



STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
KA 'OIHANA HO'ONA'AUAO  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

**Date:** 02/18/2026  
**Time:** 02:00 PM  
**Location:** 325 VIA VIDEOCONFERENCE  
**Committee:** JHA

**Department:** Education

**Person Testifying:** Keith T. Hayashi, Superintendent of Education

**Title of Bill:** HB2147, HD1, PROPOSING AMENDMENTS TO ARTICLES VIII AND X OF THE CONSTITUTION OF THE STATE OF HAWAII TO AUTHORIZE THE LEGISLATURE TO ESTABLISH A SURCHARGE ON RESIDENTIAL INVESTMENT PROPERTY TO INCREASE FUNDING FOR PUBLIC EDUCATION.

**Purpose of Bill:** Proposes amendments to the Hawaii State Constitution to repeal the counties' exclusive power to tax real property, and to authorize the Legislature to establish a state surcharge on real property taxes levied by the counties on certain residential investment properties, for the purpose of helping to fund public education for all of Hawaii's children and adults. Effective 7/1/3000. (HD1)

**Department's Position:**

The Hawaii State Department of Education (Department) respectfully provides comments on HB 2147, HD 1.

While the Department recognizes that the decision on structuring the State's tax base is a matter of statewide concern, it does appreciate the intent of the measure to help provide a more predictable and robust means to support public education.

Investment in public education stands at a critical crossroads during periods of economic downturns and uncertainty. K-12 education, unlike other critical government services, is the state's investment in its future. What may be considered short-term divestments in education – one, two, or even three years – to address budget constraints, have long-term impacts on a generation of students. These young people graduate high school and mature into adults who will make decisions about whether they will live in Hawaii and how they will contribute to our community and economic future.

General fund support for public education in recent years has fallen short of being predictable and reliable in the face of varying economic conditions, student needs, and inflation.

- Since Fiscal Year (FY) 2010, State general fund support for the Department, as

measured by a percent of the Executive Branch general fund budget, has been on a downward trend - from 27.14% in FY 2010 to 22.32% for FY 2026.

- For the Executive Budget that was submitted to the 2026 Legislature, the Department's appropriated general fund operating budget for Fiscal Year 2026-27 is being cut by \$28.36 million, due to the anticipated fiscal constraints.

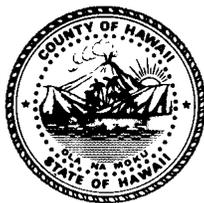
HB 2147, HD 1 proposes to amend Article VIII, Section 3, of the Hawaii State Constitution to allow the Legislature to establish a surcharge on the counties' taxation of residential investment property valued at \$3 million or more. Under the current State Constitution, duties relating to the taxation of real property are exercised exclusively by the counties, which was ratified by the 1978 Constitutional Convention with almost 52% of the voters voting yes.

The Department recognizes that this would be the first step in amending our State Constitution. The measure would still need to be passed by the Legislature and the question placed on the ballot for voters to ratify. Even if the measure is not passed, the measure can still serve as a conduit for discussion on reliable, predictable, and adequate funding for public education.

Thank you for the opportunity to provide testimony on HB 2147, HD 1.

C. Kimo Alameda, Ph.D.  
Mayor

William V. Brillhante Jr.  
Managing Director



Diane Nakagawa  
Finance Director

Malia A. Kekai  
Deputy Director

## County of Hawai'i

### DEPARTMENT OF FINANCE - REAL PROPERTY TAX

Aupuni Center • 101 Pauahi Street • Suite No. 4 • Hilo, Hawai'i 96720-4224 • Fax (808) 961-8415  
Appraisers (808) 961-8354 • Clerical (808) 961-8201 • Collections (808) 961-8282  
West Hawai'i Civic Center • 74-5044 Ane Keohokalole Hwy. • Bldg. D, 2nd Flr. • Kailua Kona, Hawai'i 96740  
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### TESTIMONY OF

**LISA MIURA**

REAL PROPERTY TAX ADMINISTRATOR, COUNTY OF HAWAI'I

### BEFORE THE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

REPRESENTATIVE DAVID A. TARNAS, CHAIR  
REPRESENTATIVE MAHINA POEPOE, VICE CHAIR

### TESTIMONY ON HB 2147 RELATING TO RESIDENTIAL PROPERTY SURCHARGE

**WEDNESDAY, FEBRUARY 18, 2026**  
STATE CAPITOL CONFERENCE ROOM 325  
VIA VIDEOCONFERENCE 2:00PM

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

My name is Lisa Miura, Real Property Tax Administrator for the County of Hawai'i. I am submitting this testimony in **opposition of HB2147 as written** which would print the following question on the ballot "*Shall the legislature be authorized to improve funding for public education by establishing a surcharge on residential investment properties valued at three million dollars (\$3,000,000) or more, not including any property that serves as an owner's primary residence?*"

The County of Hawai'i supports and understands the legislature's intention to address the need of all Hawai'i keiki to have the best education system which requires additional and adequate funding. We also acknowledge that higher valued properties most likely are not filing State of Hawaii N-11 income tax returns which results in an overall disproportionate amount of taxes being paid by this sector of property owners to the State of Hawai'i whether it is through income tax, GE Tax or fuel tax.

The County has multiple concerns with this bill as written including:

- 1) The bill includes the following “...and all machinery and other mechanical or other allied equipment...” ***The County of Hawaii real property tax system does not include personal property or business property.***
- 2) Residential investment property as defined in the bill. ***Each county may define the owner’s primary residence differently. For the County of Hawai’i there is a residential tax class which does include properties with an owner hosted short term vacation rental or owner occupied structure with some type of commercial activity. The County of Hawai’i also a separate homeowner tax class. The tax tiers at each County are set up independently of each other and those tax rates differ from county to county. The County of Hawai’i County Council has a bill currently before them for a 3rd residential tax tier to balance the County budget.***

There is no limit to the amount of additional funding which is being requested and there is no review at a taxpayer level (at the respective counties) of how this funding will be spent. County services are predominantly reliant on real property tax, this bill begins to chip away at the Constitutional Convention’s decision to keep real property taxes handled at a local (county) level. Our concern is that once this door opens, more and more taxes will be pushed onto the Counties to collect through real property tax rather than across the multiple tax sources which the State already controls.

Mahalo for this opportunity to provide input and testimony on this measure.

Lisa Miura  
Real Property Tax Administrator  
County of Hawai’i

**RICHARD T. BISSEN, JR.**  
Mayor

**JOSIAH K. NISHITA**  
Managing Director



**OFFICE OF THE MAYOR**  
COUNTY OF MAUI  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.mauicounty.gov](http://www.mauicounty.gov)

TO: Representative David A. Tarnas, Chair  
Representative Mahina Poepoe, Vice Chair  
Judiciary & Hawaiian Affairs

FROM: Richard T. Bissen, Jr., Mayor  
Marcy Martin, AAS, Director of Finance

DATE: February 17, 2026

SUBJECT: **TESTIMONY IN OPPOSITION OF HB2147, RELATING TO THE PROPOSED AMENDMENT TO REPEAL THE COUNTIES' EXCLUSIVE POWER TO TAX REAL PROPERTY AND TO AUTHORIZE A STATE SURCHARGE ON RESIDENTIAL INVESTMENT PROPERTY**

Aloha Chair and Members of the Committee:

I respectfully submit testimony in OPPOSITION to HB2147, which proposes amending the Hawaii State Constitution to allow the Legislature to establish a state surcharge on county real property taxes applied to certain residential investment properties.

While I fully support strengthening funding for public education, this proposal raises serious constitutional, equity, and practical concerns. Here are some of the reasons that the County of Maui cannot support this bill:

### **1. Undermining County Authority Over Property Taxation**

Hawaii's counties were intentionally granted exclusive authority over real property taxation. This was voted on by the taxpayers during the Hawaii Constitutional Convention of 1978, granting the counties exclusive authority of property taxes. The taxpayers recognized the fact that county governments are closest to the communities affected and are best positioned to manage local land use and taxation policies accordingly.

Repealing or weakening this exclusive authority would erode county home rule and create a precedent for further state encroachment into local fiscal governance. Counties rely heavily on property tax revenues to

fund police, fire, infrastructure, parks, and local services. Allowing the State to layer a surcharge onto county systems risks destabilizing local fiscal planning and seems to be a form of double taxation.

## **2. Inequity Among Counties Due to Different Real Estate Markets**

Hawaii's counties have dramatically different housing markets and therefore differing tax rates, property uses, and economic realities.

Applying a uniform statewide surcharge threshold ignores these differences. A \$3 million property in Honolulu may be a residential apartment, but a short-term rental in neighbor island counties. Valuation patterns differ and may capture properties not functioning as speculative investments.

This creates unequal tax impacts across counties and could unfairly burden some communities while others carry the bulk of the surcharge.

## **3. Logistical and Administrative Challenges**

Implementing a state surcharge on county tax systems would create significant logistical problems:

- Counties would need to modify systems to track and collect a state-imposed surcharge.
- Administrative responsibilities between state and counties would need new coordination mechanisms.
- Appeals and classification disputes would increase.
- Determining whether properties qualify as investment properties versus primary residences creates enforcement challenges.
- Revenue forecasting becomes uncertain, complicating county budgeting.

## **4. Potential Economic Side Effects**

The proposal may:

- Increase costs passed on to renters in investment-owned properties.
- Discourage long-term rental investment needed to stabilize housing supply.
- Reduce property transactions and slow construction activity.
- Push investment capital out of Hawaii without guaranteeing stable education funding.

## **Conclusion**

The goal of better funding public education is widely shared, but HB2147 creates constitutional conflicts, inequitable impacts among counties, administrative burdens, and potential unintended economic consequences.

For these reasons, the County of Maui respectfully urge the Committee to defer or reject HB2147.

Mahalo for your consideration.

**DEPARTMENT OF BUDGET AND FISCAL SERVICES**  
**KA 'OIHANA MĀLAMA MO'OHĒLU A KĀLĀ**  
**CITY AND COUNTY OF HONOLULU**

530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813  
PHONE: (808) 768-3900 • FAX: (808) 768-3179 • WEBSITE: [honolulu.gov/budget](http://honolulu.gov/budget)

RICK BLANGIARDI  
MAYOR  
MEIA



ANDREW T. KAWANO  
DIRECTOR  
PO'O

CARRIE CASTLE  
DEPUTY DIRECTOR  
HOPE PO'O

February 18, 2026

The Honorable David A. Tarnas, Chair  
The Honorable Mahina Poepoe, Vice-Chair  
and Members of the House Committee on Judiciary and Hawaiian Affairs  
415 South Beretania Street  
Honolulu, Hawaii 96813

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

**SUBJECT:** Testimony in Opposition on House Bill 2147, HD1  
Hearing: February 18, 2026, 2:00 p.m., Conference Room 325 and  
via Videoconference

The Department of Budget and Fiscal Services, City and County of Honolulu ("City") respectfully **opposes** House Bill ("HB") 2147, HD1, which proposes amendments to Articles VIII and X of the Constitution of the State of Hawaii to authorize the Legislature to establish a surcharge on residential investment properties to increase funding for public education.

The proposed surcharge constitutes a tax on the same real property values already subject to county real property taxation. To our knowledge, the Hawaii Supreme Court previously recognized that the proposed "surcharge" was a proposed tax. Authorizing the State to impose an additional tax on the same property tax base would therefore create a dual-taxation structure. Since the transfer of taxing authority to the counties, each county has operated under its own real property tax ordinances and administrative systems. Of concern, layering a state tax onto these independent county tax frameworks may create legal and administrative inconsistencies across jurisdictions.

Although intended to target higher-value investment properties, the economic effects of this additional tax are likely to extend beyond the targeted investors. Multifamily workforce housing properties often exceed the \$3 million valuation threshold, and the "surcharge" will likely be passed through to working families in the form of higher rents. The "surcharge" may also adversely affect ongoing state and county housing affordability initiatives.

The Honorable David A. Tarnas, Chair  
The Honorable Mahina Poepoe, Vice-Chair  
and Members of the House Committee on Judiciary and Hawaiian Affairs  
February 18, 2026  
Page 2

The counties rely primarily on real property tax revenues to fund essential municipal services, and HB 2147, HD1 has the potential of weakening the counties' long-term fiscal stability and negatively affecting their respective municipal bond ratings.

For these reasons, the City respectfully **opposes** HB 2147, HD1 and urges the Legislature to preserve the constitutional framework governing county real property taxation.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew T. Kawano". The signature is fluid and cursive, with the first name "Andrew" being more prominent.

Andrew T. Kawano  
Director

## DEPARTMENT OF FINANCE

CHELSE SAKAI, DIRECTOR OF FINANCE

MICHELLE L. LIZAMA, DEPUTY DIRECTOR OF FINANCE



DEREK S.K. KAWAKAMI, MAYOR  
REIKO MATSUYAMA, MANAGING DIRECTOR

### Testimony of Chelsie Sakai

Director of Finance

County of Kaua'i

Before the Committee on  
**Judiciary and Hawaiian Affairs**  
February 18, 2026 @ 2:00 p.m.  
Conference Room 325 & Videoconference

In consideration of

#### House Bill 2147

**Relating to Amendments to Articles VIII and X of the Constitution of the State of Hawai'i to authorize the Legislature to Establish a Surcharge on Residential Investment Property to Increase Funding for Public Education**

Chair and Members of the Committee:

The County of Kaua'i respectfully submits testimony in **strong opposition** to HB2147.

While we support strengthening public education funding, this measure raises significant constitutional, fiscal, administrative, and operational concerns.

#### I. Constitutional Framework and County Home Rule

The delegation of exclusive real property taxing authority to counties was a deliberate decision of the 1978 Constitutional Convention. That structure preserves county home rule, fiscal autonomy, and a clear separation of taxing authority between the State and the counties.

Authorizing the State to impose a surcharge within the counties' exclusive tax base would fundamentally change this constitutional allocation of power. Once amended, this structural limitation would no longer provide protection against future expansion into other real property classes.

The County of Kaua'i has responsibly exercised its constitutional authority. Through locally adopted ordinances, the County has implemented targeted real property tax surcharges to address community priorities, including affordable housing:

- A 15.02% surcharge within the Vacation Rental class, generating approximately \$11.82 million annually;
- A 7.66% surcharge within the Hotel & Resort class, generating approximately \$3.85 million annually; and
- Tiered Non-Owner-Occupied Residential rates that include an 11.00% incremental surcharge between \$1.3 million and \$2 million, and a 72.48% incremental surcharge on the portion of value exceeding \$2 million.

Approximately six percent of Kauaʻi's total real property tax revenue is currently dedicated to affordable housing initiatives through these locally enacted measures.

These actions demonstrate that counties are fully capable of structuring targeted tax policy within their constitutional authority.

## II. Structural and Administrative Implications

HB2147 does not resolve how a state surcharge would operate within four independent county property tax systems.

Each county maintains distinct classifications, valuation tiers, exemptions, appeal procedures, billing systems, and enforcement mechanisms. A statewide \$3 million valuation threshold does not align with existing county tier structures and would require integration into systems not designed to administer state taxation.

The measure leaves unresolved:

- Allocation of authority over assessment appeals affecting state surcharge revenue;
- Responsibility for billing, collection, enforcement, and delinquency management;
- Compensation for administrative costs incurred by counties;
- Timing and reconciliation of revenue transfers between governments; and
- Coordination of rate adjustments during market fluctuations.

Real property tax administration is locally managed and constitutionally reserved. Introducing state authority into this framework creates legal and operational ambiguity.

## III. Fiscal Stability and Dual Taxation

Counties rely primarily on real property tax revenues to fund core municipal services, including police, fire, emergency response, infrastructure, and public facilities.

Authorizing the State to tax the same property base establishes a dual taxation structure. This may introduce fiscal competition between levels of government and reduce predictability in long-term financial planning, including bonded obligations.

The existing constitutional framework avoids this overlap and preserves fiscal clarity.

## Conclusion

HB2147 would amend the Constitution to alter the long-standing allocation of taxing authority between the State and counties. While the County supports strong public education funding, this proposal restructures constitutional authority, introduces administrative uncertainty, and establishes overlapping taxation within a locally governed system.

For these reasons, the County of Kauaʻi respectfully urges the Committee to defer or reject HB2147.

Thank you for the opportunity to testify.

Date: February 18, 2026

To: Representative David Tarnas, Chair  
Representative Mahina Poepoe, Vice Chair  
Members of the House Committee on Judiciary & Hawaiian Affairs

From: Early Childhood Action Strategy

Re: House Bill 2147 HD1, Proposing Amendments to Articles VIII and X of the Constitution of the State of Hawai'i.

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Early Childhood Action Strategy (ECAS) is a statewide cross-sector collaborative designed to improve the system of care for Hawai'i's youngest children and their families. ECAS partners work to align priorities for children prenatal to age eight, streamline services, maximize resources, and improve programs to support our youngest keiki.

**ECAS supports House Bill 2147 HD1 which proposes amendments to the State of Hawai'i's Constitution, authorizing the State Legislature to establish a surcharge on residential investment property to increase funding for public education.**

In recent years, communities around the country have voted to establish dedicated taxes, levies, and trust funds in order to adequately fund early childhood education and care. Many of these communities have been highly successful in using these strategies to create new and consistent revenue streams to support early childhood initiatives.

For example, New Mexico passed a constitutional amendment directing a portion of funds generated by oil and gas production to support early childhood education. Meanwhile, Massachusetts established a "millionaire's tax" which adds an additional tax to income over \$1M and dedicated a portion of these tax revenues to fund education efforts.

**ECAS is in support of House Bill 2147 HD1 as it lays out a funding strategy to support public education across our state, but we respectfully request that the Committee consider amending the measure's language to refer to all local keiki from birth through grade 12.**

This would not only allow for revenues generated by these taxes to support keiki in our local pre-k classrooms but would also demonstrate the State's commitment to providing local children with positive experiences as early in their lives as possible. Moreover, with the number of resources dedicated to supporting children aged k-12, choosing to fund efforts supporting keiki from birth to five would bring a sense of equity to the State's overall care for local children.

Mahalo for the opportunity to submit this testimony.



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**Osa Tui, Jr.**  
President

**Logan Okita**  
Vice President

**Cheney Kaku**  
Secretary-Treasurer

**Andrea Eshelman**  
Executive Director

## TESTIMONY TO THE HAWAI'I HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

**Item: HB 2147, HD1 – Proposing amendments to Articles VIII and X of the Constitution of the State of Hawai'i to authorize the legislature to establish a surcharge on residential investment property to increase funding for public education.**

**Position: Support**

**Hearing: Wednesday, February 18, 2026, 2:00 pm, Room 325**

**Submitter: Osa Tui, Jr., President - Hawai'i State Teachers Association**

Dear Chair Tarnas, Vice Chair Poepoe, and members of the committee,

The Hawai'i State Teachers Association **supports** H.B. 2147, HD1, to address the chronic underfunding of our public education system. This persistent lack of resources has led to overcrowded classrooms, aging facilities, and teacher salaries that struggle to remain competitive. These issues undermine the quality of education and the State's ability to maintain a stable, qualified educator workforce.

This constitutional amendment provides a necessary mechanism to generate dedicated revenue by establishing a surcharge on high-value residential investment properties. By focusing on investment properties valued at \$3,000,000 or more—while exempting primary residences and affordable housing—the bill creates a sustainable funding source without burdening local families.

We urge the committee to pass H.B. 2147, HD1 to secure a reliable and sustainable future for our public schools. This measure is a vital step toward providing the dedicated resources necessary to modernize aging facilities and ensure that every student in Hawai'i receives the high-quality education they deserve.

Mahalo.



**STATE OF HAWAII**

**HAWAII TEACHER STANDARDS BOARD**

650 IWILEI ROAD, SUITE 268  
HONOLULU, HAWAII 96817

February 18, 2026

**WRITTEN TESTIMONY BEFORE THE HOUSE COMMITTEE ON JUDICIARY AND HAWAIIAN AFFAIRS**

**PERSON TESTIFYING:** Mitzie Higa, Licensing Specialist, on behalf of the Hawai'i Teacher Standards Board (HTSB)

**DATE:** February 18, 2026

**TIME:** 2:00 pm

**LOCATION:** Conference Room 325 and Video Conference

**TITLE OF BILL:** HB 2147 HD1 Constitutional Amendment; Public Education; Residential Investment Property Surcharge (ConAm)

**POSITION:** Supports HB 2147 HD1

**Chair Tarnas and Members of the House Committee on Judiciary and Hawaiian Affairs:**

The Hawai'i Teacher Standards Board supports HB2147 HD1, PROPOSING AMENDMENTS TO ARTICLES VIII AND X OF THE CONSTITUTION OF THE STATE OF HAWAII TO AUTHORIZE THE LEGISLATURE TO ESTABLISH A SURCHARGE ON RESIDENTIAL INVESTMENT PROPERTY TO INCREASE FUNDING FOR PUBLIC EDUCATION.

Our state desperately needs to amend our State Constitution to guarantee ample learning opportunities for our keiki. Every year, we continue to lose approximately 45- 50 percent of our teachers after five years. Not having sufficient funds has contributed to low teacher pay and is the primary driver of teacher turnover, not being able to lower class sizes due to fiscal constraints and not having enough licensed teachers who stay in our public schools, including our public charter schools. A Stanford University analysis found that raising teacher wages by 10 percent reduces high school dropout rates by 3 to 4 percent. Similarly, a Florida study showed that pay raises reduced teacher attrition by as much as 25 percent for hard-to-fill subject areas, with children's learning growth gaining from more exposure to experienced licensed educators.

Furthermore, according to the National School Supply and Equipment Association, public school teachers annually spend \$1.6 billion of their discretionary income on supplementary school supplies and instructional materials, showing the lack of adequate resources in our public schools in Hawai'i. On average, teachers surveyed spent a total of \$485 + on school supplies and instructional materials, with even more spending over \$1,000 of personal income each school year since the pandemic. Insufficient funding has led to our teacher shortage crisis.

We need to right the wrongs of the past and have part of property taxes, from second homes, not owner-occupied homes, go toward our public schools. We continue to be the only state in the nation that doesn't use some part of property taxes to help fund our public schools, keeping our local residents in mind, this

Constitutional Amendment will be a surcharge on investment residential properties over \$3 million in value, that are non-owner occupied homes, thus protecting our local workforce, including our teachers.

These funds could help us retain our licensed teachers and help us maintain the quality of our teacher workforce, attracting and retaining our best and brightest to continue to teach in our public schools, including our public charter schools. We as a state will be able to afford creating smaller class sizes that allow teachers to connect with each of their students, expand whole child education to include career and technical education and the arts, increase resources for our students with special needs, and provide professional pay that reflects the value of our licensed teachers.

At the same time, we can make Hawai'i more affordable. Over the past two decades, the pricing of housing in the islands has skyrocketed, even more since the pandemic. Our state's high cost of housing and renting is driven by real estate speculators using the islands as their personal Monopoly board. In levying a surcharge on investment properties, non-owner occupied residential housing worth \$3 million or over, and incentivizing low-income rentals, we are not only advancing our children's future, but ensuring that they aren't priced out of our state.

Thank you for allowing us to testify on this bill. **We ask for your support for this bill**, that will be put on a ballot, if passed, so those who live here, will be able to weigh in.

February 18, 2026

**The Honorable David A. Tarnas, Chair**

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

**RE: House Bill 2147, HD1, PROPOSING AMENDMENTS TO ARTICLES VIII AND X OF THE CONSTITUTION OF THE STATE OF HAWAII TO AUTHORIZE THE LEGISLATURE TO ESTABLISH A SURCHARGE ON RESIDENTIAL INVESTMENT PROPERTY TO INCREASE FUNDING FOR PUBLIC EDUCATION.**

**HEARING: Wednesday, February 18, 2026, at 2:00 p.m.**

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

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i and its over 10,000 members. HAR **opposes** House Bill 2147, HD1, which proposes amendments to the Hawaii State Constitution to repeal the counties' exclusive power to tax real property, and to authorize the Legislature to establish a state surcharge on real property taxes levied by the counties on certain residential investment properties, for the purpose of helping to fund public education for all of Hawaii's children and adults. Effective 7/1/3000.

While Hawai'i REALTORS® supports education, we are deeply concerned that an additional property tax surcharge for residential investment property will add to the cost of housing and rentals. There's a misconception that such taxation solely affects the wealthy or luxury properties. This surcharge will also directly impact workforce housing, including multi-family units and walk-ups in our State. The repercussions of any surcharge on property tax could be passed on to renters, further adding to the financial burden of residents in our State already grappling with high costs of living and housing.

The Economic Research Organization at the University of Hawai'i's ("UHERO") Hawai'i Housing Fact Book highlights the stark reality that "Hawai'i has the highest home prices in the nation. The median home in Hawai'i is 16% more expensive than California, the next most expensive state, and nearly triple the median US price."<sup>1</sup> The report further adds that, "Hawai'i remains in a severe housing crisis. High prices and mortgage rates have made homeownership unaffordable for most residents. Housing production remains slow, with county and state regulatory barriers posing a major obstacle to new construction."

<sup>1</sup> UHERO. (May 14, 2025). *The Hawai'i Housing Factbook 2025*. <https://uhero.hawaii.edu/wp-content/uploads/2025/05/HawaiiHousingFactbook2025.pdf>



 808-733-7060

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 1259 A'ala Street, Suite 300  
Honolulu, HI 96817

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Increasing the supply of housing in Hawaii is essential to solving the housing crisis. A residential investment surcharge is counterproductive to efforts to help increase the supply of housing so that our keiki can have a place to call home.

Mahalo for the opportunity to testify on this measure.



To: House Committee on Judiciary and Hawaiian Affairs  
Re: **HB2147 HD1 – Proposing amendments to Articles VIII and X of the Constitution of the State of Hawai'i to Authorize the Legislature to establish a surcharge on residential investment property to increase funding for public education**  
Hawai'i State Capitol & Via Videoconference  
February 18, 2026, 2:00 PM

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

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of HB2147 HD1**. This bill proposes amendments to the Hawai'i State Constitution to repeal the counties' exclusive power to tax real property, and to authorize the Legislature to establish a state surcharge on real property taxes levied by the counties on certain residential investment properties, for the purpose of helping to fund public education for all of Hawai'i's children and adults.

Hawai'i ranks among the lowest of states in percentage of state and local expenditures supporting K–12 education — 15.1% compared to U.S. average 21.5%<sup>1</sup> — leading to chronic underfunding of public schools. This underfunding results in deteriorating facilities, low teacher pay, and inadequate programs and resources.

This bill would provide a new revenue mechanism to help address the chronic underfunding our schools face and help ensure a quality education for all of Hawai'i's children.

By focusing on **residential investment properties**, especially higher-value properties, the surcharge would ensure that those with greater capacity contribute proportionately to an essential public good. This mechanism does not increase taxes on primary residences, protecting local homeowners while targeting resources from owned by investors.

Every dollar invested in quality education returns value through a better-prepared workforce, stronger civic engagement, and healthier communities. Supporting our students means building a stronger future workforce and enhancing Hawai'i's competitiveness and quality of life.

Mahalo for the opportunity to provide this testimony. Please **PASS HB2147 HD1**.

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<sup>1</sup> <https://www.hawaii.edu/news/2025/01/29/underfunding-hawaii-public-schools/>

# TAX FOUNDATION OF HAWAII

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735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

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**SUBJECT:** CONSTITUTIONAL AMENDMENT, Residential Investment Property Surcharge for Public Education

**BILL NUMBER:** HB 2147 HD1

**INTRODUCED BY:** EDN

**EXECUTIVE SUMMARY:** Proposes amendments to the Hawai'i State Constitution to repeal the counties' exclusive power to tax real property, and to authorize the Legislature to establish a state surcharge on real property taxes levied by the counties on certain residential investment properties, for the purpose of helping to fund public education for all of Hawai'i's children and adults.

**SYNOPSIS:** The bill proposes a constitutional amendment to empower the legislature to establish a surcharge on residential investment property valued at three million dollars or greater.

“Residential investment property” is defined as all real property including apartments and condominiums and appurtenances thereto, including buildings, structures, fences and improvements erected on or affixed to such real property, and any fixture that is erected on or affixed to the land, buildings, structures, fences and improvements; and all machinery and other mechanical or other allied equipment, and the foundations thereof, that are dedicated for residential use and that do not serve as the owner’s primary residence; provided that the surcharge shall not apply to any affordable housing development that is subject to a regulatory agreement with the State or county.

“Surcharge” means an additional charge prescribed by a tax.

**EFFECTIVE DATE:** July 1, 3000.

**STAFF COMMENTS:** It is contended that public schools have been underfunded, consequently, the constitutional amendment is needed to provide the State the ability to increase funding for public education from surcharges on residential investment property valued at \$3M or more.

“Residential investment property” is broadly defined to include fixtures erected or affixed to real property improvements and mechanical equipment that are dedicated for residential use.

What is troubling is there are no limits on the proposed tax. If the constitutional amendment is approved, legislators are free to implement legislation when it determines funding is needed. It could be the year the amendment is approved, or the next year, or the year after that. They could change it to impose the surcharge on all “residential investment” property as long as the property value is \$3 million or more. They could set the surcharge rate. They could do all these things because the constitutional amendment gives the legislature this power. In other words, once the amendment passes, the genie is out of the bottle. It may not even be under control of the

members now in the legislature, because future legislators (note that this year is an election year) may have different ideas from current members.

We need to ask ourselves if we want to or need to give the genie that much power. If we do, then we only have ourselves to blame for what happens when the genie does come out. If we don't, then we should either kill the constitutional amendment or write strict limits into it.

We are also concerned that voters are and will be unaware that they are voting on a new tax. There is no mention of the word "tax" in the proposed ballot question. See *City and County of Honolulu v State*, 143 Haw. 455, 431 P3d 1228 (2018), which invalidated a similar ballot question.

Limits should be written into the proposed amendment or the voters should be apprised that they are voting on granting power to the legislature to impose a tax of some kind on an overly broad definition of residential investment property, with no limitations on that power.

The assumption that additional funding is needed is based on declining educational funding statistics and does not address whether the DOE is able to efficiently spend its existing resources. Indeed, the 2023 episode with DOE proposing to lapse hundreds of millions of dollars in already funded projects because they are unable to get them built (<https://www.civilbeat.org/beat/house-abruptly-cancels-hearing-on-plans-to-lapse-school-construction-funds/>) underscores this point. Until DOE can actually utilize the money thrown their way, there is little justification for an increase in financial resources.

Digested: 2/15/2026



**HOUSE BILL 2147, HD1, RELATING TO PROPOSING AMENDMENTS TO ARTICLES VIII AND X OF THE CONSTITUTION OF THE STATE OF HAWAII TO AUTHORIZE THE LEGISLATURE TO ESTABLISH A SURCHARGE ON RESIDENTIAL INVESTMENT PROPERTY TO INCREASE FUNDING FOR PUBLIC EDUCATION.**

FEBRUARY 18, 2026 · JHA HEARING

**POSITION:** Support.

**RATIONALE:** The Democratic Party of Hawai'i Education Caucus supports HB 2147, HD1, which proposes amendments to the Hawai'i State Constitution to repeal the counties' exclusive power to tax real property, and to authorize the legislature to establish a state surcharge on real property taxes levied by the counties on certain residential investment properties, to help fund public education for all of Hawai'i's children and adults.

Hawai'i is unique among U.S. states in that it does not fund public schools through local property taxes. Instead, nearly all K-12 education funding comes from state general revenues. According to the Hawai'i State Department of Education and national education finance data, Hawai'i is the only state in the nation that does not use property tax revenue to fund public education, leaving schools reliant on legislative appropriations from the general fund.

Because Hawai'i lacks a local property tax base for schools, the share of public revenue devoted to education is comparatively low. A statewide fiscal review conducted by University of Hawai'i researchers shows that the state allocates about 15.1 percent of state and local expenditures to K-12 education, well below the U.S. average of 21.5 percent and toward the bottom among all

states. This structural funding reality is compounded by Hawai'i's historically low property tax rates, which are among the lowest in the nation according to Kiplinger's 2025 property tax rankings, with an effective rate of around 0.32 percent of assessed value, even while Hawai'i consistently ranks among the states with the highest median home values. Because property tax revenues are not available for schools, the legislature must choose between competing priorities from a constrained general fund, leaving public education without stable, dedicated revenue sources that many other states rely on to support teacher pay, class size reduction, school facilities, and student services.

Under the current structure, Hawai'i's single statewide school district also means that local flexibility and additional revenue capacity—which are typical of school districts that can benefit from robust property tax bases elsewhere—are absent here. Whereas in most states local property taxes account for a large share of school funding, in Hawai'i nearly 85 percent of public school revenues come from the state. The consequences of under-resourced public education are visible in our schools: teacher shortages that leave hundreds of classrooms without qualified instructors, insufficient support for bilingual and special education students, aging facilities in need of repair, and cuts to enrichment programs that nurture the whole child. Without dedicated revenue mechanisms, Hawai'i's public schools are perpetually dependent on annual appropriations that can fluctuate with economic conditions and political pressures, undermining long-term planning and stability.

This measure expands the state's revenue-raising authority to include a surcharge on residential investment property, a targeted approach that would generate funds dedicated to public education while protecting families' primary residences. This constitutional amendment lays the groundwork for a more equitable, predictable, and sustainable funding system for Hawai'i's schools. By ensuring that property owners who benefit from Hawai'i's high-value real estate market contribute to the public education system that supports our future workforce and community, this measure honors both fiscal responsibility and educational equity.

**Contact: [educationcaucusdph@gmail.com](mailto:educationcaucusdph@gmail.com) · 808-679-7454**

Feb. 18, 2026, 2 p.m.  
Hawaii State Capitol  
Conference Room 325 and Videoconference

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

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

TESTIMONY OPPOSING HB2147 HD1 — PROPOSING AMENDMENTS TO ARTICLES VIII AND X OF THE CONSTITUTION OF THE STATE OF HAWAII TO AUTHORIZE THE LEGISLATURE TO ESTABLISH A SURCHARGE ON RESIDENTIAL INVESTMENT PROPERTY TO INCREASE FUNDING FOR PUBLIC EDUCATION.

Aloha chair, vice chair and other committee members,

The Grassroot Institute of Hawaii **opposes** [HB2147 HD1](#), which proposes amending the state Constitution to allow a state property tax surcharge on homes that are valued at \$3 million or greater and are not the owner's primary residence.

The stated purpose of this proposal is to benefit public education; however, that is a dramatic break with historical precedent regarding Hawaii's property tax system and the state's method of funding public education. There is a reason that the Hawaii Constitution bars the state from levying property taxes, making it the exclusive domain of the counties and a significant revenue generator for them. Inserting state taxation into this scheme frustrates that intent and opens the door to yet more state capture of county revenues.

As with any proposed tax increase, this proposal threatens to increase the cost of living in Hawaii, as well as add to the burden of Hawaii homeowners at the very moment our counties are searching for ways to offset soaring property taxes due to increased valuations.

The bill's proponents might believe that limiting the tax to homes valued at \$3 million or more will not affect average homeowners, but the effects of a tax hike cannot be segregated from the rest of the economy. What affects one segment of the housing market will ripple through the state's housing market as a whole.

For example, the proposed tax surcharge could incentivize the purchase and construction of housing under the threshold, creating a domino effect that would reduce housing availability and affordability in this “middle” tier.

Furthermore, if land-use, zoning and other regulations continue to go unaddressed, which limits homebuilding, one should not assume that a \$3 million home will remain a high-value investment property in Hawaii.

Over time, the \$3 million threshold envisioned in this bill could slide out of the high-value investment category and become a burden to more and more homeowners, affecting rental prices and further increasing the cost of housing in Hawaii.

Hawaii’s residents and businesses need a break from new taxes, tax increases, fees and surcharges. The last attempt to amend the Hawaii Constitution to allow for state property taxes ended in a lawsuit and a poor showing at the polls. Hawaii residents are already “voting with their feet” to flee the state’s high taxation. This is not the time to make Hawaii a more expensive place to live and do business.

Thank you for the opportunity to submit our comments.

Sincerely,

Ted Kefalas  
Director of Strategic Campaigns  
Grassroot Institute of Hawaii

Law Office of Georgette A. Yaindl, LLLC  
Georgette Anne Yaindl 8940  
P.O. Box 307  
Kailua-Kona Hawai`i 96745-0307  
(808) 224-0219 v/txt (877) 300-8869 fax  
gyaindl@gyattorney.com

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February 17, 2026

Rep. Ravid A. Tarnas, Chair  
Rep. Mahina Poepoe, Vice Chair  
Committee on Judiciary and Hawaiian Affairs  
House of Representatives  
33<sup>rd</sup> Legislature, State of Hawai`i

via: <http://www.capitol.hawaii.gov>

Dear Committee leadership and members,

Re: **OPPOSITION TO HB2147 HD1 PROPOSING AMENDMENTS TO ARTICLES VIII AND X OF THE CONSTITUTION OF THE STATE OF HAWAII TO AUTHORIZE THE LEGISLATURE TO ESTABLISH A SURCHARGE ON RESIDENTIAL INVESTMENT PROPERTY TO INCREASE FUNDING FOR PUBLIC EDUCATION**

DATE: Wednesday, February 18, 2026  
TIME: 2:00 p.m.  
PLACE: Conference Room 325 & Videoconference  
State Capitol  
415 South Beretania Street

This bill proposes amending the state Constitution in order to facilitate a state property tax on homes that are valued at \$3 million or greater and are not the owner's primary residence.

The grounds for opposing this bill were perfectly articulated by The Grassroot Institute in its testimony on the original HB2147 submitted to the House Committee on Education:

*The stated purpose of this proposal is to benefit public education; however, that is a dramatic break with historical precedent regarding Hawaii's property tax system and the state's method of funding public education. There is a reason that the Hawaii Constitution bars the state from levying property taxes, making it the exclusive domain of the counties and a significant revenue generator for them. Inserting state taxation into this scheme frustrates that intent and **opens the door to yet more state capture of county revenues.***

Consider, please, that counties do the work in enforcing and prosecuting traffic law but revenue from fines is paid into the State's general fund. The State of Hawai'i is the only state in the USA that does not fund public transportation, yet charges an administrative fee to the counties to do the accounting for the counties' .05% HIGET surcharge. The State has reduced the counties' share of TAT revenue. The State collects car rental taxes, and of course 100% HIGET.

Consider, please, Hawai'i island in particular, where if land was my hand, the amount of tax paying real estate is the size of my little finger while the rest is State and federally owned, federally leased, or is nontaxable land held by charitable trusts. The State makes no payments in lieu of taxes to the counties, yet obviously benefits from county expenditures of police, fire, rescue, roads, water, sewage, wastewater, and other services.

Finally, if the committee nevertheless acts to pass this measure, please also consider the testimony from Tax Foundation of Hawai'i on the original HB2147 submitted to the House Committee on Education:

*We are also concerned that voters are and will be unaware that they are voting on a new tax. **There is no mention of the word "tax" in the proposed ballot question.** Limits should be written into the proposed amendment or the voters should be apprised that they are voting on granting power to the legislature to impose a tax of some kind on an overly broad definition of residential investment property, with no limitations on that power.*

The problems with public education funding in our state are profound and will not be solved by usurping counties' exclusive property tax revenue-generating authority.

Thank you for your consideration of my testimony. Aloha.

/s/ Georgette A. Yaindl  
GEORGETTE ANNE YAINDL

**HB-2147-HD-1**

Submitted on: 2/13/2026 9:00:30 PM

Testimony for JHA on 2/18/2026 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Johnnie-Mae L. Perry	Individual	Support	Written Testimony Only

Comments:

I, Johnnie-Mae L Perry, Support

2147 HB PROPOSING AMENDMENTS TO ARTICLES VIII AND X OF THE  
CONSTITUTION OF THE STATE OF HAWAII TO AUTHORIZE THE LEGISLATURE TO  
ESTABLISH A SURCHARGE ON RESIDENTIAL INVESTMENT PROPERTY TO  
INCREASE FUNDING FOR PUBLIC EDUCATION.

**HB-2147-HD-1**

Submitted on: 2/14/2026 1:18:31 AM

Testimony for JHA on 2/18/2026 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Debra Bringman	Individual	Oppose	Written Testimony Only

Comments:

I respectfully oppose HB2147 HD1 because it creates a new constitutional taxing authority that may place additional long-term burdens on Hawai'i residents. While the current proposal targets only high-value residential investment properties, expanding the State's real-property taxing power sets a precedent that could be broadened in future years, especially as budget pressures continue to grow. At the same time, Hawai'i families already face some of the highest costs of living in the nation, and shifting revenue strategies between GET reductions and new property-based taxes raises concerns about fairness and transparency. Before altering the Constitution to enable new taxation powers, the State should fully evaluate the structural factors driving rising education costs, improve efficiency within existing funding streams, and ensure long-term solutions do not rely on expanding the tax burden for homeowners. For these reasons, I respectfully oppose HB2147 HD1.

**HB-2147-HD-1**

Submitted on: 2/15/2026 9:43:54 AM

Testimony for JHA on 2/18/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
John Fitzpatrick	Individual	Support	Remotely Via Zoom

Comments:

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

I am writing to express my strong support for HB 2147. As a science teacher at the new **Kūlanihāko‘i High School**, I see every day that while our doors are open, our school is far from finished. Despite being a "state-of-the-art" campus, we are still waiting for the basic infrastructure our students deserve. We currently need \$25 million to build our gymnasium and another \$40 million to complete our entire athletic complexes. Without these facilities, our keiki are being denied the full high school experience.

**The Contrast of Wealth:** The disparity in South Maui is impossible to ignore. Just the other day, I counted **13 private jets parked at Kahului Airport and** during the peak of Christmas I have counted over 45 private jets parked on the tarmac. When you look just down the road at the extreme wealth in Wailea, where median home prices exceed \$2.6 million, you cannot tell us there is no money to fully fund schools in Kīhei or throughout the state.

Critically, a large portion of these luxury residents **do not work in Hawai‘i and do not pay state income taxes here**. They enjoy the beauty and safety of our islands as a seasonal playground or investment vehicle, while contributing very little to the social fabric that sustains us. HB 2147 creates a necessary mechanism to ensure these wealthy investment property owners pay their fair share to support the very community they have invested in.

**Why HB 2147 is Legally Resilient:** I understand the concerns regarding the 2018 constitutional amendment. However, HB 2147 is built on a much stronger legal foundation for two reasons:

- **No "Gut and Replace":** This bill follows the procedural integrity required by the Supreme Court in *League of Women Voters v. State*. By providing the public with meaningful notice and avoiding last-minute language swaps, this bill is designed to be "court-proof."
- **Targeted Clarity:** Unlike past measures, HB 2147 specifically targets residential investment properties valued at \$3 million or more. This ensures the tax falls on those with the greatest means—those who can afford private jets—while protecting local families and the middle class.

Our classes are overcrowded and our teachers are underpaid. We cannot continue to tell the students at Kūlanihāko‘i to wait for "next year" while luxury developments continue to rise nearby. It is time to prioritize our keiki over the interests of off-shore investors.

I urge the committee to pass HB 2147 and invest in the future of South Maui and all of Hawai‘i.

Mahalo for the opportunity to testify,

John Fitzpatrick

Science Teacher,

Kūlanihāko‘i High School

**HB-2147-HD-1**

Submitted on: 2/15/2026 11:28:04 AM

Testimony for JHA on 2/18/2026 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
lynne matusow	Individual	Oppose	Written Testimony Only

Comments:

I have a better idea. For each tax increase the legislators enact, including surcharges, there is a \$5,000 reduction in their pay. Read through the bills introduced this session and there is a proposal to pause tax reductions, increase fees for various funds, etc., etc., etc. This has to stop. Each incremental increase hurts us. We, your constituents who put you in office, have less money to spend, less disposable income. It will force more people to apply for the dole. We are strapped for cash. And all you do is look for ways to make the situation worse. Shame on you.

Please kill this bill now.

**HB-2147-HD-1**

Submitted on: 2/16/2026 8:14:20 PM

Testimony for JHA on 2/18/2026 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Colleen Rost-Banik	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Tarnas and members of the House Committee on the Judiciary and Hawaiian Affairs,

My name is Colleen Rost-Banik and I am writing in strong support of HB2147.

As an Instructor of Sociology at University of Hawaii, Manoa, I have seen first-hand the drastic underfunding of Hawaii’s public education system. Hawaii has abysmal rates of state and local expenditures on public education, ranking among the lowest of all states in the U.S.

The practice of leaving public education without adequate funds has the greatest impact on low-income families and students who are Native Hawaiian, Pacific Islander, and Filipino. Additionally, the ramifications of underfunding lead to dilapidated facilities as well as the shortage of teachers and counselors needed to help our children thrive. Each school year Hawai‘i hires hundreds of emergency hires (without a teaching license) just to fill the most basic roles. Our keiki and our communities deserve much better.

HB2147 provides a way to augment funds for public schools by adding a surcharge on extra homes (not a primary residence) valued at \$3 million or more. This revenue stream for public schools only applies to those who can most afford it, and thus is a fair way to combat the chronic underfunding of public education.

I know the Committee on the Judiciary and Hawaiian Affairs is very concerned about the disproportionate rate of Native Hawaiians and Pacific Islanders who end up incarcerated. Providing more funding for public education is a good strategy to prevent the marginalization and all-too-often incarceration of young people.

I urge your support of HB2147.

Mahalo for your consideration.  
Colleen Rost-Banik, Ph.D.

February 17, 2026

Representative David A. Tarnas, Chair and Mahina Poepoe, Vice Chair

Re: **Testimony in support of HB 2147.** Hearing on February 18, 2026, 2:00 pm

Dear Chair Tarnas, Vice Chair Poepoe, and Judiciary and Hawaiian Affairs Committee Members:

I am a professor, educational researcher, Chair of the Department of Educational Psychology at the University of Hawai'i at Mānoa, Kalani High School graduate, and mother of two sons who attended Hawai'i public schools, I was also the founding president of the non-profit organization Parents for Public Schools of Hawai'i. **I writing in strong support of HB 2147.**

HB 2147 proposes an amendment to the Hawai'i State Constitution which would allow the legislature to establish a state surcharge on real property taxes on residential investment properties valued \$3 million dollars or more to support public education in our State. It targets those who clearly are not the "average Hawai'i resident" to invest in the future of our local community by supporting public education, while they make money for themselves from land and property in Hawai'i.

Hawai'i ranks among the lowest of all states in percentages of state and local expenditures supporting K-12 education. **Despite the rising cost of living in Hawai'i, funding for public education has decreased.** For example, in 2024, despite a budget surplus, funding for public education decreased by 7%.

**Research shows that funding matters in education.** There is clear evidence that quality education is expensive and there are few low-cost alternatives to well-funded schools. **More funding is needed for teacher preparation and retention.** Salary differentials redistributed the educator workforce and addressed some needs, but did not solve the teacher shortage. Research indicates that given all factors under the school's control, teachers have the greatest impact on student learning and achievement. Increased funding can address teacher recruitment, preparation, and attrition.

**Adequate funding of public education is an equity issue, as Native Hawaiian and Filipino students make up the largest groups of students in our public education.** These groups are among those who are the most underrepresented in higher education. **Students from the neighbor islands and rural areas of our State are often overlooked and do not have access to the same resources as those in Honolulu.** Increased funding can assure that all students have an opportunity to succeed in school and life.

**HB2147 can support local students as they transition to college.** This school year, the University of Hawai'i lost nearly \$90 million due to the Trump administration's termination or suspension of grants and other assistance. Students from low income and underrepresented groups need support to attend and graduate from the University of Hawai'i. HB2147 can support these efforts.

I urge your action to significantly increase educational funding at a time when Hawai'i's families need your support. **Most children in Hawai'i attend public schools. Please invest in them and our shared future and support HB 2147.**

Aloha,



Lois A. Yamauchi, PhD  
Professor of Education and Mānoa resident

Testimony to House Committee on Judiciary and Hawaiian Affairs  
in Support of HB2147

Representative David Tarnas, Chair  
Representative Mahina Poepoe, Vice Chair  
February 18, 2026

My name is Jonathan Y. Okamura, and I am Professor Emeritus in ethnic studies at the University of Hawai‘i at Mānoa. I have conducted research and written on educational inequality and more generally on ethnic inequality in Hawai‘i for almost forty years. Most recently, I co-wrote a research brief on “The Chronic Underfunding of Hawaii’s Public Schools” (<https://hawaiischolars.weebly.com/research-briefs.html>) with my colleagues in Hawai‘i Scholars for Education, Social Justice and Diversity, which is cited in the text of HB2147.

As our brief argues, the primary problem facing the K-12 public schools is their long-term underfunding, which is the main reason why I express my full support of HB 2147. The bill provides a viable means to raise critically needed funds for the public school system without adding to the tax burden of the overwhelming majority of Hawai‘i residents.

As currently written, the provisions in HB2147 would not apply to the vast majority of Hawai‘i homeowners because only residential investment property valued at \$3 million or higher will be affected. Even if someone’s home is valued at \$3 million or more, the bill’s provisions still will not apply if it is the homeowner’s primary residence. The great majority of homeowners will not have to pay the surcharge on their real property tax because the median sales price of a single-family home in Hawai‘i is \$1,128,000, according to a January 2026 Locations report.

Funds are badly needed for the public schools to alleviate the chronic shortage of qualified teachers. For several decades, the schools have been opening each year in need of several hundred teachers, even after actively recruiting teachers from the continental U.S. and hiring emergency hire “teachers.” They are unqualified to be teachers because they lack a state-issued license to teach in Hawai‘i but are allowed in the classroom because of the teacher deficit.

For the 2022-2023 school year, the last year for which data are available, according to the DOE Office of Talent Management, almost one-half (47%) of about 1,600 newly hired teachers had only a bachelor’s degree, a proportion very comparable to that in the previous four years. Most of these unlicensed teachers also had no prior teaching experience, and they can continue to teach for three years until they complete a state-approved teacher education program.

This practice of the DOE is highly objectionable because Native Hawaiians and Filipino Americans, who are the largest groups in the public schools, and other ethnic minorities, together constitute about 70 percent of public school students. They are being denied equal educational opportunity by the hiring of unqualified teachers that directly results from underfunding K-12 public education. It is no accident that those groups are hugely underrepresented at UH Mānoa.

I kindly request your support of HB2147 because by providing a feasible way to generate greatly needed funds for the public schools, it will foster equal educational opportunity in Hawai‘i, especially for Native Hawaiians. Thank you for your attention to this request.

**HB-2147-HD-1**

Submitted on: 2/17/2026 11:58:17 AM

Testimony for JHA on 2/18/2026 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Younghee Overly	Individual	Support	Written Testimony Only

Comments:

Thank you for hearing HB2147 HD1.

TESTIMONY TO THE HAWAII HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

**Item:** HB 2147 – Proposing amendments to Articles VIII and X of the Constitution of the State of Hawai'i to authorize the legislature to establish a surcharge on residential investment property to increase funding for public education.

**Position:** Support

**Hearing:** Wednesday, February 18, 2026, 2:00 pm, Conference Room 325

**Submitter:** E. Brook Chapman de Sousa, PhD

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

I am in **strong support** of HB 2147. I am a former Hawai'i Department of Education (HiDOE) teacher and have served as a field supervisor for pre-service teachers placed at HiDOE schools throughout O'ahu for the past ten years. Throughout this time, I have observed how the underfunding of public education in Hawai'i is hindering the tremendous work of teachers and administrators in the State. This measure is a vital step toward addressing this issue.

Our public schools need repairs and increased resources from a consistent funding source. Funding matters in education and studies have shown that it raises student achievement and performance, increasing graduation rates and college-going rates, opening up more opportunities for students and higher incomes in adulthood. Increased funding can also help address the teacher shortage by improving salaries. Increased resources could provide schools with more teachers in critical areas such as special education and school counseling.

Thank you,

E.Brook Chapman de Sousa

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**HB-2147-HD-1**

Submitted on: 2/18/2026 12:37:11 PM

Testimony for JHA on 2/18/2026 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Linda Howe	Individual	Oppose	Written Testimony Only

Comments:

No, no, no. Do NOT let the State get their greedy hands on our counties' property tax authority.

You think it is for a 'good cause' but the leadership will simply divert an equal amount 'raised' by this ill-concieved notion away from the DOE's budget.

Be warned: don't let this happen, particularly with an un-indexed-for-inflation threshold of \$3 Million dollars....look at what happened to the \$1 Million dollar threshold valuation for C&C HNL's Residential A tax rate...in 2016, that seemed a high-enough threshold but, woe is us local landlord property taxpayers, now that the median SF home value is at \$1.2 Million and climbing. Even the City's recently passed relief bill only raised the threshold to \$1.3M.

This is a bad idea.