

Sincerely,
Younghee Overly
Indivisible Hawai'i Working Families Team

The mission of the 14-chapter Indivisible Hawai'i Statewide Network (IHSN) is to protect Hawai'i and democracy by defending civil rights, communities and values, most importantly, Hawai'i's Constitutionally protected spirit of Aloha. In October 2025, IHSN with other partners turned out over 22,000 residents on all major islands to say No Dictators! and to stand up for democracy. This call-to-action was part of Indivisible national's mobilization of more than 7 million across the country as the voice of the people, committed to election integrity and to evolving as a place of equity, opportunity and peace.



Testimony of the Oahu Metropolitan Planning Organization

Committee on Judiciary & Hawaiian Affairs

02/13/26 2:00 PM
CR 325 & Videoconference

HB2049 RELATING TO HOUSING

Dear Chair Tarnas, Vice Chair Poepoe, and Committee Members,

The Oahu Metropolitan Planning Organization (OahuMPO) **supports HB2049**, which restructures the conveyance tax into a marginal rate system for residential properties, adjusts the tax structure for multifamily properties on a per-unit basis, applies a cost-of-living adjustment to tax rates, and dedicates revenues to support infrastructure in transit-oriented development (TOD) areas and the Hawaiian Home Lands Trust Fund. As amended, the measure sets the marginal rates at unspecified amounts.

According to the [U.S. Bureau of Labor Statistics](#), transportation was the second largest household expense in 2022, with many residents facing high combined housing and transportation costs. The Oahu Regional Transportation Plan (ORTP) identifies TOD as a critical strategy to address these challenges while indirectly improving safety by increasing the share of trips made by walking, bicycling, and transit. According to the [American Public Transportation Association \(2016\)](#), compact, transit-supportive communities are associated with lower vehicle speeds, fewer vehicle miles traveled, and reduced risk of crashes.

The restructuring of the conveyance tax, along with adjustments for multifamily properties on a per-unit basis, supports housing types that are most compatible with TOD and safer travel patterns. In addition, allocating conveyance tax revenues to the Hawaiian Home Lands Trust Fund advances the ORTP's equity goals by supporting communities that are disproportionately impacted by housing costs, long commutes, and traffic safety risks.

The OahuMPO is the federally designated Metropolitan Planning Organization (MPO) on the island of Oahu responsible for carrying out a multimodal transportation planning process, including the development of a long-range (25-year horizon) metropolitan transportation plan, referred to as the Oahu Regional Transportation Plan (ORTP), which encourages and promotes a safe, efficient, and resilient transportation system that serves the mobility needs of all people and freight (including walkways, bicycles, and transit), fosters economic growth and development, while minimizing fuel consumption and air pollution ([23 CFR 450.300](#)).

Mahalo for the opportunity to provide testimony on this measure.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
Support for HB2049 HD1 – Relating to Conveyance Tax
House Committee on Judiciary & Hawaiian Affairs
Friday, February 13, 2025 at 2:00PM Conf. Rm. 325 and via Videoconference

Aloha Chair Tarnas, Vice Chair Poepoe, and members of the committees;

Mahalo for the opportunity to testify in **strong support of HB2049 HD1**, which would modernize Hawaii's conveyance tax structure, reduce the tax burden on the average resident homeowner, increase the burden of conveyance tax on investment owners, and create a dedicated 20% allocation to the Dwelling Unit Revolving Fund (DURF) and a 30% allocation for the Department of Hawaiian Home Lands (DHHL).

Conveyance taxes are a fair way to ensure that those who benefit most from Hawaii's real estate market help pay for housing and infrastructure our communities need. By capturing revenue from real estate transactions, we create a direct link between market activity and community investment. When property values and sales increase, generating more conveyance tax revenue, we are able to expand our response to the heightened housing affordability challenges that often accompany such market conditions. These taxes help ensure that real estate development contributes to meeting the increased housing and infrastructure demands that it creates.

However, the current conveyance tax structure is inadequate to address Hawaii's needs. Our housing crisis has intensified while our infrastructure and housing needs, particularly around transit-oriented development, have grown substantially. Yet Hawaii's current conveyance tax rates have remained unchanged since 2009, despite dramatic increases in property values.

HB2049 HD1 recognizes that real estate transactions in Hawaii's high-cost market should contribute more equitably and aims to rectify this issue by:

- Implementing a more progressive rate structure that primarily impacts high-value investment properties while protecting owner-occupants,
- Applying a cost-of-living adjustment mechanism that prevents future erosion of these critical revenue streams
- Creating a dedicated 10% allocation to the Dwelling Unit Revolving Fund (DURF)
- Establishing and creating a dedicated 8% allocation to a Supportive Housing Special Fund

Infrastructure Needs around TOD

The Dwelling Unit Revolving Fund (DURF), established in 1970, supports infrastructure investments connected to housing development, crucial for maintaining housing production



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
Support for HB2049 HD1 – Relating to Conveyance Tax
House Committee on Judiciary & Hawaiian Affairs
Friday, February 13, 2025 at 2:00PM Conf. Rm. 325 and via Videoconference

aligned with our increasing demand. Hawaii was given a D+ rating by the American Society of Civil Engineers in the “2019 Hawaii Infrastructure Report Card”¹. Lack of adequate infrastructure further exacerbates delays to our needed additional housing construction. Increasing funding to DURF is necessary to reach the housing goals across the state. Hawai'i Appleseed commends the legislature for proposing a 20% dedicated fund from high cost property sales to address our infrastructure needs.

Housing Development Needs

The 2019 Hawaii Housing Planning (HHPS 2019) Study identified the need for 50,000 additional housing units by 2025 to meet pent-up demand². Estimates from the HHPS 2019 indicated that over 50 percent of our housing production needs to be affordable rentals (0-100% AMI) for low-income and workforce families to meet demand. The RHRF provides financing for Low Income Housing Tax Credit (LIHTC) projects for individuals making 0-60% AMI and financing for Tier 2 program which utilizes the RHRF for 80-100% AMI focused projects. Without financing of DURF for our infrastructure needs we will not be able to address the housing needs across the state³.

Department of Hawaiian Homelands

Since the 1978 constitutional convention the legislature has continued to ignore the constitutional mandate to sufficiently fund the Department of Hawaiian Homelands.⁴ In 2022, Act 279 invested a historic one-time appropriation \$600M into the department,⁵ and as of 2025 the department has estimated it needed \$800M in additional financing to produce around 6,000 homestead lots.⁶ Native Hawaiians make up roughly 20-24% of our population but about 40% of the incarcerated population in Hawaii, and it costs over \$100,000 a year to incarcerate one person here.⁷ **In FY26, we are budgeting on the order of over \$300M for our corrections system, compared with**

¹ ASCE, “2019 Hawaii Infrastructure Report Card”,

https://infrastructurereportcard.org/wp-content/uploads/2021/07/ASCE-24199_Full-REPORT-2019-FINAL.pdf

² “Hawaii Housing Planning Study, 2019” HHFDC, December 2019, pg. 38

https://dbedt.hawaii.gov/hhfdc/files/2020/01/FINAL-State_Hawaii-Housing-Planning-Study.pdf

³ “TOD Infrastructure Finance and Delivery Strategy”

https://files.hawaii.gov/dbedt/op/lud/Reports/TOD_InfraFin_Strategy_20231221.pdf

⁴ “DHHL’s Fight for Funding”

<https://dhhl.hawaii.gov/reports/nelson/>

⁵ Act 279, SLH 2022

⁶ Honolulu Star-Advertiser “DHHL expects to meet deadline to spend \$600M” December 2, 2025

<https://dhhl.hawaii.gov/wp-content/uploads/2025/12/12.2.2025-HSA-DHHL-expects-to-meet-deadline-to-spend-600M.pdf>

⁷ “Native Hawaiians are Overrepresented in Prisons. Cultural Education Could Help” Charlotte West, May 21, 2023.

<https://www.civilbeat.org/2023/05/native-hawaiians-are-overrepresented-in-prisons-cultural-education-could-help/>



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
Support for HB2049 HD1 – Relating to Conveyance Tax
House Committee on Judiciary & Hawaiian Affairs
Friday, February 13, 2025 at 2:00PM Conf. Rm. 325 and via Videoconference

about \$185M for DHHL.⁸ In other words, **the State is spending far more to cage Native Hawaiians than to house** them in their own homeland. HB2049 would be a step in the right direction, allocating 30% or \$60M, whatever is less, annually to DHHL.

Marginal Tax Rate

A marginal rate system prevents the "cliff effect" that exists in Hawaii's current tax structure, where a small increase in property value can trigger a dramatically higher tax bill on the entire amount. This creates artificial market barriers and incentivizes price manipulation to avoid threshold crossings. The proposed marginal rate system, modeled after the income tax structure, would apply higher rates only to the portion of a property's value exceeding each threshold. This approach ensures a fairer tax burden while creating a smoother, more equitable progression that better reflects the ability to pay and market realities. It's important to note this would only apply to residential classified properties and leave commercial and agricultural rates where they are.

Under the marginal system, a typical \$800,000 or \$1.2M owner occupied home actually pays less conveyance tax than under the current flat brackets.



⁸ [Hawaii Budget Primer FY2025-26](#)



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice
Support for HB2049 HD1 – Relating to Conveyance Tax
House Committee on Judiciary & Hawaiian Affairs
Friday, February 13, 2025 at 2:00PM Conf. Rm. 325 and via Videoconference

For higher, traditionally investment price points, HB2049 HD1 modestly to significantly increases conveyance taxes. Non-owner-occupant buyers and sellers transacting at values far beyond local wages would pay more for the privilege. For example, an investment property sold for \$1.7 million would pay \$7,050 under HB2049 HD1 instead of \$6,800 today, and at \$2.5 million the tax would rise from \$15,000 to \$19,500.



HB2049 HD1 aligns our tax system with our values by asking those who profit most from Hawai‘i’s real estate market to shoulder a fairer share, while easing the burden on typical local homeowners. It strengthens the foundations of our housing system by dedicating meaningful, predictable funding to TOD-area infrastructure and to Hawaiian Home Lands, instead of relying on sporadic one-time infusions. By modernizing the conveyance tax into a marginal, inflation-responsive structure, this bill turns luxury and investment transactions into a stable engine for housing justice, infrastructure, and homesteading for Native Hawaiian families. I respectfully urge the Committee to pass HB2049 HD1.

Mahalo for your time and consideration.

To: House Committee on Judiciary & Hawaiian Affairs
 Re: **HB2049 HD1 – Relating to Housing**
 Hawai'i State Capitol & Via Videoconference
 February 13, 2026; 2:00 PM

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of HB2049 HD1**. This bill restructures the conveyance tax the sale of residential properties to a marginal rate system, adjusts the tax for multifamily properties, and applies a cost-of-living adjustment to the tax rates. It also allocates portions of the conveyance tax to the Dwelling Unit Revolving Fund and to the Hawaiian Home Lands Trust Fund.

In recent years, real estate prices in Hawai'i have skyrocketed to record highs over and over again. The conveyance tax is like a sales tax, applied when property is transferred between owners, but **current conveyance tax rates are only 0.1 percent to 1.25 percent, even on multi-million dollar properties.**

The original version of this bill would **increase tax liability on the sale of higher-value properties while keeping lower-value properties at a similar or even a slightly lower rate**, as you can see in this table:

Property Value	Owner-Occupied Principal Home			Second Home / Investment Property		
	Current Tax	HB2049 Tax	Difference	Current Tax	HB2049 Tax	Difference
\$1,000,000	\$3,000	\$2,000	-\$1,000	\$4,000	\$2,500	-\$1,500
\$5,000,000	\$35,000	\$43,000	+\$8,000	\$42,500	\$80,000	+\$37,500
\$10,000,000	\$100,000	\$138,000	+\$38,000	\$125,000	\$271,000	+\$146,000
\$25,000,000	\$250,000	\$713,000	+\$463,000	\$312,500	\$1,071,000	+\$758,500

This bill would also help alleviate our homelessness and affordable housing crises. Some of the conveyance tax is allocated to the Rental Housing Revolving Fund, which provides low-interest loans or grants for affordable housing projects. In addition, it directs part of the conveyance tax to the Dwelling Unit Revolving Fund, which funds infrastructure programs in transit-oriented development areas, as well as the Hawaiian Home Lands Trust Fund.

It makes sense to ask wealthy sellers to pay a more when they sell their multi-million dollar properties – especially second homes or investment properties – and use those revenues to help those who are struggling to afford housing.

Mahalo for the opportunity to provide this testimony. Please pass this bill.

Sincerely,

Nicole Woo
 Director of Research and Economic Policy

**Testimony of The Nature Conservancy
Commenting on HB2049 HD1, Relating to Housing
Committee on Judiciary & Hawaiian Affairs
February 13, 2026 at 2:00 pm
Conference Room 325 and via Videoconference**

Dear Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

Mahalo for the opportunity to testify today. The Nature Conservancy (TNC) Hawai'i and Palmyra respectfully comments on HB2049 HD1, which restructures the conveyance tax (CTX), allocates a portion of CTX collections to the dwelling unit revolving fund and the Hawaiian home lands trust fund, and decreases the percentage of the CTX revenue allocated to the land conservation fund (LCF) from 10% to 5% and increases the cap from \$5.1 million to \$10 million.

The LCF supports the Legacy Land Conservation Program, which funds grants to state and county governments and non-profit land conservation organizations to acquire land and protect valuable resources for public benefit. Protecting these lands offers wide benefits for the people of Hawai'i, including reforestation efforts that help mitigate the impacts of climate change by providing freshwater and preventing runoff, drought, and wildfires. In recent years, decreased LCF funding has directly hindered opportunities for the protection of lands that is widely favored by local communities, with worthy projects being turned down each year due to lack of funding. TNC supports this bill's intent to provide the Department of Hawaiian Homelands (DHHL) with a steady source of funding and opposes the reduction of overall allocations to the LCF, noting that maintaining LCF's 10% allocation would not require a decrease in allocation to DHHL.

Recent CTX collections (FY2020-FY2025) ranged from \$61.1 million to \$188.4 million, averaging \$99.6 million. At a 5% allocation, the proposed \$10 million cap would not be reached unless CTX collections exceeded \$200 million, a level not reached in any of those years. Because the existing \$5.1 million cap is reached only when collections exceed \$103 million, the LCF would receive up to 50% less revenue in nearly all typical years. At a 10% allocation, the LCF reaches \$10 million when CTX collections hit \$100 million (roughly the recent average). This approach maintains stable conservation funding and ensures the increased cap is achievable.

TNC supports increasing the existing revenue cap on the LCF to \$10 million but opposes decreasing the allocation from 10% to 5%. Mahalo for the opportunity to comment on HB2049 HD1.

Guided by science, TNC is a non-profit organization dedicated to the preservation of the lands and waters upon which all life depends. The Conservancy has helped protect more than 200,000 acres of natural lands in Hawai'i and Palmyra Atoll. We manage 84,000 acres in 13 nature preserves and 18 managed areas and have supported over 50 coastal communities to help protect and restore the nearshore reefs and fisheries of the main Hawaiian Islands.

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Hawai'i YIMBY
Honolulu, HI 96814
hawaiiyimby.org
info@hawaiiyimby.org

February 13, 2026

House Committee on Judiciary & Hawaiian Affairs
Hawai'i State Capitol
Honolulu, HI 96813

RE: SUPPORT for HB 2049 HD1 - RELATING TO HOUSING

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee,

On behalf of Hawai'i YIMBY, we are writing in **support of HB 2049 HD1**.

Lack of infrastructure remains a barrier to housing development across the state. By allocating a portion of conveyance tax revenues to infrastructure that supports housing, including in transit-oriented areas, this bill helps address a key constraint that can delay or prevent new homes from being built.

HB 2049 HD1 also establishes a permanent funding source for the Department of Hawaiian Home Lands. Consistent funding supports long-term planning and infrastructure delivery, which are necessary to fulfill DHHL's obligation to Native Hawaiians on the waiting list. This stability can help improve the pace and coordination of homestead development.

Hawai'i YIMBY (*Yes In My Backyard*) is a volunteer-led grassroots advocacy organization dedicated to supporting bold and effective solutions for Hawai'i's devastating housing crisis. Our members are deeply concerned about Hawai'i's chronic and worsening housing shortage, which has caused home prices to rise much faster than incomes and pushes thousands of kama'āina out to the mainland or into homelessness every single year.

We ask your support for this bill. Thank you for the opportunity to testify.



Hawai'i YIMBY
Honolulu, HI 96814
hawaiiyimby.org
info@hawaiiyimby.org

Sincerely,

Damien Waikoloa
Chapter Lead, Hawai'i YIMBY

Edgardo Díaz Vega
Chapter Lead, Hawai'i YIMBY

Huey Kwik
Chapter Lead, Hawai'i YIMBY



February 13, 2026

The Honorable David A. Tarnas, Chair

House Committee on Judiciary & Hawaiian Affairs
State Capitol, Conference Room 325 & Videoconference

RE: House Bill 2049, HD1, Relating to Housing

HEARING: Friday, February 13, 2026, at 2:00 p.m.

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

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 **opposes** House Bill 2049, HD1, which restructures 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. Allocates revenues from conveyance tax collections. Allocates a portion of conveyance tax collections to the Dwelling Unit Revolving Fund to fund infrastructure programs in county-designated transit-oriented development areas that meet minimum standards of transit-supportive density. Allocates a portion of conveyance tax revenues to the Hawaiian Home Lands Trust Fund.

Historically, the Conveyance Tax was not intended as a revenue-generating tax. It was originally designed to cover the administrative costs to assist the Department of Taxation in determining the market value of properties transferred. Over the years, the Legislature increased Conveyance Tax rates to increase funding for the general fund and to carve out special funding for the Land Conservation Fund and the Rental Housing Revolving Fund. While these programs have inherent value, we believe these programs are best funded through the general fund and should go through the regular budgetary process, like any other state program funded by the Legislature.

HAR believes that the Conveyance Tax structure could benefit from reform and appreciates the Legislature's willingness to entertain such changes. However, we have concerns about changes to the caps for the existing special funds and the additional funding carve-outs created, as this sets a precedent for future programs and departments to seek special funding through the Conveyance Tax instead of the regular budgetary process overseen directly by legislators.

Moreover, the challenge with linking funding to the Conveyance Tax is that when the real estate market is down, there may not be enough funds to pay for the programs it supports. The Conveyance Tax is then often targeted for an increase to cover these programs. However, when the market is up, there are excess funds over and above the programs' needs. This becomes a cyclical issue, and the Conveyance Tax is never

lowered, even in an up market, thereby contributing to the ever-increasing cost of housing in our state.

HAR would also note that the Conveyance Tax applies even if someone sells a property at a loss. Often, it is the seller who pays the Conveyance Tax. This makes it a punishing tax, especially for someone who is already struggling financially and needs to sell their assets. One pays the same Conveyance Tax regardless of whether the property is sold at a loss or a profit. If there is a profit, real property is also taxed with capital gains.

The Conveyance Tax, as it stands today, applies not only to residential property such as single-family homes and condominiums, but also to the conveyance of multi-family rentals, land for residential subdivisions, mixed-income and mixed-use properties, and commercial, resort, and agricultural lands. However, residential properties are the only property type subject to the highest increase under the newly restructured rates.

Additionally, this measure applies a cost-of-living adjustment factor to the actual and full consideration paid or to be paid. This adjustment may be interpreted as applying either to the property value tiers used to determine the applicable tax rate or to the tax amount paid itself, effectively creating an inflation-based tax increase. Housing and real estate values do not always move in tandem with the cost of living, and in down markets, such as what Hawaii is currently experiencing, this could result in increased taxes for homeowners and Hawaii residents despite declining property values.

We appreciate the Legislature's consideration of these concerns and respectfully request the opportunity to participate in future discussions regarding potential reforms to the Conveyance Tax.

Mahalo for the opportunity to testify on this measure.

Feb. 13, 2026, 2 p.m.
Hawaii State Capitol
Conference Room 325 and Videoconference

To: House Committee on Judiciary & Hawaiian Affairs
Rep. David A. Tarnas, Chair
Rep. Mahina Poepoe, Vice Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

TESTIMONY IN OPPOSITION TO HB2049 HD1 — RELATING TO HOUSING

Aloha chair, vice chair and other committee members,

The Grassroot Institute of Hawaii **opposes** [HB2049 HD1](#), which aims to double existing conveyance tax revenues, largely through increasing rates on higher residential tiers as well as commercial and investment real estate.

We appreciate and support a marginal conveyance tax rate more generally, however, we are concerned that the proposed tax hikes could harm the economy and negatively affect Hawaii's already fragile housing market.

A report by the Sage Policy Group on real estate transfer taxes — exactly the type of tax proposed in this bill — noted that such laws can “lead to decreases in population, real incomes, real estate transactions, investment in structures, and quality of the built environment.”¹

When applied to higher-value properties, transfer taxes reduce investment in both commercial and residential properties, leading to lost jobs and reduced economic activity.

We at Grassroot believe it is counterintuitive to pursue affordable housing initiatives while simultaneously making it more expensive to buy and sell property.

¹ [“The Unintended Consequences of Excessive Transfer Taxes,”](#) Sage Policy Group, Inc. on behalf of the Community Coalition for Jobs and Housing, June 2022, p. 3.

Further, this measure could discourage the conversion of old buildings to new purposes, which is already taking place in Honolulu.² These so-called adaptive reuse projects have the potential to add to the state's housing stock. But higher conveyance taxes could chill the sale of old buildings, which might not necessarily qualify as "multifamily residential property" at the time of sale.

Moreover, higher taxes will be a significant burden to businesses in general, regardless of whether they are planning to adapt a property for residential use. The Sage report stated: "Many properties will need to be upgraded and/or adaptively reused to remain viable. Excessive transfer tax rates can frustrate the exchange of property that is often required to return to commercial viability."³

This bill deserves some praise for seeking to adjust the tax for multifamily residential properties to reflect value on a per-unit basis, which would help address some concerns related to the purchase of property for affordable housing or rentals. However, it would not fully mitigate the potential harm that could come from increasing the conveyance tax.

Ultimately, the conveyance tax should only cover administrative needs. It is not the proper mechanism to create revenue for new projects.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

² Lana Teramae, "[Local Architects Talk About Repurposing Existing Buildings in Post-Pandemic Hawai'i](#)," Hawaii Business Magazine, Sept. 6, 2021.

³ "[The Unintended Consequences of Excessive Transfer Taxes](#)," p. 3.



February 12, 2026

Representative David Tarnas, Chair
Representative Mahina Poepoe, Vice Chair
Committee on Judiciary and Hawaiian Affairs

RE: **HB 2049 HD1 - Relating to Conveyance Tax**
Hearing date – February 13, 2026 at 2:00 PM

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee,

Thank you for allowing NAIOP Hawaii to submit testimony in **OPPOSITION to HB 2049 HD1 – RELATING TO CONVEYANCE TAX**. NAIOP Hawaii is the Hawaii chapter of the nation's leading organization for office, industrial, retail, residential and mixed-use real estate. NAIOP Hawaii has over 200 members in the State including local developers, owners, investors, asset managers, lenders, and other professionals.

HB 2049 HD1 restructures the current conveyance tax system with the following proposed amendments:

1. Changes the current flat conveyance tax structure from a flat bracket to a marginal tax rate system for residential properties (both owner occupant and non-owner occupant properties).
2. Proposes blanked out increases in the conveyance tax rates per tier.
3. Reclassifies certain multifamily housing and creating a new conveyance tax category for property with no residential dwelling units.
4. Introduces an annual cost-of-living adjustment (COLA) to the conveyance tax value thresholds.
5. Changes allocations of conveyance tax to the Dwelling Unit Revolving Fund (DURF), Rental Housing Revolving Fund (RHRF) and establishes a Hawaiian Home Lands Trust Fund.

First, we understand and acknowledge the intent of the bill to generate revenue to fund DURF, RHRF and DHHL. To be clear, NAIOP supports DHHL as an essential piece to solving Hawaii's affordable housing crisis. However, NAIOP Hawaii has always held the position that the conveyance tax was intended as an administrative fee to cover the State's cost to record conveyances and was never intended to be a revenue generating tax.

NAIOP Hawaii is particularly concerned that HB 2049 HD1 materially increases conveyance taxes on commercial and investment real estate, including office, industrial, retail, hospitality, and mixed-use properties. The bill creates a new category under proposed HRS §247-2(a)(3) applicable to the “sale, lease, sublease, or assignment of any property with no residential dwelling unit.” This provision appears to encompass virtually all non-residential real estate and long-term commercial lease transactions. Under existing law and administrative rules, conveyance tax already applies to leases and assignments with remaining terms of five years or more. HB 2049 HD1 increases the tax burden on these transactions by raising applicable rates.

For large commercial properties, conveyance tax represents a substantial upfront transaction cost. Increasing this cost directly reduces the capital available for reinvestment in building upgrades, tenant improvements, sustainability improvements, and adaptive reuse projects. In many cases, these additional costs can render otherwise viable transactions economically infeasible. Reduced transaction activity would ultimately have the opposite of the intended effect—leading to fewer property transfers, lower redevelopment activity, fewer construction jobs, reduced general excise tax revenues, and, paradoxically, less overall conveyance tax collected by the State.

HB 2049 HD1 disproportionately penalizes high value residential properties with significant unintended consequences. Under HB 2049 HD1, high-value residential transactions are subject to sharply increased marginal tax rates at the upper tiers. These properties already contribute disproportionately to State and County revenues through real property taxes, general excise taxes on construction and services, and employment generated through property management, maintenance, and redevelopment. Singling out these transactions for steep marginal conveyance tax increases risks diminishing these broader economic contributions.

Second, HB 2049 HD1 also introduces a COLA mechanism requiring annual adjustment of the conveyance tax value thresholds based on the Urban Hawai‘i Consumer Price Index. This mechanism introduces an additional layer of complexity and potential confusion in an already complicated tax structure. *Further, the language remains unclear as to whether the COLA applies to the valuation tiers or the rates themselves.*

NAIOP Hawai‘i recognizes that indexing thresholds may reduce “bracket creep” in purely inflationary environments. However, the COLA mechanism proposed in HB 2049 HD1 raises several concerns. First, while COLA indexing may mitigate inflationary effects at the margin, it does not offset the substantial rate increases and structural changes imposed elsewhere in the bill. The net effect remains a significant increase in conveyance tax burdens on both residential and commercial transactions. Second, automatic indexing reduces predictability for long-term investment underwriting. Real estate projects often require multi-year planning horizons, and automatic statutory adjustments, without legislative review, add uncertainty to transaction costs that investors must price into their decisions.

Third, although conveyance tax is typically paid by sellers, increased transaction costs are ultimately capitalized into property values and rents. HB 2049 HD1’s increased conveyance tax burden on commercial properties will be passed through to tenants over time, including small local businesses leasing office, retail, and industrial space. This further exacerbates Hawai‘i’s already high cost of doing business.

This increase in conveyance tax will impact investment in large commercial properties throughout the state. The acquisition of new commercial property comes with additional investment to redevelop and increase value of the asset. The increase of conveyance tax would result in less capital to invest into the property, and thus, would make the transaction

economically infeasible. In turn, less property transactions would occur leading to: 1) an overall decrease in conveyance tax received by the State; and 2) a meaningful reduction in economic activity as the acquisition of large properties typically comes with additional investment to redevelop and increase value of the asset; 3) decreased GET revenues and jobs.

NAIOP Hawaii understands the intent behind the allocation to DHHL, however, if conveyance tax is to be significantly increased and converted to a marginal tax for revenue generating purposes, then the revenue should be allocated to RHRF, DURF and tier II funding available to all forms of affordable housing projects and allocated as projects display readiness.

NAIOP Hawaii is concerned that this increase in conveyance taxes will reduce the private sector's investment in long term projects which stimulates economic activity in the State. Hawaii is already rated as one of the least business friendly states in the nation and increasing this tax rate will further discourage much needed investment here locally. Rather, additional efforts to encourage investment in Hawaii and incentivize the creation of new projects and businesses in Hawaii would stimulate our economy by creating jobs and tax revenue.

Accordingly, NAIOP Hawaii respectfully recommends that HB 2049 HD1 be deferred.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read "Ken Hayashida". The signature is fluid and cursive, written in a professional style.

Ken Hayashida, President
NAIOP Hawaii



Testimony Before The
House Committee on Judiciary & Hawaiian Affairs (JHA)
COMMENTS ON HB2049 HD1
February 13, 2024, 2:00 p.m., Room 325 & Videoconference

We are Olan Leimomi Fisher and Kevin Chang, Kua'āina Advocate and Executive Director, respectively, testifying on behalf of [Kua'āina Ulu 'Auamo \(or KUA\)](#). "Kua'āina Ulu 'Auamo" stands for "grassroots growing through shared responsibility," and our acronym "KUA" means "backbone." **Our mission is to connect and empower communities to improve their quality of life through the collective care for their biocultural (natural and cultural) heritage, serving as a "backbone organization" that supports creative and community driven solutions to problems stemming from environmental degradation.** Hawai'i's biocultural resources continue to be negatively impacted by political, economic, and social changes, and the increasing dangers of climate change make fostering and empowering resilient communities acutely critical.

Currently KUA supports three statewide networks of: (1) over 40 mālama 'āina (caring for our 'āina or "that which feeds") community groups collectively referred to as E Alu Pū (moving forward together); (2) over 60 loko i'a (fishpond aquaculture systems unique to Hawai'i) and wai 'ōpae (anchialine pool systems) sites in varying stages of restoration and development, with numerous caretakers, stakeholders, and volunteers known as the Hui Mālama Loko I'a ("caretakers of fishponds"); and (3) the Limu Hui made up of over 50 loea (traditional experts) and practitioners in all things "limu" or locally-grown "seaweed." **Our shared vision is to once again experience what our kūpuna (ancestors) referred to as 'ĀINA MOMONA – abundant and healthy ecological systems that sustain our community resilience and well-being.**

KUA provides comments on HB2049 HD1 as a potential set-back on the path toward achieving 'āina momona.

This bill proposes to make various changes to conveyance taxes, including changing the way annual conveyance tax revenues are allocated to the Land Conservation Fund (LCF) under Hawai'i Revised Statutes §§ 173A-5 and 247-7(1). HB2049 would change the allocation to the LCF from the current 10% or \$5.1M, whichever is less, to 5% or \$10M, whichever is less. Although we appreciate the intention of this bill to tackle the affordable housing crisis including providing a dedicated stream of funding for the Department of Hawaiian Homelands, **KUA strongly opposes the proposed changes affecting the LCF decrease in percentage of conveyance tax revenue from 10% to 5%. We do support, however, increasing the outdated cap from \$5.1M to \$10M.**

KUA understands that annual conveyance tax collections from FY2020-FY2025 ranged from \$61.1M to \$188.4M, averaging \$99.6M. A 5% allocation to the LCF at these collection levels would yield less than \$5M per year on average, and even in the best years the LCF would likely never receive more than \$10M. Indeed, at the proposed reduced 5% rate, the LCF could

lose up to half of the revenue that it currently receives. We also acknowledge and appreciate the Department of Land and Natural Resources (DLNR) comments that support increasing the cap to \$10M per year, but removing the decrease in percentage to 5%. **The existing revenue cap of \$5.1M does not meet the urgent need and demand by community groups wanting to conserve their lands and waters.** Each year the Legacy Land Conservation Program is inundated with requests for promising projects that ultimately go unfunded due to this outdated cap.

A primary function of KUA includes support for the development of an ‘auwai, or a system of resources, tools, bridges, relationships, and networks that cultivate and elevate our communities’ efforts to greater levels of collective impact in the care of our biocultural resources. One of these resource pathways has been the LCF which allows for the acquisition of protection of lands that community groups can own outright, co-steward, or manage in collaboration with our state. **Allowing for more partnerships with community leaders and our state government to flourish benefits not only the intent and purpose of our Hawai‘i State Constitution, but also uplifts future generations of responsible Hawai‘i stewards.** Many of our network members have acquired (or have begun the process to acquire) land to serve as co-stewards or conservation easement monitors/managers, and a growing number of our communities have visions to one day own or co-manage resources with our state. As such, **we expect and hope for more community co-managers over time seeking the support of the LCF.**

The resourceful and bright community members that KUA works with and supports are committed to ensuring the long-term health of our biocultural resources that they have cared for and depended on for generations – committing their lives to mālama i ka ‘āina o Hawai‘i, hugely benefiting everyone in our state and local governments. **We believe protecting our environment, the foundation of our very existence, is about long-term investment and a vision of ‘āina momona.** To get there it requires taking the steps necessary for greater self-sufficiency, development of a pipeline of new and more innovative career pathways, mindsets, relationships, and resources for mālama ‘āina efforts. Protecting the LCF and its funding stream is one such pathway as an ‘auwai “resource flow” that helps communities invest in the long-term vision of caring for our ‘āina – “that which feeds” and supports our collective future.

Before passing HB2049 HD1 out of your committee, **please remove the decrease in the LCF percentage from 10% to 5%, but maintain the increase in the outdated revenue cap from \$5.1M to \$10M.** Mahalo for the opportunity to comment on this measure.

Aloha ‘Āina Momona no nā kau ā kau.



CATHOLIC CHARITIES HAWAII

SUPPORT FOR HB2049HD1: RELATING TO Housing

TO: House Committee on Judiciary and Hawaiian Affairs
FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawai'i
Hearing: Friday, 2/13/26, 2:00 PM; CR 325 or via Videoconference

Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

My name is Betty Lou Larson, Legislative Liaison with Catholic Charities Hawai'i. Thank you for the opportunity to testify in **strong support of HB 2049 with one amendment**. This bill restructures the conveyance tax to a marginal rate system for residential properties, adjusts the tax rates, and applies a cost-of-living adjustment to conveyance tax rates. It also allocates portions of the conveyance tax revenues to additional Funds.

Catholic Charities Hawai'i (CCH) is a tax-exempt, community-based organization that has served Hawai'i for over 78 years, assisting more than 40,000 individuals statewide each year. We provide a wide range of services for children, families, kūpuna, immigrants, and individuals experiencing homelessness. We have a long history of addressing affordable housing and homelessness.

The conveyance tax is a critical funding tool to provide ongoing and predictable funding for the long-term needs in our state. Hawai'i's conveyance tax is significantly lower than that in comparable high-cost areas of the US. With our housing crisis, now is the time to overhaul this tax. With the increase in revenues, the bill proposes to allocate 30% of these tax revenues to the Hawaiian Homes Lands Trust Fund. It also allocates 20% to the Dwelling Unit Revolving Fund. Both are critical State needs. Funding for infrastructure is currently a very fragmented process which is a source of inequitable outcomes. The lack of infrastructure is a barrier to creating affordable housing and mixed-use development near transit.

However, this bill would reduce the percentage of this tax's revenues to the Rental Housing Revolving Fund (RHRF) from **50% to 20%**, while raising the cap from \$38 million to \$40 million. The conveyance tax revenues are the only ongoing and predictable funding for the RHRF to create affordable rental housing. There is ever growing demand for RHRF gap funding to make rental projects feasible to build. This housing is essential to prevent homelessness and enable many local families to remain in Hawai'i. We urge you to balance the dire need throughout our state for affordable rentals with the other priorities included. **We urge you to allocate 30% (with a cap of \$60 million)** of conveyance tax revenues to the Rental Housing Revolving Fund.

Catholic Charities Hawai'i respectfully **supports this bill and urges the Committee to adopt the proposed amendment**. If you have any questions, please contact Betty Lou Larson, at (808) 527-4813.



HB-2049-HD-1

Submitted on: 2/12/2026 3:18:54 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Patrick Hurney	Hope Services Hawaii	Support	Written Testimony Only

Comments:

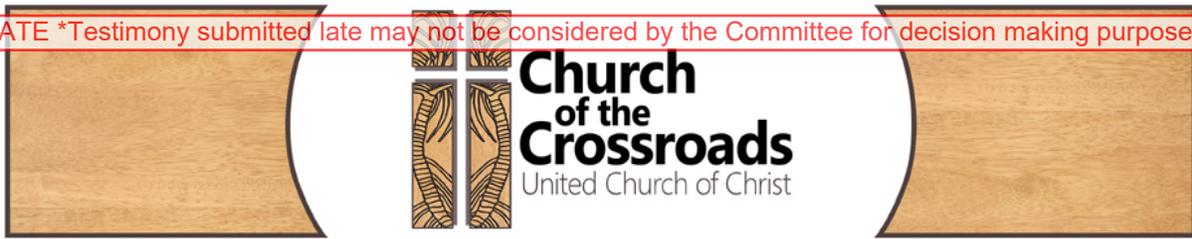
Aloha Chair Tarnas, Vice Chair, and members of the Committee,

My name is Patrick F. Hurney, and I am testifying in strong support of HB2049, which updates Hawaii's conveyance tax to ensure it is fair, modern, and capable of meeting our state's greatest needs.

This measure is an important step toward addressing Hawai'i's housing crisis by creating pathways to stable, long-term housing for local families. I urge you to pass HB2049 and invest in permanence, invest in people, and invest in a future where our keiki can remain home.

Mahalo for the opportunity to testify.

Patrick F. Hurney



A Just Peace and Open and Affirming Congregation

THE CHURCH OF THE CROSSROADS TESTIMONY IN SUPPORT OF HOUSE BILL 2049

The Church of the Crossroads was founded in 1923 as Hawaii's first intentionally multiethnic church. We are a Just Peace Church that actively works toward social, economic, and ecological justice in the care of God's whole creation.

The Church of the Crossroads supports HB 2049, _____

In January 2026, our church congregation voted unanimously to support legislative reforms for conveyance taxes, that can raise substantial more revenues for affordable housing, while providing greater equity in tax rates by increasing rates for higher end transactions. This bill supports both goals in a way that is fairer for working families and home owners of properties valued at less than \$2 million. It also provides greater flexibility in affordable housing options, with a reliable income stream for the Rental Housing Revolving Fund, Dwelling Unit Revolving Fund, and Hawaiian Home Lands Trust Fund.

We do request an amendment to eliminate the cap on revenues for the Rental Housing Revolving Fund, so that greater revenues can flow into that fund. (Neither of the other housing funds affected by this bill have a cap on their revenues).

Thank you for consideration of our testimony and helping provide for the needs of our community.

Submitted by Ellen Godbey Carson on behalf of the Church of the Crossroads
Email: office@churchofthecrossroadshawaii.org

Wākiu Community Development Corporation

**Commenting on HB 2049, Relating to Housing
Committee on Housing
Committee on Water & Land
February 13, 2026**

Aloha members of this committee. Mahalo for the opportunity to testify today.

The Wākiu Community Development Corporation (WCDC) respectfully comments on HB 2049, which restructures the conveyance tax (CTX), allocates a portion of the CTX collections to the dwelling unit revolving fund and the Hawaiian Home Lands trust fund, and decreases the percentage of the CTX revenue allocated to the land conservation fund (LCF) from 10% to 5% and increases the cap from \$5.1M to \$10M.

The WCDC supports beneficiaries of the Hawaiian Home Lands trust, and **are in support** of HB 2049's intent to provide the Department of Hawaiian Homelands (DHHL) with a steady source of funding. We feel if CTX collections exceeds the current \$100M, DHHL would be better equipped to reduce its beneficiary waitlist and put kanaka maoli back on the 'āina, which has been and continues to be the largest challenge the trust faces.

However, the WCDC **does not support** the section of HB 2049 that decreases the Land Conservation Fund (LCF) from 10% to 5%. This program helps to conserve and protect through land acquisition, therefore, supporting extremely important resource management efforts.

WCDC supports the LCF program and its integral part in funding grants to state and county governments and non-profit land conservation organizations to acquire land and protect valuable resources for public benefit. Protection of these lands is imperative, and funded projects have benefited in reforestation efforts, and mitigation efforts with regard to impacts of climate change. We have seen the benefits of this program in our small community in Maui Hikina (East Maui) This program helps to conserve and protect through land acquisition and valuable resource management efforts.

WCDC does **support** increasing the existing revenue cap to LCF to \$10M, but as stated above, opposes decreasing the percentage allocation from 10% (now) to 5% (proposed under HB 2049). WCDC Testimony on HB 2049

Respectfully,

Wākiu Community Development Corporation

By: *Nakua Konohia-Lind*

Nakua Konohia-Lind – President of the Board of Directors



Ke Ao Hāli'i
Save Hāna Coast

P.O. Box 115 Hāna, HI 96713

KE AO HĀLI'I
Save Hana Coast
Commenting on HB 2049, Relating to Housing
Committee on Housing and Committee on Water & Land
February 13, 2026

Aloha members of this committee. Mahalo for the opportunity to testify today.

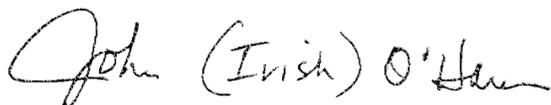
Ke Ao Hāli'i (KAH) respectfully comments on HB 2049, which restructures the conveyance tax (CTX), allocates a portion of the CTX collections to the dwelling unit revolving fund and the Hawaiian Home Lands trust fund, and decreases the percentage of the CTX revenue allocated to the land conservation fund (LCF) from 10% to 5% and increases the cap from \$5.1M to \$10M.

KAH supports beneficiaries of the Hawaiian Home Lands trust, and **are in support** of HB 2049's intent to provide the Department of Hawaiian Homelands (DHHL) with a steady source of funding. We feel as CTX collections exceeds the current \$100M, DHHL would be well funded, and better equipped to reduce its beneficiary waitlist and put kanaka maoli back on the 'āina, which has been and continues to be the largest challenge the trust faces.

However, KAH **does not support** the section of HB 2049 that decreases the Land Conservation Fund (LCF) from 10% to 5%. This program helps to conserve and protect through land acquisition, therefore, supporting extremely important resource management efforts. With that said, KAH does **support** increasing the existing revenue cap to LCF to \$10M.

KAH supports the LCF program and its integral part in funding grants to state and county governments and non-profit land conservation organizations to acquire land and protect valuable resources for public benefit. Protection of these lands is imperative, and funded projects have benefited in reforestation efforts, and mitigation efforts with regard to impacts of climate change. KAH is a beneficiary of this program and today fosters indigenous stewardship of more than 200 acres of culturally protected lands in our small community in Maui Hikina (East Maui) We know first hand that the LCF program conserves and protects through land acquisition many of the most valuable resources in Hawai'i pae'āina.

Respectfully,



KE AO HĀLI'I - Save Hana Coast By: John O'Hara– President of the Board of Directors



Hawai'i House of Representatives
Committee on Judiciary & Hawaiian Affairs

HB2049 – Relating to Housing

RE: Strong support of HB2049

February 13, 2026

Hawaiian Council writes in **strong support of HB2049** to support the restructure of conveyance tax. Hawai'i residents continue to face rises in cost-of-living and an unpredictable reliance on government support to access key necessities, including housing. Native Hawaiian communities are disproportionately affected by Hawai'i's affordability crisis, with Kanaka 'Ōiwi being overrepresented in our cost-burdened and unhoused communities.

While programs like DHHL are designed to address the mounting pressures placed on native Hawaiian families, it has been difficult to meet the full trust responsibility bestowed upon the State. Today, nearly 30,000 beneficiaries of the HHCA are waiting for a homestead lot award—many of whom are kūpuna who have been on the list for over four decades. At its current state, DHHL is simply unable to accommodate the demand for the lands beneficiaries are entitled to.

HB2049 aims to develop more available lease units and support beneficiaries via mortgage and rental subsidies while also making the tax system more equitable. Understanding that affordability and taxation is an issue that affects residents statewide, the bill closes a loophole in the general excise tax on new motor vehicles purchased or imported by rental car companies to minimize the financial impacts on kama'āina.

Iwi o ku'u iwi, the bones of my bones—there is no Hawai'i if Kanaka 'Ōiwi and their families are severed from the lands they have cared for and stewarded for generations. For these reasons, Hawaiian Council respectfully urges the committee to **PASS HB2049**.

Me ke kāko'o mau,

Madelyn McKeague
Director of Advocacy
Hawaiian Council

HAWAIIANS ADVANCING HAWAI'I

91-1270 Kinoiki Street, Building 1, Kapolei, HI 96707

info@hawaiiancouncil.org

www.hawaiiancouncil.org

HB-2049-HD-1

Submitted on: 2/13/2026 12:02:51 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
DORIAN CABANTING	THE QUEENS COURT	Support	Written Testimony Only

Comments:

We stand in strong support of HB2049, a vital measure that aligns with our mission to protect the health and housing security of the Native Hawaiian people.

Why HB2049 is Critical for the Lāhui:

Funding for DHHL: By restructuring the conveyance tax, this bill secures a dedicated and predictable annual funding stream for the Hawaiian Home Lands Trust Fund. This is essential for the multi-year planning needed to clear the DHHL waitlist.

Fairness for Families: The shift from a "cliff" rate to a marginal rate system ensures that working-class families aren't disproportionately penalized when purchasing homes.

Combatting Out-Migration: By allocating revenues to the Dwelling Unit Revolving Fund and infrastructure for affordable housing, HB2049 addresses the root cause of why our people are being forced to leave their ancestral home: the lack of affordable, infrastructure-ready land.

HB-2049-HD-1

Submitted on: 2/13/2026 12:11:48 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brandon Makaawaawa	Nation of Hawai'i	Support	In Person

Comments:

SUPPORT FOR HB2049

The Nation of Hawai'i is committed to advancing the well-being of Native Hawaiians and all the people of Hawai'i through principles of stewardship, shared prosperity, and mutual respect. HB2049 HD1 presents an opportunity to strengthen housing security and resource equity in ways that contribute to long-term healing and reconciliation across our islands.

The proposed restructuring of the conveyance tax system, including the transition to a marginal rate structure and adjustments for multifamily properties, reflects a more balanced and progressive approach. By asking those who benefit from higher-value transactions to contribute proportionally, while easing burdens on lower-value sales, the measure promotes fairness within Hawai'i's housing market. The cost-of-living adjustment further acknowledges the unique economic realities facing our communities. Together, these changes can help stabilize revenue and expand access to affordable housing, particularly in transit-oriented areas where infrastructure and community planning intersect.

Directing additional resources to the Dwelling Unit Revolving Fund and the Hawaiian Home Lands Trust Fund represents an important step toward fulfilling longstanding commitments. For many Native Hawaiian families waiting on the Department of Hawaiian Home Lands list, housing is not simply a policy matter — it is a matter of stability, dignity, and the restoration of opportunity. Strengthening these funds supports both practical solutions and the broader work of reconciliation by addressing disparities rooted in history.

At the same time, reconciliation requires care in how development moves forward. Infrastructure and housing expansion must be guided by meaningful consultation, protection of cultural sites and burial grounds, and respect for traditional land practices. Progress and preservation are not opposing goals; when approached thoughtfully, they reinforce one another.

We respectfully encourage continued collaboration between the Legislature, state agencies, and Native Hawaiian organizations in the implementation of this measure. Transparent allocation of funds, community engagement, and culturally grounded planning will ensure that HB2049 HD1 advances not only housing access, but trust, partnership, and shared responsibility.

By centering fairness, stewardship, and inclusive decision-making, this bill can contribute to a future where housing justice, economic resilience, and reconciliation move forward together for the benefit of all who call Hawai'i home.

Aloha,

Brandon Maka'awa'awa

Vice President, Nation of Hawai'i

KA LĀHUI HAWAI‘I

Testimony in STRONG SUPPORT of HB 2049, HD1

Aloha Chairs and Members of the Committees,

Ka Lāhui Hawai‘i submits testimony in strong support of HB 2049, HD1.

Today, approximately 29,000 Kanaka Maoli remain on the Department of Hawaiian Home Lands (DHHL) waitlist for a homestead, many for decades. At the same time, more people of Kanaka Maoli ancestry now live outside of Hawai‘i than within our homeland, driven largely by the lack of attainable housing and the rising cost of living.

HB 2049 takes a concrete and structural step to change that reality.

This bill establishes a permanent and predictable funding stream for DHHL by dedicating thirty percent of conveyance tax revenues, up to \$60 million annually, to the Hawaiian Home Lands Trust Fund. Providing dedicated and predictable annual funding will support multi-year planning, infrastructure sequencing, and the delivery of homes to beneficiaries

Unlike one-time appropriations, this measure creates a constant annual source of revenue that allows DHHL to plan, build infrastructure, leverage additional public and private investment, and deliver homesteads at the scale needed to finally reduce the backlog facing Kanaka Maoli families.

HB 2049 also modernizes Hawai‘i’s conveyance tax—which has not been updated since 2009 and remains lower than comparable high-cost states—by creating a marginal rate structure, applying per-unit treatment for multifamily housing, and indexing thresholds to the cost of living to improve fairness and avoid unintended impacts on moderate and rental housing

HB 2049 is a necessary, data-driven step toward addressing Hawai‘i’s housing crisis and the State’s long-standing obligations to Kanaka Maoli.

Mahalo for the opportunity to testify, and I respectfully urge your support for HB 2049, HD1.

Mahalo nui,
Leianuenue Niheu
Ka Lāhui Hawai‘i

HB-2049-HD-1

Submitted on: 2/13/2026 12:58:12 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Randall Akau	Kanehili Community Association	Support	Written Testimony Only

Comments:

We are in strong support of HB2049 HD1

Mahalo



Testimony to the House Committee on Judiciary & Hawaiian Affairs
Friday, February 13, 2026, at 2:00 PM
Conference Room 325 & Videoconference

RE: HB2049 HD1 Relating to Housing

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee,

I am writing in **support** of HB2049 HD1, which restructures the conveyance tax to a marginal rate system and allocates revenues to critical housing funds, including the Dwelling Unit Revolving Fund and the Hawaiian Home Lands Trust Fund. We believe this bill takes important steps toward generating dedicated revenue for housing needs in Hawai'i.

We respectfully request that the Committee **amend HB2049 HD1 to include a dedicated allocation for homeless services**, similar to the provision in SB2514 establishing a Homeless Services Special Fund. Specifically, we request that the conveyance tax revenue distribution in Section 247-7 be amended to allocate ten percent (10%) of conveyance tax revenues to a Homeless Services Special Fund dedicated to homeless services and supportive housing, with appropriate transparency and reporting requirements as outlined in SB2514.

Family Promise of Hawai'i is a nonprofit serving children and families facing homelessness, and we see every day that there is a critical need for dedicated funding for homeless services in Hawai'i. Research shows infants under age 1 are more likely to experience homelessness than people of any other age, followed by children ages 1-5. In Hawai'i, approximately 1 in 30 young children experience homelessness each year. These are keiki in their most critical years of brain development, and the trauma of housing instability during this period has lasting consequences for health, learning, and long-term well-being.

Family Promise works across the full continuum of homeless services—from homelessness prevention and shelter diversion to interim housing, rapid re-housing, and permanent supportive housing—to keep families together and move them toward stability. Last year, Family Promise served over 2,600 individuals in nearly 1,000 families. The families we serve include infants, toddlers, and school-age children whose futures depend on stable housing.

Currently, federal funding from the US Department of Housing and Urban Development supports nearly half of all homeless program resources on O'ahu. These funds face unprecedented instability due to staff reductions, contract delays, and shifting policy priorities at the federal level. Over 5,400 individuals in more than 3,600 households are currently served through federally funded Continuum of Care and Emergency Shelter Grant programs. If these funds are reduced or eliminated, families with children will be among the hardest hit, facing displacement into shelters already at capacity or onto our streets.

A dedicated Homeless Services Special Fund, funded by ten percent of conveyance tax revenues, would provide stable, predictable state funding for homeless services and supportive housing—ensuring that programs serving families and children can continue to operate regardless of what happens at the federal level. This is a sound investment: Every dollar spent on preventing and ending homelessness for

families avoids far greater public costs in emergency services, other social services, and long-term health and education systems.

We commend the Legislature for recognizing the importance of dedicated revenue streams for housing in Hawai'i. We respectfully ask the Committee to amend HB2049 HD1 to include this dedicated allocation and ensure that no keiki in Hawai'i is left without a safe place to call home.

Mahalo for the opportunity to testify.

Mahalo,



Ryan Catalani
Executive Director

ASSOCIATION OF  *Dedicated to Ending the Hawaiian Home Lands Waiting List*
HAWAIIANS
FOR HOMESTEAD LANDS

The Association of Hawaiians for Homestead Lands (AHHL) is a national waitlist governed association founded in 2009, a member of the Sovereign Council of Hawaiian Homestead Associations (SCHHA). The AHHL is a Homestead Beneficiary Association (HBA) registered with the U.S. Department of Interior, meeting the federal definition under 43 CFR Part 48.6. Dedicated to *Ending the Hawaiian Home Land Waitlist* by pursuing reforms and delivering services that create success for native Hawaiians to homestead and build mercantile businesses.

February 13, 2026

Committee: Judiciary & Hawaiian Affairs

Please accept my testimony in **STRONG SUPPORT** of HB 2049, HD1.

Ano'ai o Kainoa Lei MacDonald o kou inoa No Maui mai'au. 'O wau he mea ho'opōmaika'i i ke kānāwai o ke Hawaiian Homes Commission Act (HHCA). He Kanaka ō'iwi Au. Noho au ma ke ano he Wahine Ahaolelo o Sovereign Council of Hawaiian Homestead Association (SCHHA) Maui/Lana'i Moku-puni Council. (translation) Aloha my name is Kainoa Lei MacDonald I am from Maui. I am a waitlister, a Hawaiian Homes Commission Act (HHCA) Beneficiary. I serve as Chair of the Association of Hawaiians for Homestead Lands (AHHL) and Sovereign Council of Hawaiian Homestead Association (SCHHA) Maui Lana'i Moku-puni Council.

AHHL is a national waitlist-governed Homestead Beneficiary Association founded in 2008, and a member of the Sovereign Council of Hawaiian Homestead Associations (SCHHA). AHHL is registered with the U.S. Department of the Interior under 43 CFR Part 48.6 as a self-governing homestead association, serving the interests of approximately 29,000 beneficiaries on the Hawaiian Home Lands waitlist.

Our Homestead Organizational purposes are to:

1. Inform beneficiaries on the status, progress, and opportunities related to the HHCA;
2. Advocate for policies and actions at the local, state, and federal levels that promote the HHCA;
3. Conduct programming and projects that advance homesteading opportunities; and
4. Promote the well-being and community development of waitlist beneficiaries.

Today, over 29,000 Kanaka Maoli remain on the Department of Hawaiian Home Lands (DHHL) waitlist—many waiting decades. At the same time, more people of Kanaka Maoli ancestry now live outside of Hawai'i than within their homeland, largely due to the lack of attainable housing and the rising cost of living. This reality reflects generations of underinvestment in the trust and the infrastructure necessary to fulfill its promise.



HB 2049, HD1 takes a concrete and structural step to change that reality.

This measure establishes a permanent and predictable funding stream for DHHL by dedicating thirty percent of conveyance tax revenues, up to \$60 million annually, to the Hawaiian Home Lands Trust Fund. Providing dedicated and predictable annual funding will allow DHHL to engage in responsible multi-year planning, sequence infrastructure development, and deliver real ‘āina awards not just paper leases to beneficiaries at scale.

Unlike any one-time appropriations like the \$600 million through Act 279, **HB 2049 creates a stable annual source of revenue** that enables DHHL to plan strategically, leverage additional public and private investment, and build the roads, water systems, sewer infrastructure, and utilities required before homes can be awarded. Infrastructure—not land availability alone—has long been the bottleneck to reducing the waitlist.

HB 2049 also modernizes Hawai‘i’s conveyance tax structure, which has not been updated since 2009 and remains lower than comparable high-cost states. By creating a marginal rate structure, applying per-unit treatment for multifamily housing, and indexing thresholds to cost-of-living adjustments, the bill improves fairness while minimizing unintended impacts on moderate-income homeowners and rental housing development.

This legislation represents a necessary, data-driven step toward addressing Hawai‘i’s housing crisis and the State’s long-standing trust obligations to Kanaka Maoli beneficiaries. It aligns fiscal policy with moral and legal responsibility.

On behalf of the AHHL Board Directors and the 29,000 beneficiaries we are serving, ***we stand unified in strong support of HB 2049, HD1.***

Me ka ha‘a ha‘a - for this opportunity to testify.

Kainoa Lei MacDonald Chair/President
Association of Hawaiians for Homestead Lands (AHHL) Board of Directors
Sovereign Council of Hawaiian Homestead Association (SCHHA),
Maui/Lana‘i Mokuuni Council

HB-2049-HD-1

Submitted on: 2/11/2026 8:33:26 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Michelle Bonk	Individual	Support	Written Testimony Only

Comments:

Money from the conveyance tax helps build affordable housing and protect natural areas—two things that have been hurt by Hawai‘i’s real estate prices.

HB-2049-HD-1

Submitted on: 2/11/2026 9:19:15 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Tim Huycke	Individual	Support	Written Testimony Only

Comments:

I support HB2049.

HB-2049-HD-1

Submitted on: 2/12/2026 12:06:56 AM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kanani Kai	Individual	Support	Written Testimony Only

Comments:

I SUPPORT HB2049.

Mahalo,

Kanani Kai

Member Indivisible Hawaii

HB-2049-HD-1

Submitted on: 2/12/2026 7:25:00 AM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Candice Lanette	Individual	Support	Written Testimony Only

Comments:

The rich should have to pay their fair share of taxes, just like the rest of us. Its common sense and the fact that the rich have special privileges is what has gotten us into the mess we are in.

HB-2049-HD-1

Submitted on: 2/12/2026 7:44:33 AM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
John Wassell	Individual	Support	Written Testimony Only

Comments:

Money from the conveyance tax helps build affordable housing and protect natural areas—two things that have been hurt by Hawai‘i’s real estate prices. Even though property values have soared, especially for luxury homes, owners of expensive properties still pay very low conveyance tax rates—only about 0.5 to 1.25 percent.

I support this measure.

JJ Wassell

HB-2049-HD-1

Submitted on: 2/12/2026 7:52:03 AM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Mary True	Individual	Support	Written Testimony Only

Comments:

I would appreciate you supporting this bill. People in mini-mansions can pay this tax and experience no pain. It's time they paid their fair share so the hard working people of Hawaii won't be forced off the island.

Thanks for listening, Mary True

HB-2049-HD-1

Submitted on: 2/12/2026 7:58:15 AM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Janet Teare	Individual	Support	Written Testimony Only

Comments:

Other expensive cities like Seattle and San Francisco have much higher transfer taxes (Conveyance rates) ranging from 2 to 7 percent on high-value properties. If Hawai‘i raised its tax rates to between 2 and 6 percent for homes worth \$2 million or more, the state could bring in an extra \$300–400 million each year. A proposal called Senate Bill 678 would use that new revenue to fund affordable housing, homelessness programs, land conservation, and the state’s general fund—adding tens of millions of dollars to each.

The Legacy Land Fund helps buy and protect land with important natural and cultural resources. The Rental Housing Fund helps build affordable rental housing for low-income families.

- This proposal would also dedicate some of the conveyance tax revenue to the Department of Hawaiian Homelands

I'm a member of East Hawaii Indivisible

HB-2049-HD-1

Submitted on: 2/12/2026 8:06:05 AM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Karen Ez	Individual	Support	Written Testimony Only

Comments:

Hawai'i's real estate is being bought up by rich investors who care only about themselves. Please pass this reform bill. Mahalo nui!!

Karen Ez

HB-2049-HD-1

Submitted on: 2/12/2026 8:38:36 AM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
James E Raymond	Individual	Support	Written Testimony Only

Comments:

Thank you -- I am a member of Indivisible Windward.

HB-2049-HD-1

Submitted on: 2/12/2026 8:59:20 AM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
William Caron	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

I am testifying in strong support of HB2049, to update Hawai‘i’s conveyance tax to ensure it is fair, modern, and capable of meeting our state’s greatest needs.

The conveyance tax is a critical tool—a one-time tax paid when property is sold that directly funds two of our most pressing priorities: the construction of affordable housing and the permanent protection of our natural and cultural lands.

Yet, as the value of property, especially luxury estates, has soared, our tax rates have remained stuck in the past. Owners of multi-million dollar properties pay a rate of only 0.5% to 1.25%, a fraction of what is paid in other high-cost cities like Seattle and San Francisco, where rates range from 2% to 7%.

This bill wisely corrects this imbalance by adopting a marginal rate structure—the same fair principle used in our income tax. This means a middle-class family selling their home would likely pay a lower effective rate than they do now, while the tax increases would fall squarely on the portion of a property’s value over \$2 million, often owned by wealthy non-residents. It is a targeted ask for those who have profited most from our islands’ scarcity.

The impact of this common-sense update would be transformative. It is estimated to generate an additional \$68.5 million annually. This revenue would provide a historic, sustained investment in our future by:

- Increasing funding for the Rental Housing Revolving Fund to build affordable rentals, directly combating our housing crisis.
- Bolstering the Legacy Land Conservation Fund to protect ‘āina from development.
- Making a crucial investment in the Department of Hawaiian Home Lands, helping to fulfill a generations-old promise
- Making additional critical investments in the Dwelling Unit Revolving Fund to fund infrastructure programs in county-designated transit-oriented development areas.

This bill helps to ensure that when luxury property changes hands at record prices, our community receives a fair share to invest in itself.

I urge you to pass this bill. It is a long-overdue step toward tax fairness and a powerful commitment to housing our people, preserving our lands, and building a more equitable Hawai'i.

Mahalo for the opportunity to testify.

HB-2049-HD-1

Submitted on: 2/12/2026 9:18:19 AM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ron Brown	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill as a citizen of Hawaii and as a member of Indivisible.

HB-2049-HD-1

Submitted on: 2/12/2026 9:39:20 AM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nancy D Moser	Individual	Support	Written Testimony Only

Comments:

In support

HB-2049-HD-1

Submitted on: 2/12/2026 9:56:43 AM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Carol Gaylord	Individual	Support	Written Testimony Only

Comments:

Aloha,

The conveyance tax is a one-time tax paid to the state when a property is sold. It's different from property taxes, which homeowners pay to the county every year. Money from the conveyance tax helps build affordable housing and protect natural area. Two of the most important factors to kānaka like myself.

If Hawai'i raised its tax rates to between 2 and 6 percent for homes worth \$2 million or more, the state could bring in an extra \$300–400 million each year

More of Hawai'i's real estate is being bought up by investors, and this tax makes sure that they are contributing more to local communities.

Please pass HB2049!

Mahalo- Carol Gaylord

HB-2049-HD-1

Submitted on: 2/12/2026 10:13:30 AM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Christopher Davis	Individual	Support	Written Testimony Only

Comments:

Thank you for supporting this bill. We have a kuleana to mitigate the damage caused by real estate investment and soaring real estate prices.

Christopher Davis

HB-2049-HD-1

Submitted on: 2/12/2026 10:54:17 AM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Marcela Montalto	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill.

This bill represents a fair and practical approach to addressing Hawai‘i’s urgent housing and infrastructure needs. By increasing conveyance tax rates on high-value properties—particularly luxury and second homes—the state can generate significant new revenue without placing additional burden on middle-class homeowners. Adopting a marginal tax structure ensures that only the portion of a property’s value above certain thresholds is taxed at higher rates, making the system more equitable and aligned with income tax principles. The estimated \$300–400 million in additional annual revenue would provide critical funding for affordable housing, homelessness services, land conservation, transportation infrastructure, and the Department of Hawaiian Homelands. Other high-cost cities like Seattle and San Francisco already use similar tax structures successfully. Strengthening Hawai‘i’s conveyance tax in this way ensures that those who benefit most from the state’s high-value real estate market contribute fairly to preserving its communities, protecting its natural resources, and supporting long-term housing stability for local residents.

HB-2049-HD-1

Submitted on: 2/12/2026 11:45:26 AM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Judith White	Individual	Support	Written Testimony Only

Comments:

Please support!

Judith White, Kapaa

Member Kauai Indivisible

HB-2049-HD-1

Submitted on: 2/12/2026 11:49:05 AM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Patti Cook	Individual	Support	Written Testimony Only

Comments:

Strongly support.

COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

Rep. David A. Tarnas, Chair

Rep. Mahina Poepoe, Vice Chair

HEARING:

Tuesday, February 13, 2026 at 2 pm

VIA VIDEOCONFERENCE

Conference Room 325

State Capitol

415 South Beretania Street

TESTIMONY IN SUPPORT - HB 2049, HD1, RELATING TO HOUSING.

Aloha Chair Tarnas, Vice Chair Poepoe, Rep. Cochran from Maui, and Members of the Committee,

My name is Christine Andrews and I am a long-time resident of Wailuku, Maui. I write to you today in **support of HB 2049, HD1**, Relating to Housing, which restructures 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; allocates a portion of conveyance tax collections to the Dwelling Unit Revolving Fund to fund infrastructure programs in county-designated transit-oriented development areas that meet minimum standards of transit-supportive density; and allocates a portion of conveyance tax revenues to the Hawaiian Home Lands Trust Fund.

The conveyance tax is a one-time tax paid to the state when a property is sold. It's different from property taxes, which homeowners pay to the county every year. Money from the conveyance tax helps build affordable housing and protect natural areas—two things that have been hurt by Hawai'i's real estate prices. Even though property values have soared, especially for luxury homes, owners of expensive properties still pay very low conveyance tax rates—only about 0.5 to 1.25 percent.

Cities like Seattle and San Francisco have much higher transfer taxes, ranging from 2 to 7 percent on high-value properties. If Hawai'i raised its tax rates to between 2 and 6 percent for homes worth \$2 million or more, the state could bring in an extra \$300–400 million each year.

Hawaii conveyance tax structure could be improved by switching to a marginal rate, similar to income taxes, where only the portion above each price threshold is taxed at higher rates. It could also be improved by increasing the rates on luxury homes and second homes.

As a result, middle-class homeowners would pay a lower conveyance tax and owners of high-value homes (including out-of-state homeowners) would pay more. The extra revenue from these changes would go to key priorities like affordable rental housing, transportation infrastructure, and the Department of Hawaiian Homelands.

Due to the housing crisis in Maui after the wildfires, we are seeing long-term community members move to the mainland. I **strongly support HB 2049, HD1** as a necessary and equitable mechanism to leverage conveyance tax revenues to benefit our community.

Mahalo,

Christine Andrews, JD

Wailuku, Maui

HB-2049-HD-1

Submitted on: 2/12/2026 12:03:10 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Terry McDonald	Individual	Support	Written Testimony Only

Comments:

I strongly support this measure. Most of this island is unaffordable due to the very high real estate prices driven high by the ultra wealthy. A progressive tax system is needed here. Their home values often drive up home prices, and this will help slow that down

HB-2049-HD-1

Submitted on: 2/12/2026 1:33:59 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jay Penniman	Individual	Oppose	Written Testimony Only

Comments:

Aloha Kākaou Committee members, The Legacy Land Conservation was given its percentage of conveyance tax and since then these funds have been siphoned off for other actions and activities. The intent of the funding for Conservation has been undermined. There is more land falling into offshore ownership and private holding that should be preserved for cultural and environmental values! Please forward the bills to fully fund the LLCC and stop the transfer of funds that are desperately needed for conservation and the maintenance of these lands. Mahalo.

HB-2049-HD-1

Submitted on: 2/12/2026 1:43:39 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Donna Blakemore	Individual	Support	Written Testimony Only

Comments:

The conveyance tax is a one-time tax paid to the state when a property is sold.

- Part of Hawai‘i’s conveyance tax revenue goes into two special funds: the Legacy Land Conservation Fund and the Rental Housing Revolving Fund. The Legacy Land Fund helps buy and protect land with important natural and cultural resources. The Rental Housing Fund helps build affordable rental housing for low-income families. By law, these funds are capped:
 - \$5.1 million a year for land conservation and \$38 million for affordable housing, even if the state collects more.

HB-2049-HD-1

Submitted on: 2/12/2026 1:50:04 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Doris Segal Matsunaga	Individual	Support	Written Testimony Only

Comments:

As a grandmother living in Waimea on Hawaii Island, I strongly support this tax fairness bill

HB-2049-HD-1

Submitted on: 2/12/2026 2:13:32 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jessica Kuzmier	Individual	Support	Written Testimony Only

Comments:

Aloha, I am for a conveyance tax on luxury homes. Mahalo for your consideration.

HB-2049-HD-1

Submitted on: 2/12/2026 3:22:11 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jesse Hutchison	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill.

Thank you!

HB-2049-HD-1

Submitted on: 2/12/2026 5:07:07 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ellen Godbey Carson	Individual	Support	Written Testimony Only

Comments:

Please support this bill. We desperately need greater revenues for affordable housing options, and need greater equity in conveyance tax rates for working classes versus wealthy investors. This bill helps accomplish that.

HB-2049-HD-1

Submitted on: 2/12/2026 6:09:28 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Anne Leake	Individual	Support	Written Testimony Only

Comments:

Dear Chairs and Committee Members,

HB2049 would update Hawaii's outdated conveyance tax to ensure that out-of-state investors buying multi-million dollar estates pay their fair share when they profit from our island's limited land. Increasing the tax rate on properties that sell for over \$2 million will raise an estimated \$68.5 million per year. This bill targets wealth, not working families who now more than ever need help from the state to make living here more affordable. This is an investment in justice because a portion of this revenue will be dedicated to DHHL. SB2049 asks those who can afford it to contribute more to the islands they profit from. Please give HB2049 your favorable consideration. Mahalo.

HB-2049-HD-1

Submitted on: 2/12/2026 6:53:54 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
john savino	Individual	Support	Written Testimony Only

Comments:

I support HB 2049

HB-2049-HD-1

Submitted on: 2/12/2026 7:07:04 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lily Troy MD	Individual	Support	Written Testimony Only

Comments:

I support HB 2049

HB-2049-HD-1

Submitted on: 2/12/2026 8:59:58 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cheryl Ho	Individual	Support	Written Testimony Only

Comments:

Chair Tarnas, Vce Chair Poepoe, and Members of the House Committee on Judiciary and Hawaiian Affairs:

I am testifying in strong support of HB 2049 HD1

As a local person, and a strong advocate for justice for Native Hawaiians, I value this bill because it would tax wealthy off-island investors at a higher rate than they are now taxed. For example, wealthy investors selling homes for over \$2 million would be taxed at a higher rate than middle class families are now taxed. There would be a potential gain in revenue for the State of \$68.5 million annually.

The other feature of HB2049 that I especially support is that it

allocates 30% of conveyance tax revenues to the Hawaiian Home Lands Trust Fund. To me, this represents the State “putting our money where our mouth is” in the effort to repair the long history of damage done to Native Hawaiians and their land!!

Please vote in favor of HB2049HD1!

Mahalo,

Cheryl O. Ho, Nu‘uanu

HB-2049-HD-1

Submitted on: 2/12/2026 9:23:50 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Shay Chan Hodges	Individual	Support	Written Testimony Only

Comments:

I support HB 2049 because it:

- Raises significant revenue from luxury sales: It increases the tax rate on properties sold for over \$2 million, raising an estimated \$68.5 million per year.
- Protects local, middle-class families: By restructuring to a marginal rate system, the average local family selling their home would likely pay a lower rate than they do now. This bill targets wealth, not working families.
- Makes a historic investment in justice: A significant portion of this new revenue is dedicated to the Department of Hawaiian Home Lands (DHHL), directly addressing the long-broken promise to Native Hawaiians and creating a powerful link between taxing extreme wealth and funding equity.
- This isn't a radical idea. Our current luxury tax rates are far lower than in cities like Seattle and San Francisco. HB2049 simply asks those who can most afford it to contribute more to the islands they profit from.

Mahalo!

HB-2049-HD-1

Submitted on: 2/12/2026 10:09:32 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Elizabeth Nelson	Individual	Support	Written Testimony Only

Comments:

I support this bill. It will raise much needed revenues, revenues from luxury sales. It increases the tax rate on properties sold for over \$2 million, raising an estimated \$68.5 million per year.

Thank you.

Elizabeth Nelson

Kaneohe

HB-2049-HD-1

Submitted on: 2/13/2026 6:08:17 AM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
ANN Renick	Individual	Support	Written Testimony Only

Comments:

I fully support HB2049!

HB-2049-HD-1

Submitted on: 2/13/2026 8:11:53 AM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jonathan Huynh	Individual	Support	Written Testimony Only

Comments:

Aloha. I support this bill because it is a step in the right direction towards equity. Luxury homes and second homes should be taxed higher because wealthier people should pay more for luxuries that most locals cannot afford. These purchases are not "must-haves." If they want to pay less taxes, then they should not buy a second home or luxury home. The revenue from these taxes should then be used to prop up the lower and middle income households and support social services. Mahalo.

HB-2049-HD-1

Submitted on: 2/13/2026 11:35:35 AM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kealii Pang, Ph.D.	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice-Chair, and Members of the Committees,

My name is Benton Kealii Pang, and I am a member of the Hawaiian Civic Club of Honolulu. Our club was founded in 1918 by Prince Jonah Kūhiō Kalanianaʻole, the very same visionary leader who championed the Hawaiian Homes Commission Act to return our people to the ʻāina. It is in the spirit of his legacy and the mission of our club—to advocate for the welfare of Native Hawaiians—that I submit this testimony in strong support of HB 2049 HD1.

This bill addresses two of the most critical barriers to housing stability in Hawaiʻi: the lack of predictable funding for the Department of Hawaiian Home Lands (DHHL) and the infrastructure deficit that stalls affordable housing development.

Why This Bill is Essential:

- **Predictable Funding for DHHL:** For over a century, the promise of Prince Kūhiō has been delayed by inconsistent funding. Section 4 of this bill establishes a dedicated allocation of the conveyance tax (up to \$60 million annually) to the Hawaiian Home Lands Trust Fund. This "predictable and annual" funding is vital for multi-year planning and allows DHHL to leverage private and federal capital to move beneficiaries off the waiting list and into homes.
- **Infrastructure as a Foundation:** We cannot build homes without the "pipes and pavement" to support them. By allocating revenue to the Dwelling Unit Revolving Fund, this bill ensures that transit-oriented development (TOD) zones have the necessary infrastructure to be truly viable for affordable, high-density housing.
- **A Fairer Tax Structure:** Hawaiʻi's housing market has changed drastically since 2009. Restructuring the conveyance tax to a marginal system—where high-value, non-owner-occupied investments pay their fair share—is a common-sense approach to generating revenue without placing the burden on local families.
- **Protecting Renters:** I particularly appreciate the provision that adjusts the tax for multifamily properties on a per-unit basis. This ensures that affordable apartment complexes aren't hit with "luxury" tax rates that would ultimately be passed down to local renters.

Prince Kūhiō fought for the rehabilitation of the Hawaiian people through land and housing. Today, we have the opportunity to fulfill that kuleana by ensuring the DHHL has the financial

tools it needs to succeed. HB 2049 HD1 is a strategic, equitable, and necessary step toward solving our housing crisis.

I urge this committee to pass HB 2049 HD1.

Mahalo for the opportunity to testify,

Kealii Pang, member of the Hawaiian Civic Club of Honolulu

HB-2049-HD-1

Submitted on: 2/13/2026 12:01:42 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Melinda Healani Sonoda-Pale	Individual	Support	Written Testimony Only

Comments:

Aloha,

I wholeheartedly support this measure. It updates the tax structure and creates a more fair system while creating a stable revenue stream for Hawaiian Homes. With 29,000 Kanaka Maoli on the waitlist and more Kanaka Maoli living outside of Hawai'i than in Hawai'i we need solutions to house the first people of this land.

- **Fairer conveyance tax structure:** The bill reforms the conveyance tax into a **marginal rate system**, so higher rates apply only to the portion of a property's value above each threshold, fixing inequities in the current system.
- **Protects renters and multifamily housing:** HB 2049 **calculates the tax for multifamily properties on a per-unit basis**, helping prevent higher costs from being passed directly onto renters.
- **Keeps the system fair over time:** The bill **ties tax thresholds to a cost-of-living adjustment**, so moderate homes are not pushed into higher tax brackets simply because of inflation.
- **Funds housing infrastructure where it is most needed:** A portion of revenues is directed to the **Dwelling Unit Revolving Fund to finance off-site and regional infrastructure in county-designated transit-oriented development areas**, removing a major barrier to affordable housing production.
- **Delivers real, predictable funding for DHHL:** HB 2049 establishes a permanent funding stream by allocating **30% of conveyance tax revenues, up to \$60 million annually, to the Hawaiian Home Lands Trust Fund**,

HB-2049-HD-1

Submitted on: 2/13/2026 12:23:32 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Katelynn Mika	Individual	Support	Written Testimony Only

Comments:

Aloha mai,

My name is Katelynn Mika and I strongly support HB 2049. This would've very beneficial for many Hawaiians and also many other people as well.

Mahalo,

Katelynn Mika

HB-2049-HD-1

Submitted on: 2/13/2026 12:30:21 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Christian O'Connor	Individual	Support	Written Testimony Only

Comments:

Aloha and thank you for the opportunity to submit testimony.

I strongly support HB 2049, HD1.

Today, nearly 29,000 Kanaka Maoli remain on the Department of Hawaiian Home Lands (DHHL) waitlist for a homestead lease—many waiting for decades. At the same time, more people of Kanaka Maoli ancestry now reside outside Hawai‘i than in our islands, largely due to unaffordable housing and the escalating cost of living here at home.

HB 2049 addresses this crisis with a meaningful, structural solution. The bill creates a permanent, predictable funding stream for DHHL by dedicating 30% of conveyance tax revenues—capped at \$60 million annually—to the Hawaiian Home Lands Trust Fund.

This dedicated annual revenue would enable DHHL to engage in multi-year planning, sequence critical infrastructure projects, leverage public and private partnerships, and deliver homesteads at the scale required to meaningfully reduce the longstanding backlog for beneficiary families.

Unlike temporary or one-time appropriations, this measure ensures a reliable, ongoing source of funding that empowers DHHL to build sustainably and at pace.

Additionally, the bill modernizes Hawai‘i’s outdated conveyance tax structure—which has remained unchanged since 2009 and is lower than in many comparable high-cost jurisdictions. It introduces a fairer marginal (graduated) rate system, applies per-unit treatment for multifamily properties, and indexes thresholds to inflation. These changes promote equity while minimizing unintended burdens on moderate-income homeowners and rental housing.

HB 2049 represents a practical, evidence-based step toward resolving Hawai‘i’s broader housing crisis and fulfilling the State’s longstanding trust obligations to Kanaka Maoli.

Mahalo for your consideration and for advancing this important measure. I urge its passage.

HB-2049-HD-1

Submitted on: 2/13/2026 12:30:53 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Regina Peterson(Nani)	Individual	Support	Written Testimony Only

Comments:

Please accept my testimony in strong support of HB 2049, HD1.

Today, approximately 29,000 Kanaka Maoli remain on the Department of Hawaiian Home Lands (DHHL) waitlist for a homestead, many for decades. At the same time, more people of Kanaka Maoli ancestry now live outside of Hawai‘i than within our homeland, driven largely by the lack of attainable housing and the rising cost of living.

HB 2049 takes a concrete and structural step to change that reality.

This bill establishes a permanent and predictable funding stream for DHHL by dedicating thirty percent of conveyance tax revenues, up to \$60 million annually, to the Hawaiian Home Lands Trust Fund. Providing dedicated and predictable annual funding will support multi-year planning, infrastructure sequencing, and the delivery of homes to beneficiaries

Unlike one-time appropriations, this measure creates a constant annual source of revenue that allows DHHL to plan, build infrastructure, leverage additional public and private investment, and deliver homesteads at the scale needed to finally reduce the backlog facing Kanaka Maoli families.

HB 2049 also modernizes Hawai‘i’s conveyance tax—which has not been updated since 2009 and remains lower than comparable high-cost states—by creating a marginal rate structure, applying per-unit treatment for multifamily housing, and indexing thresholds to the cost of living to improve fairness and avoid unintended impacts on moderate and rental housing.

HB 2049 is a necessary, data-driven step toward addressing Hawai‘i’s housing crisis and the State’s long-standing obligations to Kanaka Maoli

Mahalo,

Regina Nanipua Okalani Peterson

HB-2049-HD-1

Submitted on: 2/13/2026 12:32:12 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Pearson Ahuna	Individual	Support	Written Testimony Only

Comments:

I support

HB-2049-HD-1

Submitted on: 2/13/2026 12:40:01 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Iwalani Laybon-McBrayer	Individual	Support	Written Testimony Only

Comments:

Testimony in STRONG SUPPORT of HB 2049, HD1

Please accept my testimony in strong support of HB 2049, HD1.

Today, approximately 29,000 Kanaka Maoli remain on the Department of Hawaiian Home Lands (DHHL) waitlist for a homestead, many for decades. At the same time, more people of Kanaka Maoli ancestry now live outside of Hawai‘i than within our homeland, driven largely by the lack of attainable housing and the rising cost of living.

HB 2049 takes a concrete and structural step to change that reality.

This bill establishes a permanent and predictable funding stream for DHHL by dedicating thirty percent of conveyance tax revenues, up to \$60 million annually, to the Hawaiian Home Lands Trust Fund. Providing dedicated and predictable annual funding will support multi-year planning, infrastructure sequencing, and the delivery of homes to beneficiaries

Unlike one-time appropriations, this measure creates a constant annual source of revenue that allows DHHL to plan, build infrastructure, leverage additional public and private investment, and deliver homesteads at the scale needed to finally reduce the backlog facing Kanaka Maoli families.

HB 2049 also modernizes Hawai‘i’s conveyance tax—which has not been updated since 2009 and remains lower than comparable high-cost states—by creating a marginal rate structure,

applying per-unit treatment for multifamily housing, and indexing thresholds to the cost of living to improve fairness and avoid unintended impacts on moderate and rental housing.

HB 2049 is a necessary, data-driven step toward addressing Hawai'i's housing crisis and the State's long-standing obligations to Kanaka Maoli.

Mahalo,

Iwalani Laybon-McBrayer

Kaupe'a Homestead Association

President

HB-2049-HD-1

Submitted on: 2/13/2026 1:13:03 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Raquel Runnels	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Evslin and Members of the Committee,

My name is Raquel S. Runnels, and I am a Kanaka ‘Oiwī born and raised on the island of O‘ahu. I am testifying in STRONG SUPPORT of HB 2049, HD1.

Today, approximately 29,000 Kanaka Maoli remain on the Department of Hawaiian Home Lands (DHHL) waitlist for a homestead, many for decades. At the same time, more people of Kanaka Maoli ancestry now live outside of Hawai‘i than within our homeland, driven largely by the lack of attainable housing and the rising cost of living.

HB 2049 takes a concrete and structural step to change that reality. This bill establishes a permanent and predictable funding stream for DHHL by dedicating thirty percent of conveyance tax revenues, up to \$60 million annually, to the Hawaiian Home Lands Trust Fund. Unlike one-time appropriations, this constant annual source of revenue allows DHHL to plan multi-year infrastructure projects, leverage additional public and private investment, and finally deliver homesteads at the scale needed to reduce the backlog facing Kanaka Maoli families.

HB 2049 also modernizes Hawai‘i's conveyance tax—which has not been updated since 2009 and remains lower than comparable high-cost states—by creating a marginal rate structure, applying per-unit treatment for multifamily housing, and indexing thresholds to the cost of living. These updates improve fairness and avoid unintended impacts on moderate and rental housing.

This isn't just good policy for beneficiaries; it's smart for all of Hawai‘i. Updating the conveyance tax creates a reliable source of funding to build housing that benefits everyone while fulfilling the State's long-standing obligations to Kanaka Maoli.

Please pass this bill. Mahalo nui loa for your time and consideration.

Raquel S. Runnels
Wahiawā, O‘ahu

HB-2049-HD-1

Submitted on: 2/13/2026 1:15:08 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dana Keawe	Individual	Support	Written Testimony Only

Comments:

SUPPORT HB2049 HD1

Dana Keawe

Truth for the People

Moku o Keawe

HB-2049-HD-1

Submitted on: 2/13/2026 1:35:52 PM

Testimony for JHA on 2/13/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Koanui Leslie	Individual	Support	Written Testimony Only

Comments:

I fully support this bill and hope that by doing this. We can better the the lives of the people of this land and that way we can better the lives of everyone who lives here.

Koanui Leslie.