

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

STATE OF HAWAII 'I
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau

P.O. BOX 259

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

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 2049, H.D.2, Relating to Housing

BEFORE THE:

House Committee on Finance

DATE: Tuesday, March 3, 2026

TIME: 10:00 a.m.

LOCATION: State Capitol, Room 308

Chair Todd, Vice-Chair Takenouchi, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 2049, H.D.2, for your consideration.

Section 3 of the bill amends section 247-2(a), Hawaii Revised Statutes (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.

Section 3 of the bill also amends the rate categories. Under current law, there are two rate categories: (1) the sale of condominiums or single-family residences for which the purchaser is ineligible for a county homeowner's exemption on property tax; and (2) all other conveyances.

The bill amends the rate categories to include: (1) the sale of properties with a residential dwelling unit for which the purchaser is ineligible for a county homeowner's exemption on property tax; (2) the sale of property with a residential dwelling unit for which the purchaser is eligible for a county homeowner's exemption from property tax; and (3) the sale, lease, sublease, or assignment of any property with no residential dwelling unit. The second category also applies to any conveyance of property that is used for transient accommodations during the previous two years.

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.

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, HRS, by increasing the minimum distribution amounts for the two special funds currently receiving allocations from conveyance tax revenue and also adds two special funds to receive allocations of conveyance tax revenues.

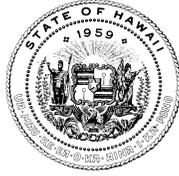
The measure has a defective effective date of July 1, 3000.

DOTAX 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
Hawai'i*

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



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 Hawai'i

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF KALI WATSON, CHAIR
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON FINANCE
ON MARCH 3, 2026 AT 10:00AM IN CR 308

HB2049, HD2, RELATING TO HOUSING

March 3, 2026

Aloha Chair Todd, Vice Chair Takenouchi, 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 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.

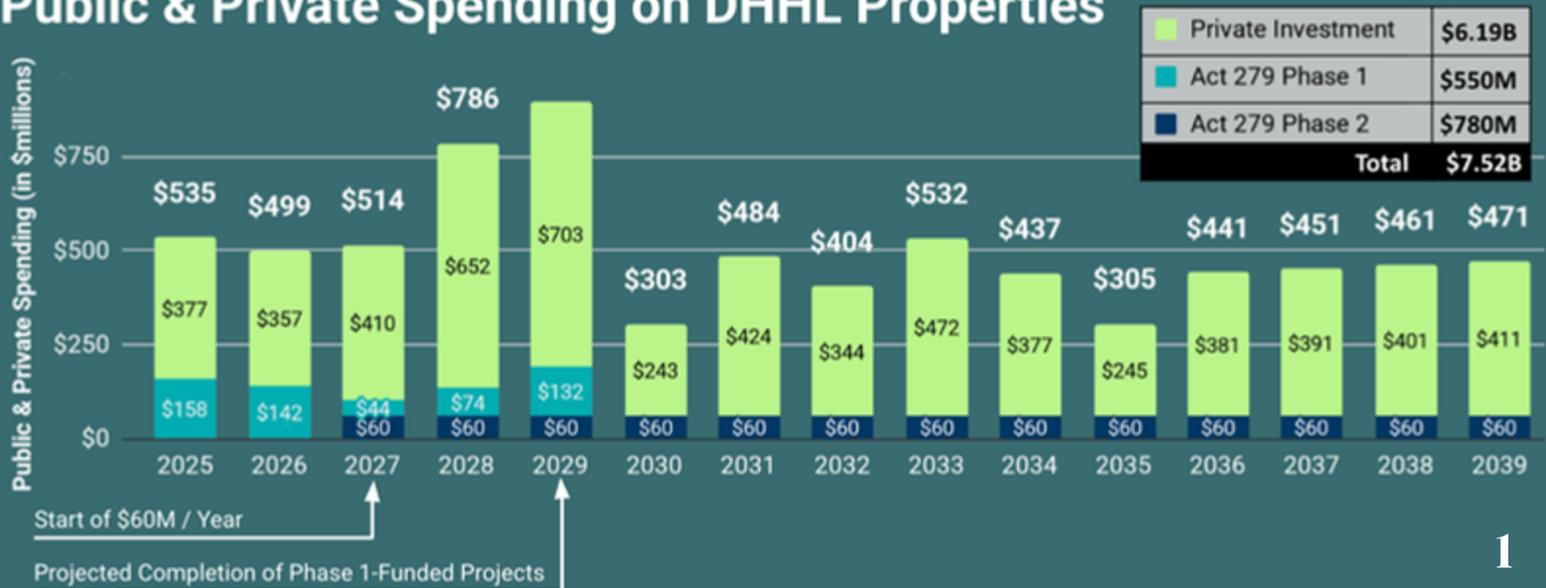
- **Average Vertical Construction Cost:** \$630,000* per unit
- **Total Projected Private Development Cost:** \$6.19 billion

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



Private Investment	\$6.19B
Act 279 Phase 1	\$550M
Act 279 Phase 2	\$780M
Total	\$7.52B

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.

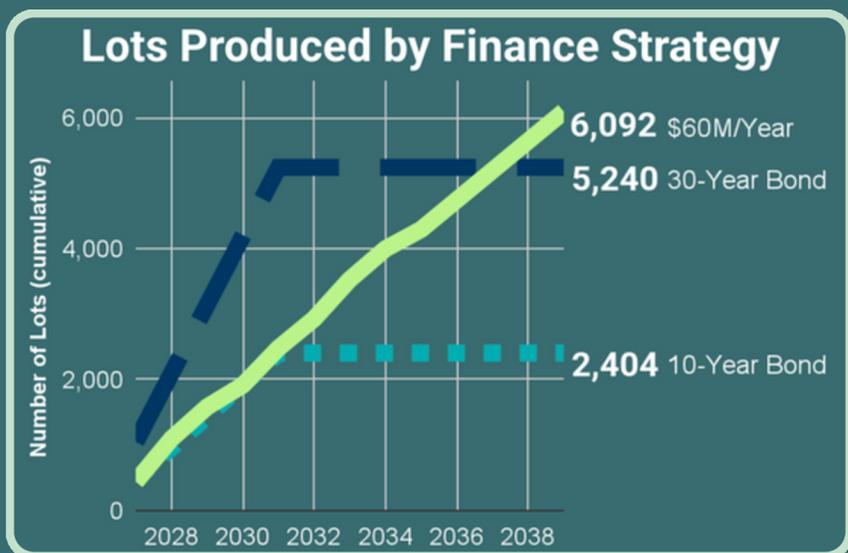
Recently, DHHL considered using annual state funding as a dedicated source for debt-service payments. This would provide a significant influx of funds for construction activities.

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.



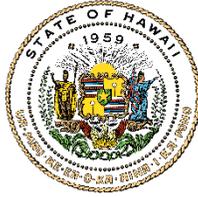
Bond Period:	10-Years	30-Years
Total Borrowed	\$505.3M	\$1,103.5M
Interest Rate:	3.25%	3.50%
Term (Years):	10	30

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

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

P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

RYAN K.P. KANAKA'OLE
FIRST DEPUTY

CIARA W.K. KAHAHANE
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
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CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

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

Before the House Committee on
FINANCE
Tuesday, March 3, 2026
10:00 AM
State Capitol, Conference Room 308

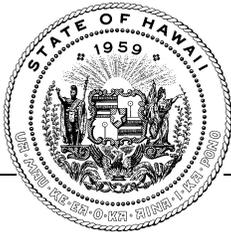
In consideration of
HOUSE BILL 2049, HOUSE DRAFT 2
RELATING TO HOUSING RELATING TO HOUSING

House Bill 2049, House Draft 2, proposes restructuring the conveyance tax (CTX) rate system and revising the annual allocations of the collected revenue. The bill raises the land conservation fund (LCF) CTX revenue cap from \$5.1 million to \$10 million and decreases the CTX allocation 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 provides important complementary benefits. Given adequate CTX collections, raising the LCF's annual CTX revenue cap from \$5.1 million to \$10 million would strengthen the LCF's land acquisition program. The Department's current goal for effective State-funded land acquisition is \$10 million in annual CTX revenue. The proposed \$10 million revenue cap would help facilitate and ensure sufficient funding for land conservation.

LCF purchasing power has fallen to an all-time low, while real estate prices have reached record highs. Community capacity, involvement, and successes in acquiring and stewarding legacy lands continue to grow. Increasing LCF funding will further strengthen our state's long-term investments in natural capital and help fulfill our constitutional public trust obligations to conserve and protect Hawaii's natural beauty and resources, as well as to secure the exercise of native Hawaiian customary and traditional rights.

Mahalo for the opportunity to comment on this measure.



**STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
DIRECTOR

235 South Beretania Street, 6th Floor, Honolulu, Hawai'i 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawai'i 96804

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Statement of
MARY ALICE EVANS, Director

before the
HOUSE COMMITTEE ON FINANCE

Tuesday, March 3, 2026

10:00 AM

State Capitol, Conference Room 308

in consideration of
HB 2049, HD 2
RELATING TO HOUSING.

Chairs Tarnas, Vice Chairs Poepoe, and Members of the House Committees on Judiciary and Hawaiian Affairs.

The Office of Planning and Sustainable Development (OPSD) **supports HB 2049, HD 2**, 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 Home Lands.

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.



TESTIMONY IN SUPPORT HOUSE BILL 2049 HD2
RELATING TO HOUSING

Ke Kōmike Hale o ka ‘Oihana ‘Imi Kālā
(House Committee on Finance)

Ke Kapitala‘o Hawai‘i
(Hawai‘i State Capitol)

Malaki 3, 2026

10:00 a.m.

Lumi 308

Aloha e Chair Todd, Vice Chair Takenouchi, and Members of the Committee on Finance:

The Office of Hawaiian Affairs (OHA) submits this testimony in **SUPPORT** of **HB2049 HD2**, which updates and restructures the conveyance tax rates and revises how these tax revenues are allocated to state programs. This measure modernizes the conveyance tax to better reflect Hawai‘i’s cost of living, applies higher rates to high-value, non-owner-occupied property transactions to fund critical state programs, and implements a marginal rate structure that prevents tax cliffs for local home sellers when property values exceed certain thresholds.

Historically, the conveyance tax has funded rental housing and land conservation programs. HB2049 would also dedicate a portion of annual revenues to the Department of Hawaiian Home Lands (DHHL). This is an important step toward addressing DHHL’s longstanding need for sufficient and consistent funding to fulfill its mandate.

OHA notes that there is established precedent for directing income and proceeds generated from Hawai‘i’s commercial industry to fund DHHL. The Hawaiian Homes Commission Act (HHCA) established the Native Hawaiian rehabilitation fund which received 30% of receipts derived from lease of public lands and water to private sugarcane growers. At the time of the HCCA’s passage in 1920, sugarcane was by far the largest and most lucrative private industry in Hawai‘i, ensuring dedicated DHHL funding. Directing tax revenue from high-value property sales to support DHHL is a creative solution in line with this intent.

Although DHHL has made important strides in recent years with new housing

developments, infrastructure expansion and issuing project leases, all supported by Act 279 (2022) funding, an alarmingly large number of DHHL beneficiaries remain on the DHHL waitlist. OHA has committed \$3 million annually to DHHL to cover debt service on bonds issued by DHHL for infrastructure support, showing OHA's longstanding commitment to support DHHL's infrastructure needs.¹ This measure will continue to support DHHL's ongoing work to address the waitlist in meaningful ways by providing consistent infrastructure and housing development support.

For these reasons, the Office of Hawaiian Affairs urges the committee to **PASS HB2049 HD2**.

Mahalo for the opportunity to testify.

¹ *2025 Office of Hawaiian Affairs Annual Report*, https://www.oha.org/wp-content/uploads/2025annualreport_WEB.pdf at 10.

HB-2049-HD-2

Submitted on: 3/2/2026 5:10:45 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Councilmember Tamara Paltin	Individual	Support	Written Testimony Only

Comments:

Aloha e Chair and members,

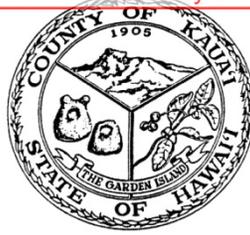
I am in support of HB2049 HD 2

Mahalo,

Tamara Paltin

COUNTY COUNCIL

Mel Rapozo, Chair
KipuKai Kualii, Vice Chair
Addison Bulosan
Bernard P. Carvalho, Jr.
Felicia Cowden
Fern Holland
Arryl Kaneshiro



OFFICE OF THE COUNTY CLERK

Jade K. Fountain-Tanigawa, County Clerk
Lyndon M. Yoshioka, Deputy County Clerk

Telephone: (808) 241-4188
Facsimile: (808) 241-6349
Email: cokcouncil@kauai.gov

Council Services Division
4396 Rice Street, Suite 209
Lihu'e, Kaua'i, Hawaii 96766

March 3, 2026

TESTIMONY OF ADDISON BULOSAN
COUNCILMEMBER, KAUAI COUNTY COUNCIL
ON
HB 2049, HD 2, RELATING TO HOUSING
House Committee on Finance
Tuesday, March 3, 2026
10:00 a.m.
Conference Room 308
Via Videoconference

Dear Chair Todd and Members of the Committee:

Thank you for this opportunity to provide testimony in SUPPORT of HB 2049, HD 2, Relating to Housing. My testimony is submitted in my individual capacity as a member of the Kaua'i County Council.

I fully support HB 2049, HD 2, 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. The measure 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 Home Lands (DHHL). HB 2049, HD 2, rightly invests in mixed-use communities that are centrally-located and inhabited by individuals and households of all income ranges, resulting in thriving communities.

Thank you again for this opportunity to provide testimony in support of HB 2049, HD 2. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via email to cokcouncil@kauai.gov.

Sincerely,

ADDISON BULOSAN
Councilmember, Kaua'i County Council

RM:sf



Hawai'i House of Representatives

Committee on Finance

HB2049, HD2 – Relating to Housing

RE: Strong support of HB2049, HD2

March 3, 2026

Hawaiian Council writes in **strong support of HB2049, HD2** to support the restructure of conveyance tax to better reflect shifts in Hawai'i's housing industry and allocate portions of the tax's revenues towards the Hawaiian Home Lands Trust Fund.

The existing conveyance tax structure is ill-suited for Hawai'i's housing market and disproportionately affects low- and middle-income families, including Native Hawaiian households. Currently, owners of affordable multifamily housing are subject to significantly higher conveyance tax rates relative to the market per-unit cost. The lack of updates to property value thresholds to match inflation and rising housing costs mean that low- and middle-income households are subject to rates disproportionate to their reflected tax bracket. These discrepancies have reverberating effects across Hawai'i's housing market, including increasing the cost of rentals and further pressuring local families to be priced out of the state.

Hawaiian Council has worked extensively to alleviate the pressures of financial burdens on families through housing initiatives like our mortgage relief and Kāko'o Maui programs. However, the current demand significantly exceeds the resources available at the organizational level. The proposal to transition to a marginal rate system reflective of present-day housing costs, along with allocating a portion of conveyance tax revenues to the Hawaiian Home Lands Trust Fund, addresses the systemic issues affecting Native Hawaiian households while simultaneously advancing the community towards a more affordable Hawai'i nei.

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, HD2**. Mahalo for your commitment to Kanaka 'Ōiwi and their right to affordable housing for generations to come.

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

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: CONVEYANCE; Dwelling Unit Revolving Fund; Infrastructure Funding; County-designated Transit-oriented Development

BILL NUMBER: HB 2049 HD2

INTRODUCED BY: JHA

EXECUTIVE SUMMARY: 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.

SYNOPSIS: Amends sec 201H-191, HRS, to deposit HRS sec 247-7(4) conveyance taxes, to the Dwelling Unit revolving fund, which amounts can only be used to fund infrastructure programs in areas that meet “transit supportive density” requirements. Transit-supportive density has the same meaning as in section 206E-246, HRS.

Amends tax rates in section 247-2(a)(2), HRS, as follows:

1. For sale of a property with a residential dwelling unit for which the purchaser is eligible for a county homeowner’s property tax exemption:
 - A) for properties with a value of less than \$600,000: ____ cents per \$100;
 - B) for properties with a value of at least \$600,000, but less than \$1,000,000: \$ ____ plus ____ cents per \$100 of excess over \$600,000;
 - C) for properties with a value of at least \$1,000,000, but less than \$2,000,000: \$ ____ plus ____ cents per \$100 of excess over \$1,000,000;
 - D) for properties with a value of at least \$2,000,000, but less than \$4,000,000: \$ ____ plus \$ ____ per \$100 of excess over \$2,000,000;
 - E) for properties with a value of at least \$4,000,000, but less than \$6,000,000: \$ ____ plus \$ ____ per \$100 of excess over \$4,000,000;
 - F) for properties with a value of at least \$6,000,000, but less than \$10,000,000: \$ ____ plus \$ ____ per \$100 of excess over \$6,000,000; and
 - G) for properties with a value of at least \$10,000,000 but less than \$20,000,000: \$ ____ plus \$ ____ per \$100 of excess over \$10,000,000, and

H) for properties with a value of at least \$20,000,000: \$ ____ plus \$ ____ per \$100 of excess over \$20,000,000.

2. For the sale of a property with a residential dwelling unit for which the purchaser is ineligible for a county homeowner's exemption on property tax

A) for properties with a value of less than \$600,000: ____ cents per \$100;

B) for properties with a value of at least \$600,000, but less than \$1,000,000: \$ ____ plus ____ cents per \$100 of excess over \$600,000;

C) for properties with a value of at least \$1,000,000, but less than \$2,000,000: \$ ____ plus ____ cents per \$100 of excess over \$1,000,000;

D) for properties with a value of at least \$2,000,000, but less than \$4,000,000: \$ ____ plus \$ ____ per \$100 of excess over \$2,000,000;

E) for properties with a value of at least \$4,000,000, but less than \$6,000,000: \$ ____ plus \$ ____ per \$100 of excess over \$4,000,000;

F) for properties with a value of at least \$6,000,000, but less than \$10,000,000: \$ ____ plus \$ ____ per \$100 of excess over \$6,000,000; and

G) for properties with a value of at least \$10,000,000 but less than \$20,000,000: \$ ____ plus \$ ____ per \$100 of excess over \$10,000,000, and

H) for properties with a value of at least \$20,000,000: \$ ____ plus \$ ____ per \$100 of excess over \$20,000,000.

3. For the sale, lease, sublease, or assignment of any property with no residential dwelling unit:

A) for properties with a value of less than \$600,000: ____ cents per \$100;

B) for properties with a value of at least \$600,000, but less than \$1,000,000: ____ cents per \$100 ;

C) for properties with a value of at least \$1,000,000, but less than \$2,000,000: ____ cents per \$100;

D) for properties with a value of at least \$2,000,000, but less than \$4,000,000: ____ cents per \$100;

E) for properties with a value of at least \$4,000,000, but less than \$6,000,000: ____ cents per \$100 ;

F) for properties with a value of at least \$6,000,000, but less than \$10,000,000: \$ ____ per \$100; and

G) for properties with a value of at least \$10,000,000: \$ ____ per \$100.

Any conveyance of property that is used for transient accommodations, as defined in HRS sec 237D-1, for any period during the two years prior to the date of conveyance shall be taxed at the rates under paragraph (2), regardless of whether the purchaser is eligible for a county homeowner's exemption on property tax.

Adds that these rates shall apply to the conveyance of a "multifamily residential property"; however, the "value" for purposes of determining the rate, shall be an amount calculated by

dividing the actual and full consideration by the number of residential dwelling units in the property. Multifamily residential property is defined as a structure that is located within the state urban land use district and divided into five or more dwelling units.

Adds section 247-2(b), HRS, for taxable years beginning after December 31, 2026, the director of taxation shall recompute the “values” in subparagraph (a) by the cost-of-living adjustment factor, as defined in this added section, resulting in the property value brackets being adjusted.

Amends the disposition of conveyance tax in section 247-7, HRS, as follows:

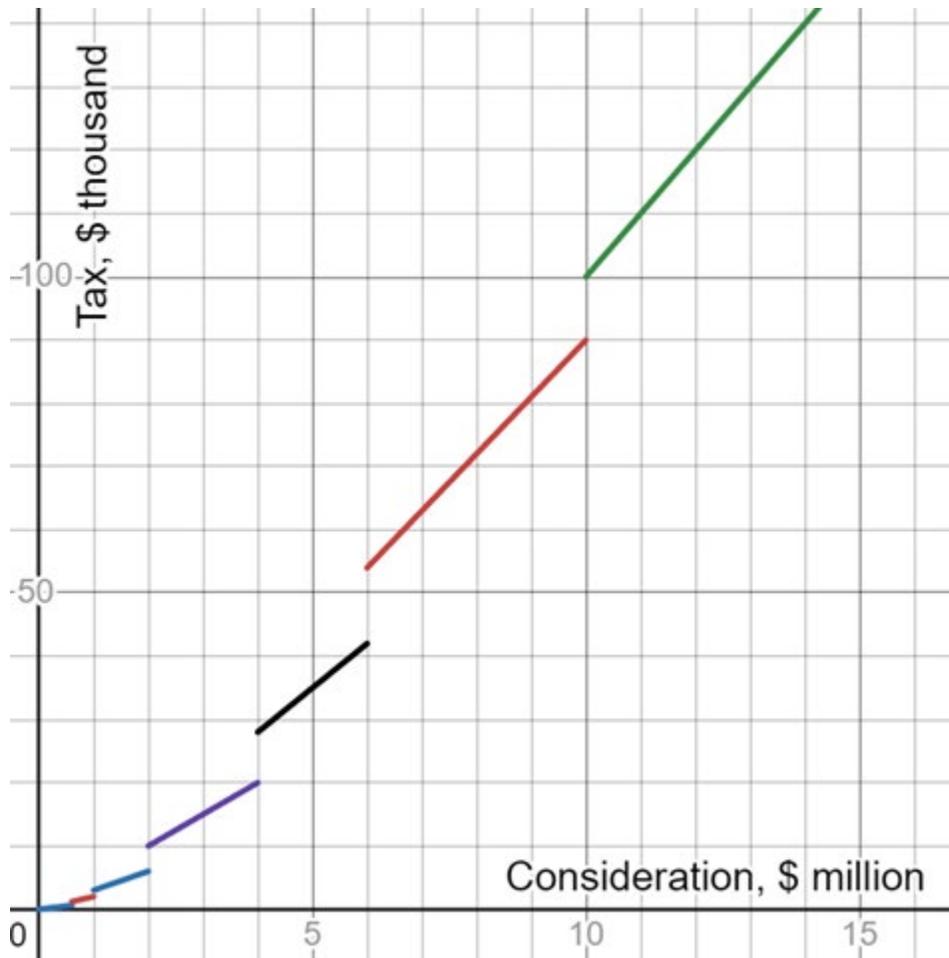
- 5% (currently 10%) or \$10,000,000 (currently, \$5,100,000), whichever is less, paid into the land conservation fund established pursuant to section 173A-5;
- 20% (currently 50%) or \$40,000,000 (currently \$38,000,000), whichever is less, paid into the rental housing revolving fund established by section 201H-202;
- 30% or \$60,000,000, whichever is less, paid into the Hawaiian home land trust; and
- 20% or \$40,000,000, whichever is less paid into the dwelling unit revolving fund established pursuant to section 201H-191

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: The conveyance tax was enacted by the 1966 legislature after the repeal of the federal law requiring stamps for transfers of real property. It was enacted for the sole purpose of providing the department of taxation (which at the time also administered the real property tax) with additional data for the determination of market value of properties transferred. This information was also to assist the department in establishing real property assessed values and at that time the department stated that the conveyance tax was not intended to be a revenue raising device.

Prior to 1993, the conveyance tax was imposed at the rate of 5 cents per \$100 of actual and full consideration paid for a transfer of property. At the time all revenues from the tax went to the general fund. The legislature by Act 195, SLH 1993, increased the conveyance tax to 10 cents per \$100 and earmarked 25% of the tax to the rental housing trust fund and another 25% to the natural area reserve fund. Because of legislation in 2005 and in 2009, the conveyance tax rates were substantially increased and bifurcated between nonowner-occupied residential properties and all other properties. Tax brackets were based on the amount of value transferred.

The conveyance tax now has discontinuities at the bracket break points, which means that if taxable income increases by \$1 at a break point, such as from \$9,999,999 to \$10,000,000, the increase in tax will be substantially more than \$1. In this example the tax would go from \$200,000 to \$300,000.



Substantial discontinuities such as these may motivate behavior for taxpayers near a break point. This behavior might not be desirable from an economic standpoint. This bill is supposed to restructure the conveyance tax brackets more like the existing income tax brackets which do not have this problem.

Conveyance Tax Hike?

This bill was proposed to raise conveyance tax rates in dramatic fashion, but the rates and brackets are now unspecified so it is impossible to score the bill for revenue impact.

Tax Earmarks

Until 2005, 50% of the receipts went into the general fund and the other half was split with the affordable rental housing program and the natural area reserve program. Beginning in 2005, another 10% was taken for the land conservation fund.

Act 84, SLH 2015, imposed a \$6.8 million cap on the earmark to the land conservation fund and a \$38 million cap on the earmark to the rental housing revolving fund. In 2015, the Conference Committee explained the rationale for the cap on the earmark as follows:

Your Committee on Conference finds that budgetary planning and transparency are key components to ensuring the ongoing fiscal health of the State. Your Committee on Conference believes that, by establishing maximum amounts to be distributed to various non-general funds from the conveyance tax, this measure will make forecasts of general fund revenues more reliable, will increase legislative oversight of agencies and programs supported by the non-general funds, and will subject those agencies and programs to competition for limited public funds if the agencies or programs want more than the amount automatically distributed to their non-general funds.

Conf. Comm. Rep. No. 156 (2015).

The cap on the earmark to the land conservation fund was reduced to \$5.1 million in the budget bill of 2020, Act 9, SLH 2020.

The bill provides earmarks to two additional funds; the lesser of 30% or \$60,000,000 to the Hawaiian home lands trust fund and the lesser of 20% or \$40,000,000 to the dwelling unit revolving fund.

Raising the cap on the existing earmarked revenues should be done only with great caution. As with any earmarking of revenues, the legislature will be preapproving each of the programs fed by the fund into which the tax monies are diverted, expenses from the funds largely avoid legislative scrutiny, and the effectiveness of the programs funded becomes harder to ascertain. It is also difficult to determine whether the fund has too little or too much revenue.

If the legislature deems the programs and purposes funded by this fund to be a high priority, then it should maintain the accountability for these funds by appropriating the funds as it does with other programs. Earmarking revenues merely absolves elected officials from setting priorities. If the money were appropriated, lawmakers could then evaluate the real or actual needs of each program.

Digested: 3/1/2026



CATHOLIC CHARITIES HAWAII

SUPPORT FOR HB 2049 HD2: RELATING TO HOUSING

TO: House Committee on Finance
FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawai'i
Hearing: Tuesday, 3/3/26; 10:00 AM; CR 308 and via Videoconference

Chair Todd, Vice Chair Takenouch, and Members, Committee on Finance:

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 HD2 with two amendments**. This bill restructures the conveyance tax to a marginal rate system for residential properties and adjusts the 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 (HHLTF), and 20% to the Dwelling Unit Revolving Fund (DURF). Both are critical State needs. Funding for infrastructure is currently a very fragmented process. Funding DURF would address this significant barrier to creating affordable housing and mixed-use development near transit. Funding HHLTF would support the State's obligations to create housing for native Hawaiians.

However, this bill would reduce the percentage of this tax's revenues to the Rental Housing Revolving Fund (RHRF) from **50% to 20%**. 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 respectfully urge you to allocate 30% (with a cap of \$60 million) of conveyance tax revenues to the Rental Housing Revolving Fund.**

To end homelessness, a top State Priority, ongoing and stable funding for services is essential. Services are the "infrastructure" that are critical to success. **We respectfully urge you to allocate 10% of conveyance tax revenues, capped at \$20 million, for a Homeless Services Special Fund.**



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Phone (808) 527-4813 •



Given the uncertainty surrounding the federal budget, Hawai'i's homeless service system is facing serious risk. The February 22, 2026 *HUD Impact* by Partners In Care, warns that **"The O`ahu Continuum of Care (COC) faces catastrophic housing losses if HUD does not automatically renew FY 2025 COC Program grants.** These grants support Permanent Supportive Housing, Rapid Rehousing, and Joint Transitional Housing-Rapid Rehousing projects serving Hawai'i's most vulnerable residents."

Without these renewals, formerly homeless individuals who are now stably housed could be immediately displaced, with ripple effects on landlords, healthcare systems, youth transition systems and disaster response infrastructure.

Dedicating 10% of the conveyance tax revenues to a Homeless Services Special Fund would provide predictable, sustainable funding for proven programs. It would allow the State to strategically invest in new initiatives that advance our shared goal of ending homelessness.

Catholic Charities Hawaii urges your support for this bill, including the two suggested amendments to strengthen the State's capacity to effectively address homelessness. If you have any questions, please contact Betty Lou Larson, at (808) 527-4813.

HB-2049-HD-2

Submitted on: 3/2/2026 1:27:29 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Makani Gregg	Pohaku Pelemaka	Support	Written Testimony Only

Comments:

Aloha e Chair Yamashita and Members of the House Committee on Finance,

My name is Toni "Makani" Gregg, and I am the Program Coordinator for Pōhaku Pelemaka, a 501(c)(3) Native Hawaiian nonprofit based in Puna, Hawai‘i Island. I am submitting testimony on behalf of our organization in strong support of HB2049, HD2. Pōhaku Pelemaka's mission is to protect, perpetuate, and enhance the intrinsic qualities of the lower Puna area, Native Hawaiian wellbeing, and the transmission of intergenerational knowledge and practices. Our programs — including biocultural restoration, coastal stewardship, marine monitoring, and community advocacy — are grounded in the understanding that the health of our communities and the health of our ‘āina are inseparable. Through our daily work along the Puna coast, we see clearly how the housing crisis affects Native Hawaiian families and, in turn, the cultural and environmental stewardship of our places. When ‘ohana cannot secure stable housing on their ancestral lands, the transmission of traditional knowledge — from lawai‘a (fishing) practices to land-based stewardship — is disrupted. The long DHHL waitlist represents not only a failure of housing policy, but a barrier to the cultural continuity that organizations like ours work to support. HB2049, HD2 addresses this by creating dedicated, predictable funding for DHHL through a restructured conveyance tax. We support this bill for several reasons: Predictable funding enables long-term planning. DHHL cannot build infrastructure or deliver homes with one-time appropriations alone. A dedicated annual allocation allows for the multi-year planning that housing development requires. Housing supports cultural stewardship. When Native Hawaiian families are housed on homestead lands, they become anchors for community-based stewardship — the very model that Pōhaku Pelemaka and many grassroots organizations across the pae ‘āina are working to strengthen. The bill is equitable. The marginal rate structure reduces conveyance taxes for the majority of local homebuyers while generating revenue from luxury and non-owner-occupied properties. This aligns with the values of our community. The 2025 Act 279 Working Group recommended a \$60 million annual allocation. This bill follows that recommendation, reflecting the input of stakeholders and the demonstrated need. We urge this committee to pass HB2049, HD2 and take this critical step toward fulfilling the State's trust obligation to Native Hawaiian beneficiaries.

Mahalo nui for the opportunity to testify,

Makani Gregg

Program Coordinator Pōhaku Pelemaka

Puna, Hawai‘i Island

makani@pohakupelemaka.org



Testimony of the Oahu Metropolitan Planning Organization

Committee on Finance

03/03/26 10:00 AM
CR 325 & Videoconference

HB2049 HD2 RELATING TO HOUSING

Dear Chair Todd, Vice Chair Takenouchi, and Committee Members,

The Oahu Metropolitan Planning Organization (OahuMPO) **supports HB2049 HD2**, 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 clarifies that the annual cost-of-living adjustment applies only to the property value brackets and not to the conveyance tax rates.

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.



Testimony Before The
House Committee on Finance (FIN)
COMMENTS ON HB2049 HD2
March 3, 2026, 10:00 a.m., Room 308 & 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 HD2 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 HD2 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.



March 3, 2026

Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair
Committee on Finance

RE: **HB 2049 HD2 - Relating to Conveyance Tax**
Hearing date – March 3, 2026 at 10:00 AM

Aloha Chair Todd, Vice Chair Takenouchi, 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

March 3, 2026

The Honorable Chris Todd, Chair

House Committee on Finance

State Capitol, Conference Room 308 & Videoconference

RE: House Bill 2049, HD2, Relating to Housing

HEARING: Tuesday, March 3, 2026, at 10:00 a.m.

Aloha Chair Todd, Vice Chair Takenouchi, 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, HD2, 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 areas that meet minimum standards of transit-supportive density. Allocates a portion of conveyance tax revenues to the Hawaiian Home Lands Trust Fund. Effective 7/1/3000.

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 affordable housing projects, multi-family rentals, land for residential subdivisions, mixed-income and mixed-use properties, and commercial, resort, and agricultural lands.

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



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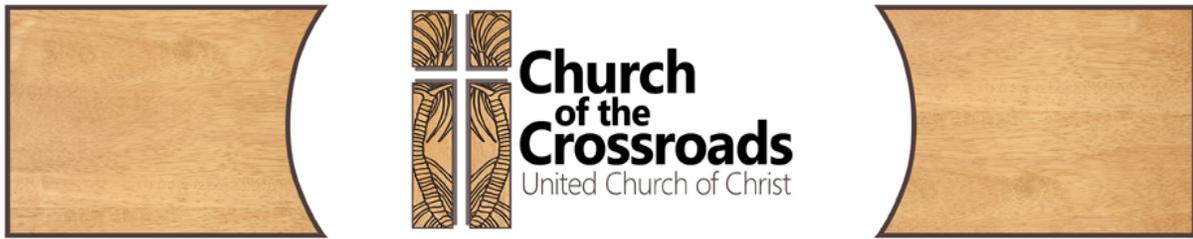
it supports. The Conveyance Tax is then often targeted for an increase to cover these programs. However, when the market is up, there are excess funds over and above the programs' needs. This becomes a cyclical issue, and the Conveyance Tax is never lowered, even in an up market, thereby contributing 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.

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.





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, HD2.

Our church congregation strongly supports legislative reforms for conveyance taxes that create higher tax rates for wealthier properties, while dedicating the majority of those revenues to affordable housing needs. This bill can support both goals. Rates should be structured to protect working families and home owners of properties valued at less than \$2 million, while increasing rates in a graduated fashion for more expensive properties that can bear a greater share. 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. This will help update our conveyance tax rates, which have not been updated since 2009, and bring them more in line with other comparable high-cost areas in the nation. Without this bill, our conveyance tax structure disproportionately hurts affordable multi-family housing and their renters.

We do request an amendment to eliminate the cap on revenues for the Rental Housing Revolving Fund in particular, but also the Dwelling Unit Revolving Fund and Hawaiian Homelands Trust Fund, so that greater revenues can flow into those funds to address affordable housing needs in our state. We face a continuing crisis that calls out for major revenue streams dedicated to addressing our state's need for affordable housing opportunities for our working families, young people and Kupuna.

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

To: House Committee on Finance
 Re: **HB2049 HD2 – Relating to Housing**
 Hawai'i State Capitol & Via Videoconference
 March 3, 2026, 10:00 AM

Dear Chair Todd, Vice Chair Takenouchi, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of HB2049 HD2**. 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



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

March 3, 2026

House Committee on Finance
Hawai'i State Capitol
Honolulu, HI 96813

RE: SUPPORT for HB 2049 HD2 - RELATING TO HOUSING

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

On behalf of Hawai'i YIMBY, we are writing in **support of HB 2049 HD2**.

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 HD2 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





Protect Democracy Move Forward

www.indivisiblehawaii.org

info@indivisiblehawaii.org

To: Hawai'i State House Committee on Finance
Re: Testimony in SUPPORT of HB2049 HD2

Dear Chair Todd, Vice Chair Takenouchi, and the Members of Committees,

Members of Indivisible Hawai'i thank you for this opportunity to testify in strong support of HB2049 HD2 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. For example, 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.¹

HB2049 HD2 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.

Please pass HB1918 HD2 and 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.

¹ <https://www.hitaxfairness.org/conveyance-tax>



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Hawai'i Public Health Training Hui

Healthy Eating + Active Living

Kūpuna Collective/Healthy Aging &
Community Living

Public Health Workforce Development

Date: March 1, 2026

To: Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair
Members of the House Committee on Finance

Re: Support for HB 2049 HD2, Relating to Housing

Hrg: March 3, 2026 at 10:00 AM in Conference Room 308

Hawai'i Public Health Institute (HIPHI)¹ **supports HB 2049 HD2**, 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 to to generative revenue, including for housing.

Housing Crisis Is A Public Health Matter

Hawai'i is experiencing one of the most severe housing crises in the nation. On O'ahu, the median single-family home price now exceeds \$1 million.² The gap between home prices and local incomes is extreme: the typical Honolulu household would have to spend more than 70 percent of its income on a mortgage, far above affordability standards.³

As a result, only about 20 percent of Hawai'i households can afford a median-priced single-family home, leaving the vast majority priced out of ownership.⁴ These costs force families to spend unsustainable portions of their income on housing, with Hawai'i households paying roughly half of their median monthly income toward rent, the highest rate in the nation.⁵ The result is displacement, outmigration, and rising homelessness across the islands.

Native Hawaiians Are Disproportionately Harmed

Native Hawaiians experience some of the most severe housing inequities in the state. They are significantly overrepresented in Hawai'i's houseless population, making up roughly 40% of those experiencing homelessness, despite

¹ Hawai'i Public Health Institute's mission is to advance health and wellness for the people and islands of Hawai'i. We do this through expanding our understanding of what creates health of people and place, fostering partnerships, and cultivating programs to improve policies, systems, and the environments where people live, learn, work, age, and play.

² [June 2025 Market Report](#), Honolulu Board of Realtors.

³ [The gap between median home prices and household income in Hawai'i? It's 'scary'](#), Hawai'i News Now, 2024.

⁴ [The Hawai'i Housing Factbook](#) 2024, UHERO, May 2024.

⁵ [States Where People Spend the Most & Least on Housing](#), WalletHub, April 2025.



representing only 20% of the population.⁶ Structural barriers to housing are also reflected in the long-standing Department of Hawaiian Home Lands waitlist, which includes tens of thousands of Native Hawaiian beneficiaries seeking homesteads.⁷ These disparities are rooted in historic land dispossession and ongoing economic inequities, and they contribute to disproportionate rates of poverty among Native Hawaiian families. Therefore, addressing Hawai'i's housing crisis requires targeted investment in Native Hawaiian housing opportunities.

Investing In Hawai'i's People

Compared to other high-cost areas, Hawai'i's conveyance tax rates remain relatively low, even for multimillion-dollar property sales. This measure generates revenue by restructuring the conveyance tax, with specified allocations going toward the Rental Housing Revolving Fund, Dwelling Unit Revolving, and Hawaiian Home Lands Trust Fund. Taken together, these allocations create a dedicated funding stream to meet Hawai'i's urgent housing needs that will produce at least \$70 million annually, with the potential to generate hundreds of millions in years with high numbers of property transactions.

A significant share of high-value real estate sales, particularly luxury properties above \$4 million, are purchased by out-of-state investors, meaning wealth generated from Hawai'i land is often extracted out of the state.⁸ This proposal modernizes the conveyance tax system by restructuring the conveyance tax into a marginal rate structure, ensuring that higher-value property sales are taxed at higher rates while protecting lower-value and local housing transactions. Doing so asks those who profit the most from Hawai'i's real estate market to contribute more toward solving the housing crisis.

Housing is a critical social determinant of public health. Accordingly, we urge you to support this bill to advance housing equity for our most vulnerable residents.

Mahalo,

A handwritten signature in black ink that reads 'Kris Coffield'.

Kris Coffield
Policy and Advocacy Associate

⁶ [Native Hawaiian and Pacific Islanders' Identity and Housing Status: The Impact on Historical Trauma and Perceived Stress](#), International Journal of Environmental Research and Public Health, September 2024.

⁷ [Fixing the Backlog of Native Hawaiians Waiting for Homesteads](#), Hawai'i Business Magazine, 2019.

⁸ [Preserving Hawai'i](#), Hawai'i Appleseed, February 2024.



TRUST FOR PUBLIC LAND'S TESTIMONY RE HB 2049 HD2
House Committee on Finance
Tuesday, March 3, 2026, 10:00 a.m., Conf. Rm. 308

HAWAII

1164 Bishop St., Ste. 1512
 Honolulu, HI 96813

tpl.org

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Aloha e Chair Todd, Vice Chair Takenouchi, and Members of the Committee,

Trust for Public Land (TPL) recognizes and appreciates the intent of HB 2049 to establish a steady source of funding for the rental housing revolving fund, the Department of Hawaiian Homelands, and the dwelling unit revolving fund, but also acknowledges that the land conservation fund offers important complementary benefits. Given sufficient conveyance tax collections, raising the Legacy Land Conservation fund's annual conveyance tax revenue cap from \$5.1 million to \$10 million would enhance the Legacy Land Conservation Fund's land acquisition program. TPL supports DLNR's current goal for effective State-funded land acquisition of \$10 million in annual conveyance tax revenue to ensure sufficient funding for land conservation. The proposed \$10 million revenue cap would facilitate that level of funding.

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, Häwea Heiau) and larger cultural landscapes (Lapakahi State Historic Park, Mahukona Navigation and Ecological Complex, Kaunamano, Kawa, Mokae to Maka'ala). Every year, the program is inundated with worthy projects needing double, triple, or quadruple the amount of funding available. Increasing conveyance tax revenues so that 5% exceeds the \$5.1M cap could help fill this important need.

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,

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



2026 Coalition Members

Hawai'i Appleseed Center for
Law & Economic Justice

Hawai'i Children's Action
Network

Hawai'i Health & Harm
Reduction Center

Hawai'i Public Health Institute

Indivisible Hawai'i

IMUA Alliance

hitaxfairness.org

Committee on Finance

3/3 at 10:00 AM

RE: Support for House Bill 2049. 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 areas that meet minimum standards of transit-supportive density. Allocates a portion of conveyance tax revenues to the Hawaiian Home Lands Trust Fund.

Dear Chair Todd, Vice Chair Takenouchi, and Members of the Committee,

The Hawai'i Tax Fairness Coalition writes in **strong support** of HB2049 HD1, which would modernize our conveyance tax structure by shifting to a marginal rate system, reducing the burden on local homeowners, asking investment property owners to contribute more fairly, and creating dedicated funding streams for the Dwelling Unit Revolving Fund (DURF) and the Department of Hawaiian Home Lands (DHHL).

For too long, Hawai'i's tax system has asked working families to shoulder an unfair share of the burden while those who profit most from our real estate market contribute proportionally less. This bill begins to correct that imbalance.

A Tax Structure That Makes Sense

The current conveyance tax has remained unchanged since 2009, despite dramatic increases in property values over the past decade and a half. Meanwhile, our housing crisis has intensified, our infrastructure needs have grown, and the constitutional mandate to fund DHHL remains chronically underfulfilled. HB2049 addresses these interconnected challenges through a thoughtful, progressive restructuring.

The shift to a marginal rate system is particularly important. Under the current "cliff" structure, a small increase in property value can trigger a dramatically higher tax bill on the entire amount—creating artificial market barriers and incentivizing price manipulation. The marginal system, modeled after our income tax, applies higher rates only to the portion of value exceeding each threshold.

This is simply fairer. And critically, under this new structure, a typical owner-occupied home at \$800,000 or \$1.2 million would actually pay less conveyance tax than under the current system.

For higher-value investment properties, the bill asks for a modest to significant increase. An investment property sold for \$1.7 million would pay \$7,050 under HB2049 instead of \$6,800 today; at \$2.5 million, the tax would rise from \$15,000 to \$19,500. These are reasonable increases for transactions that benefit from—and often contribute to—our heated market.

Infrastructure Investments We Cannot Delay

The Dwelling Unit Revolving Fund, established in 1970, supports infrastructure investments critical to housing production. Hawai'i received a D+ rating from the American Society of Civil Engineers in its 2019 Infrastructure Report Card. Inadequate infrastructure delays housing construction and drives up costs. The 2019 Hawai'i Housing Planning Study identified the need for 50,000 additional housing units by 2025 to meet pent-up demand, with over half needing to be affordable for low-income and workforce families. We cannot meet those goals without investing in the infrastructure that supports housing.

HB2049's dedicated 20% allocation to DURF, focused on infrastructure programs in transit-oriented development areas, creates a predictable, stable funding stream—replacing the unreliable one-time appropriations that have hampered long-term planning.

Honoring Our Trust Obligations to Native Hawaiians

Since the 1978 constitutional convention, the Legislature has struggled to adequately fund the Department of Hawaiian Home Lands. In 2022, Act 279 provided a historic one-time appropriation of \$600 million, but as of 2025, DHHL estimates it needs an additional \$800 million to produce around 6,000 homestead lots.

The contrast is stark and should trouble every lawmaker. Native Hawaiians make up roughly 20–24% of our population but about 40% of our incarcerated population, at a cost of over \$100,000 per person annually. For FY26, we are budgeting over \$300 million for our corrections system, compared to about \$185 million for DHHL. In other words, the State spends far more to cage Native Hawaiians than to house them in their own homeland.

HB2049's allocation of 30% of conveyance tax revenues—up to \$60 million annually—to DHHL is a meaningful step toward reversing this shameful disparity and honoring our constitutional obligations .

Tax Fairness in Action

The Hawai'i Tax Fairness Coalition believes that those who benefit most from our economy should contribute fairly to the communities that make that economy possible. Conveyance taxes on high-value investment properties create a direct link between real estate market activity and community investment. When property values increase, generating more revenue, we can expand our response to the housing affordability challenges that accompany such market conditions.

HB2049 aligns our tax system with our values: easing the burden on local homeowners, asking investors to pay their fair share, and creating stable funding for infrastructure and Hawaiian Home Lands. It turns luxury transactions into a reliable engine for housing justice and homesteading for Native Hawaiian families.

We respectfully urge the Committee to pass HB2049 HD1.

Mahalo for the opportunity to testify.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
Support for HB2049 HD2 – Relating to Conveyance Tax
House Committee on Finance
Tuesday, March 3, 2025 at 10:00AM Conf. Rm. 308 and via Videoconference

Aloha Chair Todd, Vice Chair Takenouchi, and members of the committee;

Mahalo for the opportunity to testify in **strong support of HB2049 HD2**, 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 the competitive real estate that impacts our residents 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 HD2 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



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

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House Committee on Finance
Tuesday, March 3, 2025 at 10:00AM Conf. Rm. 308 and via Videoconference

investments connected to housing development, crucial for maintaining housing production 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,**

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 HD2 – Relating to Conveyance Tax
House Committee on Finance
Tuesday, March 3, 2025 at 10:00AM Conf. Rm. 308 and via Videoconference

we are budgeting on the order of over \$300M for our corrections system, compared with 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 HD2 – Relating to Conveyance Tax
House Committee on Finance
Tuesday, March 3, 2025 at 10:00AM Conf. Rm. 308 and via Videoconference

For higher, traditionally investment price points, HB2049 HD2 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 HD2 instead of \$6,800 today, and at \$2.5 million the tax would rise from \$15,000 to \$19,500.



HB2049 HD2 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 HD2.

Mahalo for your time and consideration.



HAWAII APPLESEED
CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
Support for HB2049 HD2 – Relating to Conveyance Tax
House Committee on Finance
Tuesday, March 3, 2025 at 10:00AM Conf. Rm. 308 and via Videoconference

HB-2049-HD-2

Submitted on: 3/1/2026 8:56:35 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
laurel brier	Kauai Women's Caucus	Support	Written Testimony Only

Comments:

Our tax rates when property is sold have not been reevaluated for many years and are substantially below others places. With the sale of expensive, luxury, second (third/fourth..) homes in Hawaii there is a great opportunity to generate substantial income that could be used for affordable housing and address our housing crisis. In addition, it cold be used, as indicated by HB2049, for the permanent protection of our natural and cultural places. This bill helps to ensure that when luxury property changes hands our community receives a fair share to build a more equitable Hawaii.

March 3, 2026, 10 a.m.
Hawaii State Capitol
Conference Room 308 and Videoconference

To: House Committee on Finance
Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair

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

TESTIMONY IN OPPOSITION TO HB2049 HD2 — RELATING TO HOUSING

Aloha chair, vice chair and other committee members,

The Grassroot Institute of Hawaii **opposes** [HB2049 HD2](#), which aims to double existing conveyance tax revenues, largely through increasing rates on higher residential tiers as well as commercial and investment real estate.

It is difficult to properly evaluate the impact of a bill with no listed tax rates. But based on the stated intent to increase tax revenues in order to fund certain projects, we must assume that this bill is intended to impose a sizable tax hike on higher-tiered properties.

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

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.

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.

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.

**Testimony of The Nature Conservancy
Commenting on HB2049 HD2, Relating to Housing
Committee on Finance
March 3, 2026 at 10:00 am
Conference Room 308 and via Videoconference**

Dear Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

Mahalo for the opportunity to testify today. The Nature Conservancy (TNC) Hawai'i and Palmyra respectfully comments on HB2049 HD2, 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 HD2.

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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**TESTIMONY OF KE ONE O KĀKUHIHEWA
O'ahu Council of the Association of Hawaiian Civic Clubs
HB2049– Relating To Housing**

Aloha Chair Todd Vice Chair Takenouchi, and members of the committee:

Hawaiian Civic Clubs were founded on the belief that Hawai'i's political and economic systems must operate with fairness and a clear commitment to Native Hawaiian beneficiaries. HB2049 HD2 reflects that principle by modernizing the conveyance tax and directing critical resources toward housing infrastructure and Hawaiian Home Lands.

The bill restructures the conveyance tax into a marginal rate system and ties adjustments to the cost of living, helping to prevent unintended impacts on moderate priced homes. It also evaluates multifamily properties on a per-unit basis, reducing the risk of passing costs onto renters.

Just as important, the measure dedicates a portion of conveyance tax revenues to infrastructure in transit supportive areas. Without roads, water, and sewer capacity, housing projects cannot move forward. This bill recognizes that infrastructure is the foundation of housing delivery.

Most significantly, HB2049 HD2 provides up to \$60 million annually to the Hawaiian Home Lands Trust Fund. Predictable funding allows the Department of Hawaiian Home Lands to plan, leverage additional resources, and accelerate progress for beneficiaries who have waited far too long.

This is a responsible and practical step toward addressing Hawai'i's housing crisis and fulfilling our obligations under the Hawaiian Homes Commission Act.

Ke One O Kākuhihewa respectfully urges your support of HB2049 HD2.

Mahalo for the opportunity to provide testimony.

HB-2049-HD-2

Submitted on: 2/27/2026 5:48:31 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Tiare Smith	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance.**

My name is Tiare Smith, and I am a proud DHHL beneficiary and resident of Kahaluu, O‘ahu. I am writing to express my strong support for HB2049, HD2.

As a DHHL beneficiary myself, I know the pain of the waitlist all too well. My kupuna have been on the list for generations, and many of them died still waiting—never receiving the home they were promised under the Hawaiian Homes Commission Act. I carry their names and their unfulfilled dreams with me every day. That is why this bill matters so deeply to me and to thousands of other ‘ohana across Hawai‘i.

HB2049, HD2 restructures the conveyance tax and dedicates a predictable portion of those revenues to the Department of Hawaiian Home Lands. This will finally give DHHL the stable, multi-year funding it needs for infrastructure, planning, and home delivery. With an annual allocation of up to \$60 million, DHHL projects it can deliver more than 8,000 lots by 2039 and unlock \$5.2 billion in additional private funding—something we desperately need so that more beneficiaries do not suffer the same heartbreaking fate as my kupuna.

Hawai‘i’s conveyance tax has not been updated in over 15 years and remains far lower than in other high-cost states. This modest adjustment is fair, fiscally responsible, and directly supports the trust obligation we owe to Native Hawaiians. It is also a core recommendation of the 2025 Act 279 Working Group.

I urge you to pass HB2049, HD2 so that future generations of our lāhui—no longer have to watch their elders pass away on a waitlist. Let us honor the promise made to Prince Jonah Kūhiō Kalaniana‘ole and finally deliver homes to our people.

Mahalo nui loa for the opportunity to testify and for your service to our communities.

Tiare Smith

Kahaluu, O‘ahu

HB-2049-HD-2

Submitted on: 2/27/2026 6:21:59 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sean Spencer	Individual	Support	Written Testimony Only

Comments:

I support HB2049 HD2. DHHL needs funding to support more homes for DHHL beneficiaries.

HB-2049-HD-2

Submitted on: 2/27/2026 6:36:09 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Warren Grace	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance. I am writing to express my strong support for HB2049, HD2 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Warren Grace

Kona, Hawaii

HB-2049-HD-2

Submitted on: 2/27/2026 9:46:07 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Leila K	Individual	Support	Remotely Via Zoom

Comments:

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

I submit this testimony in strong support of HB2049. This bill is important because it gives the Department of Hawaiian Home Lands steady, reliable funding so it can finally do what it was created to do—house Native Hawaiian beneficiaries.

My father waited his entire life on the DHHL waitlist and passed away before his name was ever called. I have waited 22 years, and even after being called, it has been an uphill battle. Every time we think we are getting closer, we are knocked back by missing steps, financial barriers, or lack of infrastructure. Being called does not always mean being housed.

Dedicated funding will help DHHL finish infrastructure, support families and kūpuna, and fully use tools like NAHASDA <1% financing so beneficiaries are not left behind simply because they are not wealthy. For communities like Lāhainā, where so many families have already lost so much, this support is urgently needed.

HB2049 is about fairness, accountability, and finally honoring a promise that has been delayed for generations. This is our time. I respectfully urge you to pass HB2049.

Mahalo for the opportunity to testify.

HB-2049-HD-2

Submitted on: 2/27/2026 10:33:59 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Noel Shaw	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance.

I am writing to express my strong support for HB2049, HD2 to ensure funding for DHHL so homes can be delivered to beneficiaries.

As a fourth generation Hawaiian homesteader, I know how important this opportunity is to Hawaiians being able to access and establish 'āina for residing and farming. I also know that funding DHHL appropriately is so necessary as there is a plethora of cost affiliated with managing its existing homesteads so that Hawaiians can continue to live we've settled our families and built community.

Mahalo for the opportunity to testify.
Noel Shaw, Kalāwahine Hawaiian Homestead

HB-2049-HD-2

Submitted on: 2/27/2026 10:47:26 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lincoln Kepano	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Members of the Committee,

My name is Lincoln Kepano, and I am a lifelong Hawai'i resident living in Honolulu. I am writing in strong support of HB2049, HD2 to provide dedicated funding for the Department of Hawaiian Home Lands.

As a working father raising three children here in Hawai'i, stable and affordable housing is not just important — it is essential. I work hard every day to provide for my family, but the rising cost of housing makes long-term stability feel uncertain for many local families like mine. Dedicated, predictable funding for DHHL will help Native Hawaiian beneficiaries build homes, strengthen communities, and create generational security.

This bill represents more than funding — it represents hope and opportunity for our keiki and for families who simply want to remain in the place we call home. I respectfully urge you to support HB2049, HD2.

Mahalo for your time and consideration,

Lincoln Kepano

Honolulu, Hawai'i

HB-2049-HD-2

Submitted on: 2/28/2026 12:21:35 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
JoRina Hepburn	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance.

I am writing to express my strong support for HB2049, HD2 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

JoRina Hepburn

Anahola, Kauai, Hawaii

HB-2049-HD-2

Submitted on: 2/28/2026 5:31:13 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

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

Comments:

Please pass this bill so we can have more money for affordable housing. Mahalo.

HB-2049-HD-2

Submitted on: 2/28/2026 6:05:18 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

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

Comments:

Hawai‘i is getting hotter, and our keiki are already feeling the effects. High temperatures combined with humidity make outdoor activities like recess, physical education, and sports more dangerous, especially for children. Kids’ bodies heat up faster than adults, they may not recognize early warning signs, and many feel pressure to push through discomfort instead of speaking up.

This bill is important because it gives schools clear guidance and the right tools to keep students safe. It would require statewide heat safety policies and ensure every public and charter school has funding to purchase a wet-bulb globe temperature (WBGT) thermometer. WBGT is the gold standard for heat safety because it measures heat the way the body actually experiences it, including temperature, humidity, sun, and wind, not just how hot it feels outside.

Other states have experienced tragic and preventable student deaths from heat illness. States that adopted strong heat safety guidelines have not seen these tragedies continue. We have the opportunity to learn from those lessons and make heat-related illness a “never event” in Hawai‘i schools.

This bill is a practical, common-sense step to protect students, support educators and coaches, and help our schools adapt safely to a warming climate. Mahalo for the opportunity to testify in support of this bill.

HB-2049-HD-2

Submitted on: 2/28/2026 8:53:02 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sheelana Hawelu	Individual	Support	Written Testimony Only

Comments:

Aloha,

I am writing in strong support for HB2049, HD2 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Sheelana Hawelu,

Honolulu, O'ahu

HB-2049-HD-2

Submitted on: 2/28/2026 11:23:03 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mele Kaneali'i	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and members of the House Committee on Finance,

My name is Mele Kāneali'i, and I am a student from Maui and Moloka'i. Mahalo for the opportunity to testify in strong support of HB2049 HD2.

As a young person who hopes to build a future here at home, I am deeply aware that the policy decisions you make today will shape whether my generation can afford to live, work, and raise families in Hawai'i.

By modernizing Hawai'i's conveyance tax structure, this bill would reduce the tax burden on local homeowners while increasing responsibility for luxury, non-owner-occupied lots, better reflecting who is driving up housing costs and who most needs relief.

My grandfather passed away while on the DHHL waitlist, never having the opportunity to return to the 'āina he was entitled to or to pass down land to the generations that followed him. The bill's dedicated 30% allocation to DHHL helps ensure the Department has a more reliable source of funding to support the construction and development of DHHL lots. For families like mine, this funding represents long overdue accountability and hope that fewer beneficiaries will spend their lifetimes waiting.

Mahalo for considering my testimony in strong support of HB2049 HD2.

HB-2049-HD-2

Submitted on: 2/28/2026 11:25:18 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Bruce Anderson	Individual	Support	Written Testimony Only

Comments:

I support higher conveyance taxes on properties over \$2 million. This will help us raise much-needed revenues from sale of houses above median value in our state. Please also remove the cap on tax revenues flowing into the Rental Housing Revolving Fund, so that we can maximum tax revenues available to address our affordable housing crisis.

HB-2049-HD-2

Submitted on: 2/28/2026 11:28:00 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
saige	Individual	Support	Written Testimony Only

Comments:

IM IN SUPPORT OF THIS BILL!!!

HB-2049-HD-2

Submitted on: 2/28/2026 11:32:20 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Richard Tillotson	Individual	Support	Written Testimony Only

Comments:

Please support this bill.

HB-2049-HD-2

Submitted on: 2/28/2026 12:34:54 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

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

Comments:

I support higher conveyance taxes on properties over \$2 million. This will help us raise much-needed revenues from sale of houses above median value in our state. Please also remove the cap on tax revenues flowing into the Rental Housing Revolving Fund, so that we can maximum tax revenues available to address our affordable housing crisis.

HB-2049-HD-2

Submitted on: 2/28/2026 1:14:39 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

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

Comments:

I support. Thank you.

Elizabeth Nelson

Kaneohe

HB-2049-HD-2

Submitted on: 2/28/2026 3:06:58 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Leona Leialoha	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi and other members of the House Committee of Finance

I am writing this to you in strong support of HB2049,HD2 to ensure funding to DHHL for beneficiaries be able to attain homes.

Mahalo

Leona Leialoha

Keaukaha, Hawai'i

The House Committee on Finance, hearing on [House Bill 2049 House Draft 2](#) (Relating to Housing) for **Tuesday, March 3, 2026 at 10:00 AM**.

[House Bill 2049 HD2](#) includes a proposal for changing the distribution of annual conveyance tax revenues (**CTX**) paid into the Land Conservation Fund (**LCF**) from "10% or \$5.1 million, whichever is less," to "5% or \$10 million, whichever is less".

Aloha e Chair Todd and members of the committee. I am Jay Penniman, I live on Maui in Ulumalu, Hamakualoa. While I do support the need to fund affordable housing, I am also concerned that the Legacy Land Conservation Fund be fully supported as was intended with Act 156, with 10% of collected funds provided each year for legacy lands conservation. The Legacy Land Conservation Fund helps preserve and protect valuable lands with cultural, historical, and environmental significance, ensuring these resources are available for future generations. It provides financial support for land acquisition and conservation projects, benefiting both the environment and local communities. I have watched too much open space lands being converted to private property where the people of Hawai'i no longer have access and native resources are ignored or destroyed. Most of these land transfers seem to go to the mega wealthy, buyers from the continents east and west of us. We lose cultural and ecological connectivity with every one of these land transfers. Every year, I watch the applications for funds to conserve culturally, historically, and ecologically valuable properties from state agencies and private, non-profit conservation organizations go unfunded because the Legacy Land Conservation Commission does not have adequate funding. The lands conserved with these funds provide immeasurable value to the people of Hawai'i, both residents and visitors. These lands are a direct compliment to housing oriented development in appropriate places. They provide connection to Hawaiian culture, historical understanding and opportunities for recreation and personal connection with the unique ecology of the islands. I believe that fully funding the Legacy Land Conservation Fund is implementation of constitutional public trust obligations to conserve and protect Hawaii's natural resources and to protect the exercise of native Hawaiian customary and traditional rights.

Please work to eliminate the cap on funds for land conservation and restore the full funding so that as many of these lands may be preserved and carefully managed for the public good as possible.

HB-2049-HD-2

Submitted on: 2/28/2026 5:54:35 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Brenda Shigeko Wright	Individual	Support	Written Testimony Only

Comments:

Aloha e Chair Todd, Vice Chair Takenouchi, and members of the House Committee on Finance,

I am writing to strongly support HB2049, HD2 to ensure DHHL receives funding so beneficiaries can be able to be provided with homes.

Mahalo for opportunity to submit testimony.

Brenda Shigeko Wright (Hilo, Hawai'i Island)

HB-2049-HD-2

Submitted on: 3/1/2026 6:49:35 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

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

Comments:

Thank you. I am a member of Indivisible Windward.

COMMITTEE ON FINANCE
Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair

HEARING:

Tuesday, March 3, 2026 at 10:00 am
Conference Room 308 and Via Videoconference

TESTIMONY IN SUPPORT - HB 2049, HD2, RELATING TO HOUSING.

Aloha Chair Todd, Vice Chair Takenouchi, Rep. Miyake for my district, Rep. Yamashita of 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, HD2**, 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, HD2** as a necessary and equitable mechanism to leverage conveyance tax revenues to benefit our community.

Mahalo,

Christine Andrews, JD
Wailuku, Maui

HB-2049-HD-2

Submitted on: 3/1/2026 8:38:20 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Galen Fox	Individual	Support	Written Testimony Only

Comments:

Chair Todd, VC Takenouchi, Members,

I **support** higher conveyance taxes on properties over \$2 million. It will provide us needed revenue from above-median Hawai'i home sales. Please also remove the cap on revenues going to the Rental Housing Revolving Fund, helping the state better tackle our affordable housing crisis.

Aloha, Galen Fox

HB-2049-HD-2

Submitted on: 3/1/2026 9:19:10 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

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-2

Submitted on: 3/1/2026 11:05:30 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Shannon Rudolph	Individual	Support	Written Testimony Only

Comments:

SUPPORT

HB-2049-HD-2

Submitted on: 3/1/2026 11:11:30 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

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

Comments:

I support HB2049 HD2

i think residents buying in the middle class should not pay conveyance tax/fees if they will live in the purchase. Make more affordable, Homes for permanent residents

HB-2049-HD-2

Submitted on: 3/1/2026 11:30:21 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Valerie Weiss	Individual	Support	Written Testimony Only

Comments:

I support this bill.

HB-2049-HD-2

Submitted on: 3/1/2026 1:53:55 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

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

Comments:

I support this bill because it addresses the housing crisis and funds critical infrastructure:

- Hawaii's conveyance tax rates haven't been updated since 2009, despite dramatic increases in housing prices.
- The current system disproportionately affects affordable multifamily housing, as high total property values for these complexes do not reflect lower per-unit costs. These costs can be passed on to renters.
- There's a lack of necessary infrastructure to support affordable housing and mixed-use development near transit, which is essential for creating livable, sustainable communities.

The bill:

- Targets high-value, non-owner-occupied properties with higher rates while providing relief for multifamily housing.
- Funds transit-oriented development, Hawaiian Home Lands, and multifamily housing.
- Will generate additional revenue, especially from high-value property transactions, which can be used to address the housing affordability crisis.

Mahalo for your support.

HB-2049-HD-2

Submitted on: 3/1/2026 2:11:06 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

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

Comments:

Aloha, I am writing in support of HB2049 HD2. I believe it will help increase tax fairness and level the playing field. Mahalo for your consideration.

HB-2049-HD-2

Submitted on: 3/1/2026 2:51:37 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Christine Kapiioho	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and members of the House Committee on Finance

I am writing to express my strong support for HB2049, HD2 to ensure funding for Dept of Hawaiian Home Lands (DHHL) so homes can be delivered to Native Hawaiian beneficiaries.

Mahalo for the opportunity to testify.

Christine Kapi'ioho, Kula, Maui

HB-2049-HD-2

Submitted on: 3/1/2026 3:14:04 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Janice Herrick	Individual	Support	Written Testimony Only

Comments:

Aloha mai Chair Todd, Vice Chair Takenouchi, and members of the House Committee on Finance,

I am writing to express my strong support for HB2049, HD2, which ensures funding for DHHL so that homes can be delivered to beneficiaries as provided for in the HHCA. I remind you all that this was a requirement of the Hawaii Admissions Act.

Mahalo for the opportunity to testify.

Janice Herrick

Wailuku, Maui

HB-2049-HD-2

Submitted on: 3/1/2026 7:40:52 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
George Rodriguez	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of The House Comittee on Finance.

I am writing to express my strong support for HB2049, HD2 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

HB-2049-HD-2

Submitted on: 3/1/2026 4:09:01 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Thomas Brandt	Individual	Support	Written Testimony Only

Comments:

SUPPORT

HB-2049-HD-2

Submitted on: 3/1/2026 11:29:09 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ella Hanks	Individual	Oppose	In Person

Comments:

Good morning, my name is Ella Hanks. I'm currently a freshman at the University of Hawai'i at Mānoa. I'm here today to talk about the Hawai'i tax proposals and why we should stop the tax cut for the wealthy and start taxing fairly. Going through with this tax would negatively affect my and other students' chances to get affordable off-campus housing. As of early 2026, Hawai'i is the most expensive place to live in the United States, especially when it comes to the topic of housing, and as a college student, working a part-time job to pay a minimum of \$1,000 per month in rent for an apartment while being a full-time student is almost impossible to achieve. Although I wouldn't be living off campus for another two years, bills take a long time to be put in place, and the minimum price point of housing would significantly increase by the time I would be paying it. To add to this, college students aren't the only ones who would be affected by the passing of this bill; working people and struggling families are negatively affected as well. Most people don't make enough to afford rent, healthcare, and groceries now. If we freeze these state income taxes and increase the tax on luxury homes, Hawai'i would be able to raise 300-400 million dollars per year and save over 296 million dollars per year. The funds can be used towards helping our community thrive. Thank you for your time.

HB-2049-HD-2

Submitted on: 3/2/2026 7:01:00 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Noelle Lindenmann	Individual	Support	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and members of the committee,

I am submitting testimony in strong support of HB2049 to update Hawaii's conveyance tax to ensure it is fair, modern, and capable of meeting our state's greatest needs.

This bill wisely corrects imbalances that have emerged due to increasing property values by adopting a marginal tax rate structure.

The revenue generated from this correction will increase funding for the Rental Housing Revolving Fund, builds up the Legacy Land Conservation Fund, makes crucial investments in the Department of Hawaiian Home Lands, and makes additional investments in the Dwelling Unit Revolving Fund.

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.

Mahalo for this opportunity to testify.

Noelle Lindenmann, Kailua Kona

HB-2049-HD-2

Submitted on: 3/2/2026 7:52:10 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Bryan E Jeremiah	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Memembers of the House Committee on Finance.

I am writting to express my strong support for HB2049,HD2 to ensure funding for DHHL, so homes can be delivered to beneficiaries.

Mahalo for the oppportunity to testify on behalf of the Native Hawaiian Community.

Bryan E Jeremiah

Hilo, Hawai'i 96720

HB-2049-HD-2

Submitted on: 3/2/2026 8:36:42 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Nanea Lo	Individual	Support	Written Testimony Only

Comments:

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

My name is **Nanea Lo**, and I am writing in **strong support of HB2049**, which would increase the mansion sales tax in Hawai‘i.

HB2049 addresses a critical imbalance in our tax system. While working families in Hawai‘i face some of the highest costs of living in the nation, luxury real estate transactions continue to generate enormous profits with comparatively minimal tax impact. Increasing the mansion sales tax ensures that high-value property sales—often involving second homes or investment properties—contribute more fairly to the state and local communities that support them.

This bill represents a targeted and responsible approach to revenue generation. It does not affect the vast majority of Hawai‘i residents, but instead focuses on ultra-high-value transactions that reflect significant wealth. The additional revenue generated can be directed toward urgent priorities such as affordable housing, homelessness prevention, public education, climate adaptation, and essential infrastructure.

At a time when Hawai‘i is experiencing a severe housing crisis, it is especially important that our tax policies do not favor speculative investment over the needs of local residents. HB2049 helps curb excessive speculation while reinvesting resources back into the communities most impacted by rising housing costs.

A fair and sustainable tax system is essential to Hawai‘i’s future. I respectfully urge you to support HB2049 and advance this bill through the legislative process.

Me ke aloha ‘āina,

Nanea Lo, 96826

Sierra Club of Hawai‘i Member

Hawai‘i Workers Center Board Member

Clean Elections Hawai‘i Member

Honolulu Tenants Union Member

350 Hawai'i Member

Carbon Cashback Hawai'i Member

Hawai'i Tax Fairness Coalition Member

HB-2049-HD-2

Submitted on: 3/2/2026 8:40:41 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Brieanne Nakanelua	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance,

My name is Brieanne Nakanelua, and I am a current DHHL beneficiary residing in Waianae, Oahu. I am writing in strong support of HB2049, HD2.

Receiving a homestead opportunity has been life changing for me and my ‘ohana. It provides stability, security, and a foundation for future generations. I want my loved ones and the thousands of Native Hawaiian beneficiaries still waiting to have that same opportunity.

Dedicated, predictable funding is critical to ensure DHHL can continue delivering lots and awarding homes without delay. This bill moves us closer to fulfilling the promise made to our people.

Please support HB2049, HD2.

Mahalo for the opportunity to testify.

Respectfully,

Brieanne Nakanelua

Waianae, Oahu

HB-2049-HD-2

Submitted on: 3/2/2026 8:55:31 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kanani Higbee	Individual	Support	Remotely Via Zoom

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance:

I am a Maui 'oiwi. I am writing to express my **strong support** for **House Bill 2049, HD2** to ensure funding for Department of Hawaiian Homeland so homes can be delivered to beneficiaries. My family and I lost our home in the Lahaina fire. We are living in temporary housing since the fire took our home. I have been on the waitlist of Hawaiian homes for 20 years, along with my mom waiting 40 years and my grandparents dying on the list. Trying to afford market rate left me homeless with my 2 kids often in which we had to live in shelters, couch surf on extended family's couches, and living out of our car on the beaches. My kids also did child labor and I had to work 2-3 jobs to afford to pay rent. Though life has been challenging, we have not given up hope for our Hawaiian home and that's why we would try to get ourselves ready financially and learn skills in order to own a house. We are more than ready and just need a little more help which will come from HB 2049 and other resources so we can get our Hawaiian home we have been working toward for the last 2 decades. This will not just help us, but many others who have waited and this may be their only chance of affording a home in their lands they are from because the market is so high and wages don't correlate with the cost of housing. Thank you very much for taking the time to read this out of your busy schedule. I appreciate all of you and hope you will vote **Yes on HB2049**.

With Aloha,

Kanani Higbee

HB-2049-HD-2

Submitted on: 3/2/2026 9:01:40 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sherri-Anne Kamaka	Individual	Support	Written Testimony Only

Comments:

It is time to commit to the funding needed for DHHL to fulfill Prince Kuhio's HHC of 1920 and help native Hawaiians to have a home on our 'Āina.

Ike pono,

Sherri Kamaka

HB-2049-HD-2

Submitted on: 3/2/2026 10:58:29 AM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lauae kekahuna	Individual	Support	Written Testimony Only

Comments:

As a native hawaiian lesse. i support

HB-2049-HD-2

Submitted on: 3/2/2026 12:30:19 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sanoe Marfil	Individual	Support	Written Testimony Only

Comments:

Measure: HB 2049 – Relating to Housing

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

My name is **Sanoe K. Marfil**, and I am a **Native Hawaiian Homestead Beneficiary from Nānākuli**. I am writing in **strong support of HB 2049**.

As a Native Hawaiian beneficiary, I am grateful that HB 2049 dedicates a portion of conveyance tax revenues to the **Hawaiian Home Lands Trust Fund**, providing DHHL with **consistent, predictable funding** needed to plan, build, and deliver homes to beneficiaries who have been waiting for decades. This long-term, stable funding will help move projects forward in communities like mine and support more families returning home.

For this reason, I respectfully urge the committee to **pass HB 2049**.

Mahalo nui loa for your time and dedication to our lāhui.

— **Sanoe K. Marfil**

Nānākuli Homestead Beneficiary

HB-2049-HD-2

Submitted on: 3/2/2026 1:00:03 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Daphne Kahawai-Tom	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance.

I am writing to express my strong support for HB2049, HD2 to ensure funding for DHHL so homes can be delivered to beneficiaries, myself included as a beneficiary soon!

Mahalo for the opportunity to testify.

Daphne Kahawai-Tom, Wai'anae, O'ahu, HI

HB-2049-HD-2

Submitted on: 3/2/2026 1:12:32 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ehito Kimura	Individual	Support	Written Testimony Only

Comments:

I support this bill.

HB-2049-HD-2

Submitted on: 3/2/2026 1:20:41 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Leila Kealoha	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance,

I am writing to express my strong support for HB2049, HD2 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

LEILA KEALOHA

HB-2049-HD-2

Submitted on: 3/2/2026 1:26:59 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Haunani Momoa	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the House Committee of Finance.

I am writing to express my strong support for HB 2049, HD2 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Haunani Momoa

Nanakuli, Oahu

Nanakuli Community Member

Kapolei High School Math Teacher

HB-2049-HD-2

Submitted on: 3/2/2026 1:35:04 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Toni Gregg	Individual	Support	Written Testimony Only

Comments:

House Committee on Finance

Tuesday, March 3, 2026, 10:00 AM

RE: HB2049, HD2 — Relating to Housing

Position: Strong Support

Aloha e Chair Yamashita and Members of the House Committee on Finance,

My name is Makani Gregg, and I am a Native Hawaiian aloha ‘āina practitioner, resident of Puna, and fortunate to say that I have immediate family members with DHHL leases at Maku‘u, Hawai‘i and Waimanalo, O‘ahu before they died. I am submitting testimony in strong support of HB2049, HD2.

I live and work along the Puna coast, in a community where the impacts of the housing crisis are felt deeply and daily. I have witnessed ‘ohana who have waited decades on the DHHL waitlist — families rooted in this ‘āina whose kūpuna were promised homes over a century ago. The Hawaiian Homes Commission Act of 1921 made a commitment to Native Hawaiian beneficiaries, and it is long past time for the State to create a reliable funding mechanism to honor that commitment.

HB2049, HD2 provides that mechanism. By restructuring the conveyance tax and establishing a dedicated annual allocation for DHHL, this bill moves us from unpredictable one-time appropriations to the kind of sustained, predictable revenue that enables real planning, real infrastructure, and real homes. The potential to deliver more than 8,000 lots by 2039 — unlocking billions in private investment — represents a meaningful step toward fulfilling the trust obligation to Native Hawaiians.

As someone who works in community stewardship in lower Puna, I see firsthand how housing instability undermines the ability of Native Hawaiian families to remain connected to their ancestral lands and continue cultural practices. When ‘ohana have secure homes, they can invest in their communities, care for the ‘āina, and pass on intergenerational

knowledge to their keiki. Housing is not just shelter — it is the foundation of cultural continuity.

The conveyance tax rates have not been updated since 2009. Housing prices have risen dramatically since then, and the current rate structure does not reflect that reality. The marginal rate approach in this bill is thoughtful — it reduces the burden on local families purchasing homes under \$2 million while generating needed revenue from luxury and non-owner-occupied properties.

I urge this committee to pass HB2049, HD2. Our beneficiaries have waited long enough and it is their birth right.

Mahalo nui for the opportunity to testify,

Makani Gregg

Resident and Native Hawaiian practitioner

Puna, Hawai‘i Island

13-470 Pohoiki Road, Pahoa HI 96778

hinahale@gmail.com

HB-2049-HD-2

Submitted on: 3/2/2026 3:32:41 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Emery Ke'ali'ikane Kaua Nui Sr	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and members of the House Cotmmittee on Finance.

I am writing to express my strong support for HB2049, HD2 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

HB-2049-HD-2

Submitted on: 3/2/2026 4:18:44 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Beryl Blaich	Individual	Oppose	Written Testimony Only

Comments:

Aloha e Honorable Chair Todd and Vice Chair Takenouchi and Members of the House Finance Committee:

As a dedicated advocate of acquisition of heritage lands when landowners are willing to sell and when there will be managed public access to those places. **I am opposed to HB 2049HD2 UNLESS the percentage paid into the land conservation fund restored to the 10% uncapped of the conveyance tax revenues, as originally legislated in 2005, or \$10,000,000, whichever is greater.**

Quoting from the Legacy Lands Conservation Program report to the Thirty Third Legislature 2026 Regular Session - December 2025:

Despite strong public support and favorable recommendations from subject matter committees, efforts to increase annual conveyance tax revenue for the Land Conservation Fund (Fund) were not enacted during the 2025 legislative session. As a result, the Fund’s annual conveyance tax revenue remains at \$5.1 million, well below the original \$10 million when the fund was established. This low funding level is causing shortages for conservation transactions.

In other words, this well managed and successful (50 land conservation transactions since 2006 with 15 still in progress!) program is being malnourished rather than steadily replenished as envisioned. Meanwhile, land prices steadily rise, and, it seems, long time owners of remarkable places are selling and leaving Hawai‘i.

One other point regarding **Bill 2049HD2**. It **does not specify the amounts of conveyance tax charged per real estate category**. I do support the use of conveyance tax to fund land conservation and development of affordable housing, including by DHHL. However, **legislators and the public have be able to see and debate the proposed added costs for various real estate sales**. The House and Senate versions of this legislation can differ and be resolved, but some proposed numbers are needed for you to consider.

With Respect and Aloha,

Beryl Blaich Kīlauea, HI 96754

HB-2049-HD-2

Submitted on: 3/2/2026 4:44:09 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jane Aquino	Individual	Support	Written Testimony Only

Comments:

The 1% need to share a larger load of the real estate costs.

Thank you, Jane Aquino Indivisible Hawaii

HB-2049-HD-2

Submitted on: 3/2/2026 6:18:35 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
pua auwae	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance.

I am writing to express my strong support for HB2049, HD2 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Pua Auwae

Waianaehi 96792

HB-2049-HD-2

Submitted on: 3/2/2026 6:21:21 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ed werner	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance.

I am writing to express my strong support for HB2049, HD2 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Ed Werner

Nanakuli Hawaii

HB-2049-HD-2

Submitted on: 3/2/2026 6:22:31 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Johnny	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance.

I am writing to express my strong support for HB2049, HD2 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity

Elijah Werner Nanakuli Oahu

HB-2049-HD-2

Submitted on: 3/2/2026 8:14:47 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Eric Wahinehookae	Individual	Support	Written Testimony Only

Comments:

Eric Keali'i Wahinehookae

81 waipahe st

Kihei HI 96753

I am writing to express my strong support for House Bill 2049, which seeks to secure vital funding for the Department of Hawaiian Home Lands (DHHL). This legislation is essential for improving the lives of Native Hawaiians and addressing critical housing and community needs.

****Key Benefits of HB 2049:****

1. ****Enhanced Funding for DHHL****: This bill provides much-needed financial resources to the DHHL, enabling better management and development of Hawaiian homelands.

2. ****Affordable Housing Initiatives****: By increasing funding, HB 2049 aims to expand access to affordable housing for Native Hawaiians, addressing the significant housing shortages that many families face.

3. ****Economic Development Opportunities****: The funding will facilitate economic growth within our communities by supporting infrastructure development and essential community services.

4. **Cultural Preservation**: With this support, we can ensure that Native Hawaiian culture and identity are preserved through strengthened community ties and resources.

I urge you to advocate for HB 2049 and encourage your colleagues to support it as well. Together, we can make a significant difference in the lives of many individuals and families in our community.

Thank you for considering my perspective. I am hopeful for your support and look forward to the positive changes this bill can bring.

Sincerely

Eric Keali'i Wahinehookae

HB-2049-HD-2

Submitted on: 3/2/2026 9:38:54 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kristen Young	Individual	Support	Written Testimony Only

Comments:

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. This bill helps to ensure that when luxury property changes hands at record prices, our community receives a fair share to invest in itself. Please 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,
Kristen Young
Honolulu, HI 96813

HB-2049-HD-2

Submitted on: 3/2/2026 11:01:15 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jody Weidemann	Individual	Support	Written Testimony Only

Comments:

The wealthy need to pay their fair share and not push out the local people because housing is unaffordable. Make the wealthy pay to share in our paradise.

HB-2049-HD-2

Submitted on: 3/2/2026 11:33:44 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mike Fanoga	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance,

I am writing to express my strong support for HB2049, HD2 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Mike Fanoga

HB-2049-HD-2

Submitted on: 3/2/2026 11:46:20 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jenn Kekaula	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance,

I am writing to express my strong support for HB2049, HD2 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Jenn Kekaula, Makakilo, Oahu

HB-2049-HD-2

Submitted on: 3/3/2026 12:14:19 PM

Testimony for FIN on 3/3/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Naomi Tachera	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance.

I am writing to express my strong support for HB2049, HD2 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Naomi Tachera, Hawai'i Island