

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

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA
P.O. BOX 621
HONOLULU, HAWAII 96809

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CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
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ENFORCEMENT
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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**

**Thursday, April 2, 2026
2:00 PM
State Capitol, Conference Room 308**

**In consideration of
SENATE BILL 3028, SENATE DRAFT 2, HOUSE DRAFT 1
RELATING TO PROPERTY CONVEYANCE**

Senate Bill 3028, Senate Draft 2, House Draft 1 proposes restructuring the conveyance tax (CTX) rate system and revising the annual allocations of the collected revenue, including a new allocation to the Special Land and Development Fund (SLDF) for land acquisition for trails under the Hawai'i Statewide Trail and Access program, also known as Na Ala Hele. **The Department of Land and Natural Resources (Department) supports this measure and recommends specific allocations of conveyance tax revenue for the Land Conservation Fund (LCF) and the SLDF.**

The Department recognizes the importance of increasing funding for the rental housing revolving fund, Hawaiian home lands, and the dwelling unit revolving fund, while emphasizing that the LCF and Na Ala Hele provide valuable complementary benefits. Boosting funding for land conservation and Na Ala Hele will strengthen our State's long-term investments in natural capital and help fulfill our constitutional public trust obligations to conserve and protect Hawai'i's natural beauty and resources, maintain public access, and support the exercise of Native Hawaiian customary and traditional rights. We propose the following amendments to the bill to align with the allocations in House Bill 2049, House Draft 3, Senate Draft 1 on page 19, lines 6-9, and page 20, lines 1-4:

- (1) Ten per cent or \$10,000,000, whichever is less, shall be paid into the land conservation fund established pursuant to section 173A-5;
- (5) Fifteen per cent or \$15,000,000, whichever is less, shall be paid into the special land and development fund established pursuant to section 171-19 for land acquisition and development of community access pursuant to sections 198D-2 and 198D-5."

Allocating \$15 million annually for Na Ala Hele would (1) accelerate the implementation of \$50 million worth of high-priority trail and access projects and help restore and maintain existing trails to sustainable standards, and (2) support land acquisition efforts that can be supplemented with other resources such as the LCF, existing appropriations, and various grants and donations. This approach aims to improve trail and access expansion for both residents and visitors.

The LCF is experiencing its lowest purchasing power ever as real estate prices hit new highs. Increasing the LCF's annual CTX revenue cap from \$5.1 million to \$10 million would strengthen the land acquisition program. The current goal for effective State-funded land acquisition is \$10 million annually. Setting the CTX revenue cap at \$10 million would ensure sufficient funding for land conservation efforts.

Mahalo for the opportunity to testify on this measure.

SB-3028-HD-1

Submitted on: 4/1/2026 5:18:41 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jill Paea	Dhhl	Support	Written Testimony Only

Comments:

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

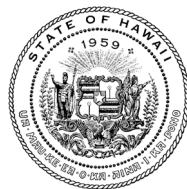
I am writing to express my strong support for SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Jill Paea

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

HONOLULU, HAWAII 'I 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

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

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 3028, S.D.2, H.D.1, Relating to Property Conveyance

BEFORE THE:

House Committee on Finance

DATE: Thursday, April 2, 2026

TIME: 2:00 p.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 S.B. 3028, S.D.2, H.D.1, for your consideration.

Part II, section 5 of S.B. 3028, S.D.2, H.D.1, amends section 247-2(a), Hawaii Revised Statutes (HRS), to restructure the conveyance tax to a marginal rate system. The measure retains the currently existing property value brackets but amends the applicable tax rates to unspecified amounts.

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.

S.B. 3028, S.D.2, H.D.1, amends the rate categories to include: (1) the sale of a residential dwelling unit for which the purchaser is eligible for a county homeowner's exemption from property tax; (2) the sale of a residential dwelling unit for which the purchaser is ineligible for a county homeowner's exemption from property tax; and (3) the sale of any property with no residential dwelling unit. The second category also applies to any property that has been used for transient accommodations for any period during the two years prior to the conveyance, regardless of whether the purchaser is eligible for a county homeowner's exemption from property tax.

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), 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 5 of S.B. 3028, S.D.2, H.D.1, 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 COLA adjustment is to account for inflationary increases in residential property values over time.

Additionally, section 5 of the bill amends section 247-2, HRS, to add subsection (c) which caps the total conveyance tax at 4% of the actual and full consideration of the property for purchasers who are eligible for a county homeowner’s exemption from property tax, and 6% for purchasers who are not eligible for a county homeowner’s exemption from property tax. For multifamily residential property, these caps apply on a per-unit basis determined by dividing the actual and full consideration by the number of residential dwelling units in the property.

Section 6 of the bill amends section 247-7, HRS, by amending the percent and minimum distribution amounts for the two special funds currently receiving conveyance tax revenues to an unspecified amount, and adds three special funds to receive an unspecified percent or amount of conveyance tax allocations: (1) the new “Hawaiian home lands infrastructure and housing special fund, (2) the “dwelling unit revolving fund” (to fund infrastructure programs in areas that meet transit-supportive density requirements), and (3) the “special land and development fund” (for land acquisition for trails pursuant to section 198D-2, HRS).

Part II, sections 2, 3, and 4 of S.B. 3028, S.D.2, H.D.1 update several of the listed special funds so that the required conveyance tax deposits and allowed uses of those funds match the purpose of the bill.

Part III, section 7 of the bill amends chapter 26, HRS, by adding a new section to

create the “Hawaiian home lands infrastructure and housing special fund,” to be administered by the Department of Hawaiian Home Lands (DHHL). This special fund is to be used by DHHL for multi-planning, procurement, and sequencing of infrastructure and housing to deliver homes to beneficiaries of the Hawaiian home lands program, and to leverage additional public and private capital for this purpose.

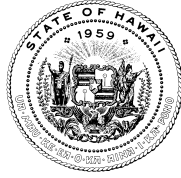
The measure has a defective effective date of July 1, 3000.

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
Hawaii*

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



KALI WATSON
CHAIRPERSON, HHC
Ka Luna Ho'okele

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

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

P. O. BOX 1879
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TESTIMONY OF KALI WATSON, CHAIR
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON FINANCE
ON APRIL 2, 2026 AT 2:00PM IN CR 308

SB3028, SD2, HD1, RELATING TO PROPERTY CONVEYANCE

April 2, 2026

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

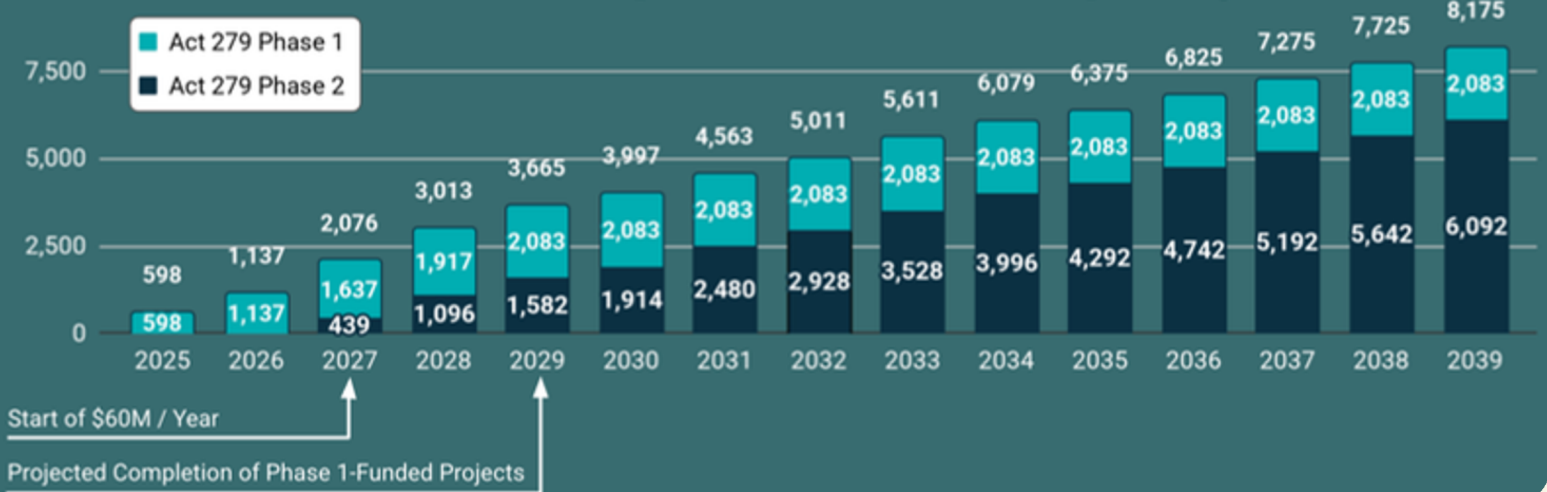
The Department of Hawaiian Home Lands (DHHL) **strongly supports** this bill which 1) restructures the conveyance tax to a marginal rate system for the sale of properties with residential use, 2) adjusts the tax for multifamily properties to reflect value on a per-unit basis, and applies a cost-of-living adjustment to conveyance tax rates, 3) allocates a portion of conveyance tax collections to the Dwelling Unit Revolving Fund, Hawaiian Home Lands Infrastructure and Housing Special Fund, and Special Land and Development Fund and 4) establishes and appropriates funds out of the Hawaiian Home Lands Infrastructure and Housing Special Fund.

This bill would allocate thirty per cent or \$60,000,000, whichever is less, of the taxes collected each fiscal year under chapter 247, HRS, which shall be paid into the Hawaiian Home Lands Infrastructure and Housing Special Fund established pursuant to this measure. At this rate, DHHL would be able to complete all twenty-eight (28) projects pursuant to Act 279, Session Laws of Hawaii 2022, within 10-12 years (see attachment). This bill would provide predictable funding for multi-year planning and infrastructure while also leveraging additional public and private capital for beneficiary housing.

Thank you for your consideration of our testimony.

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

DHHL Site Development Lots Developed by Year



Phase 1: Infrastructure Development (2029 Completion)

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

Housing Construction & Financial Model

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

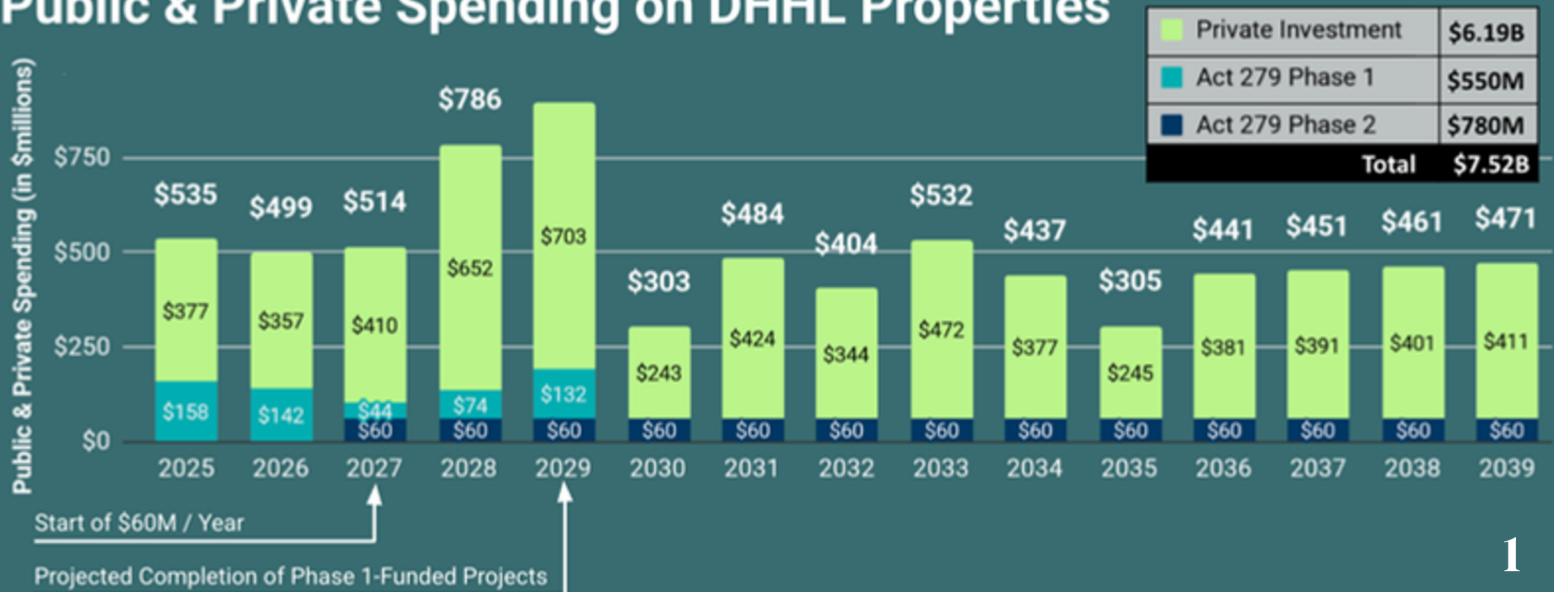
- **Average Vertical Construction Cost:** \$630,000* per unit
- **Total Projected Private Development Cost:** \$6.19 billion

Phase 2: Portfolio Completion (FY 2039 Projection)

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

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

Public & Private Spending on DHHL Properties



Exploring Financing Strategies

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

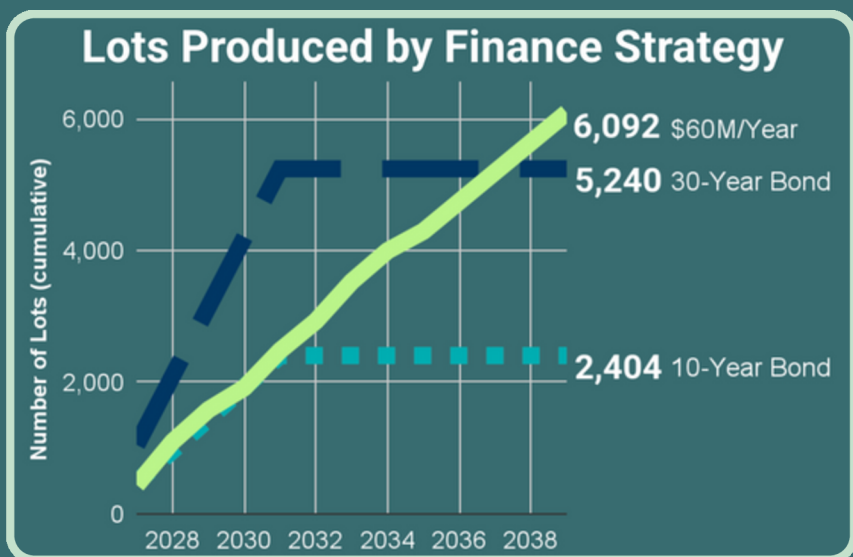
Recently, DHHL considered using annual state funding as a dedicated source for debt-service payments. This would provide a significant influx of funds for construction activities.

Analysis of Bonding and Debt Financing

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

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

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



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

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

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



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

Thursday, April 2, 2026
2:00PM Conference Room 308

RE: SB3028 SD2 HD1 Conveyance Tax Infrastructure Funding - Support

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

On behalf of the Chamber of Sustainable Commerce, a statewide network of over 600 local businesses, entrepreneurs, creatives, and sole proprietors committed to a triple bottom line—people, planet, and prosperity—we write in strong support of SB3028 SD2 HD1.

Hawai'i is at a critical juncture. As funding gaps grow, we must design revenue systems that are fair, functional, and aligned with community needs. This bill does that.

First, it reduces inequities, avoids cliff effects, and better aligns tax responsibility with ability to pay. Second, adjusting the tax for multifamily housing on a per-unit basis is essential. It removes barriers to building the housing our communities and small businesses need and supports more balanced, scalable development. Third, we strongly support the bill's dedicated funding for the Department of Hawaiian Home Lands. Establishing a reliable funding stream for infrastructure and housing is critical to reducing waitlists and fulfilling long-standing obligations to Native Hawaiian beneficiaries.

Finally, we appreciate directing revenues into housing, infrastructure, and land stewardship. This reflects a more regenerative economic approach—one that reinvests in the systems that allow communities and local businesses to thrive.

For these reasons, the Chamber respectfully encourages the Committee to support this bill. Mahalo.

Hawaii Legislative Council Members

Joell Edwards
Wainiha Country Market
Hanalei

Russell Ruderman
Island Naturals
Hilo/Kona

Dr. Andrew Johnson
Niko Niko Family Dentistry
Honolulu

Robert H. Pahia
Hawaii Taro Farm
Wailuku

Maile Meyer
Honolulu

Tina Wildberger
Kihei Ice
Kihei

L. Malu Shizue Miki
Abundant Life Natural Foods
Hilo

Chamber of
Sustainable Commerce
808.445.7606
P.O. Box 22394
Honolulu, HI 96823



**Testimony to the House Committee on Finance
Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair**

**Thursday, April 2, 2026, at 2:00PM
Conference Room 308 & Videoconference**

RE: SB3028 SD2 HD1 Relating to Property Conveyance

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

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber offers comments on Senate Bill 3028 Senate Draft 2 House Draft 1 (SB3028 SD2 HD1), which restructures the conveyance tax to a marginal rate system for the sale of properties with residential use, adjusts the tax for multifamily properties to reflect value on a per-unit basis, and applies a cost-of-living adjustment to conveyance tax rates. Allocates a portion of conveyance tax collections to the Dwelling Unit Revolving Fund, Hawaiian Home Lands Infrastructure and Housing Special Fund, and Special Land and Development Fund. Establishes and appropriates funds out of the Hawaiian Home Lands Infrastructure and Housing Special Fund.

In previous versions of the bill proposed tax increases that could place additional pressure on Hawaii's housing market. In a state where housing supply is already constrained, even further elevating costs tied to property ownership and sale will get passed along—raising home prices and rents for residents. This exacerbates concerns around cost of living and cost of doing business in Hawaii. Especially with unspecified tax rates in the current bill language, it is difficult to capture and understand the impact this might have on the business community and their ability to buy and sell property.

Furthermore, it is difficult to determine the effect this will have on the continued outmigration of Hawaii's workforce. At a time when homeownership feels increasingly out of reach for many residents, advancing a bill that risks increasing housing costs is concerning. Outward migration creates long-term economic uncertainty by undermining the stability of our communities and workforce. The Chamber urges the Legislature to consider these impacts and avoid policy that could further strain housing affordability in Hawai'i.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.



Chamber *of* Commerce HAWAII



Mahalo for the opportunity to offer comments on Senate Bill 3028 Senate Draft 2 House Draft 1.



HIPHI Board

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John A. Burns School of Medicine,
Department of Pediatrics

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Hawai'i Health Partners

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Joyce Lee-Ibarra, MS
JLI Consulting

Misty Pacheco, DrPH
University of Hawai'i at Hilo

Dina Shek, JD
Medical-Legal Partnership
For Children in Hawai'i

JoAnn Tsark, MPH
John A. Burns School of Medicine, Native
Hawaiian Research Office

Danette Wong Tomiyasu, MBA
Retired, Hawai'i State Department of
Health

HIPHI Initiatives

Coalition for a
Tobacco-Free Hawai'i

Community-Based Research &
Evaluation

Community Health
Worker Initiatives

Environmental Health

Hawai'i Climate Change and Health
Working Group

Hawai'i Drug & Alcohol-Free Coalitions

Hawai'i Immunization Coalition

Hawai'i Oral Health Coalition

Hawai'i Public Health Training Hui

Healthy Eating + Active Living

Kūpuna Collective/Healthy Aging &
Community Living

Public Health Workforce Development

Date: March 31, 2026

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

Re: Support for SB 3028 SD2 HD1, Relating to Property Conveyance

Hrg: April 2, 2026 at 2:00 PM in Conference Room 308

Hawai'i Public Health Institute (HIPHI)¹ **supports SB 3028 SD2 HD1**, relating to housing, which restructures the conveyance tax to a marginal rate system for the sale of properties with residential use, adjusts the tax for multifamily properties to reflect value on a per-unit basis, and applies a cost-of-living adjustment to conveyance tax rates to generate 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. 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 representing

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.



only 20% of the population.⁵ 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.⁶ 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.⁷ This proposal modernizes the conveyance tax system by restructuring it 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". The signature is written in a cursive, flowing style.

Kris Coffield
Policy and Advocacy Associate

⁵ [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.

⁶ [Fixing the Backlog of Native Hawaiians Waiting for Homesteads](#), Hawai'i Business Magazine, 2019.

⁷ [Preserving Hawai'i](#), Hawai'i Appleseed, February 2024.

April 2, 2026, 2 p.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 SB3028 SD2 HD1 — RELATING TO HOUSING

Aloha Chair, Vice Chair and other Committee Members,

The Grassroot Institute of Hawaii **opposes** [SB3028 SD2 HD1](#), which would modify the structure of the conveyance tax as it applies to residential properties.

The stated intent of the bill is to increase tax revenues in order to fund certain projects, but the HD1 draft of the bill does not contain specific tax rates or value thresholds. The previous draft would have attempted to achieve this goal by imposing a sizable tax hike on high-value residential properties.

Grassroot appreciates and generally supports the change to a marginal tax rate. This bill also 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, we are concerned that the proposed tax hikes could harm the economy, negatively affect Hawaii's housing market and reduce the amount of tax revenues the state and counties collect.

For example, a property sold for \$2.5 million to a buyer eligible for a county property tax home exemption would face a tax bill of \$12,500 under the current conveyance tax system. Under a similar bill, HB2049 HD3 SD1, that buyer would pay \$26,750 — more than double the current tax bill.

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

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

Additionally, 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 that might not 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

Furthermore, language in this bill could make it more difficult to convert short-term rentals into owner-occupied housing. Section 3 of the bill states that “any conveyance of property that is used for transient accommodations, as defined in section 237D-1, for any period during the two years before 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.”

It is also important to note that this measure could actually wind up reducing the amount of tax revenues the states and counties collect because higher conveyance taxes have been shown to reduce sales prices,⁴ which could in turn affect capital gains tax collections and property tax assessments.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

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.

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.

⁴ Mathias Dolls, Clemens Fuest and Carla Krolage et al., [“Who bears the burden of real estate transfer taxes? Evidence from the German housing market,”](#) Journal of Urban Economics, Vol. 145, January 2025; and Gilles Duranton, Lu Han and Matthew A. Turner, [“The Negative Impact of a Massachusetts Real Estate Transfer Tax on Fiscal Revenue and Household Mobility,”](#) Research supported by the Massachusetts Community Alliance, June 17, 2024.

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: CONVEYANCE, Restructure and Hike

BILL NUMBER: SB 3028 HD1

INTRODUCED BY: HSG

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 a portion of conveyance tax collections to the Dwelling Unit Revolving Fund, Hawaiian Home Lands Infrastructure and Housing Special Fund, and Special Land and Development Fund. Establishes and appropriates funds out of the Hawaiian Home Lands Infrastructure and Housing Special Fund. Effective 7/1/3000. (HD1)

SYNOPSIS: Amends section 171-19, HRS, relating to the special land and development fund, allowing it to receive money from a conveyance tax earmark and explicitly allowing it to acquire land.

Amends section 198D-2, HRS, relating to the statewide trail and access program, allowing it to receive money from a conveyance tax earmark and explicitly allowing it to acquire land.

Amends sec 201H-191, HRS, relating to the dwelling unit revolving fund, to allow for a deposit of conveyance taxes, to fund infrastructure programs in areas that meet “transit supportive density” requirements.

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 _____ cents 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: \$ _____ plus \$ _____ per \$100 of excess over \$10,000,000.

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: \$4 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 or greater: \$ _____ plus \$ _____ per \$100 of excess over \$10,000,000.

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, stating that for taxable years beginning after December 31, 2026, the director of taxation shall recompute the rates in subparagraph (a) by the cost-of-living adjustment factor, as defined in this added section.

Amends section 247-7, HRS, to replace the existing earmarks on the conveyance tax with blanks, and adds earmarks for a new Hawaiian home lands infrastructure and housing special fund, the dwelling unit revolving fund (HRS section 201H-191), and the special land and development fund (HRS section 171-19).

Adds a new section to chapter 26, HRS, establishing the Hawaiian Home Lands Infrastructure and Housing Special Fund.

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 restructures the conveyance tax brackets more like the existing income tax brackets which do not have this problem.

Blank Conveyance Tax Rates

This bill proposes to presumably raise conveyance tax rates although the magnitude cannot be determined in as the measure contains only blanks.

The bill includes unspecified tax brackets and rates. The bill cannot be scored for revenue gain/loss in its current form and cannot be vetted properly unless numbers are inserted.

We note that the Rules of the House and of the Senate specify that proceedings are to follow Mason's Manual of Legislative Procedure published by the National Conference of State Legislatures. Mason's Manual specifies, in section 416-8 of its 2020 edition, that "When proposals containing blanks are introduced, these must be filled before other motions to amend are entertained."

To the extent that a tax increase is being considered, a tax increase of any magnitude in Hawaii's fragile economy will, no doubt, have a negative impact as costs soar due to higher taxes. As costs and overhead increase, employers must find ways to stay in business by either increasing prices to their customers or cut back on costs. This may take the form of reducing inventory, shortening business hours, reducing employee hours, or even laying off workers. A tax increase of any magnitude would send many companies, especially smaller ones, out of business taking with them the jobs the community so desperately needs at this time.

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.

Raising the cap on existing earmarked revenues, and adding new earmarks, 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: 3/31/2026

**Testimony in Support of Senate Bill 3028, House Draft 1
Relating to Property Conveyance**

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

My name is Richard Pezzulo, and I submit this testimony on behalf of Hi'ipaka LLC in strong support of Senate Bill 3028, House Draft 1.

Hi'ipaka LLC manages Waimea Valley, a place of deep cultural, historical, and ecological significance that serves hundreds of thousands of residents and visitors each year. Our work is grounded in the stewardship and protection of 'āina, as well as ensuring safe and meaningful access to these resources for the broader community.

The Land Conservation Fund and related programs supported through conveyance tax revenues are critical tools that enable organizations like ours to mālama and protect Hawai'i's most valued landscapes. These funds directly support land acquisition, preservation, and public access, all of which are essential to sustaining Hawai'i's natural and cultural heritage for future generations.

We also wish to acknowledge that Hi'ipaka LLC has received support through these types of funding mechanisms in the past. That support has been instrumental in advancing our stewardship efforts, maintaining critical infrastructure, and ensuring continued access to Waimea Valley for the community. Continued and strengthened investment in these programs will allow us and other organizations across the state to build on this important work.

For these reasons, we respectfully urge the Committee to pass Senate Bill 3028, House Draft 1.

Mahalo for the opportunity to provide testimony.

Sincerely,
Richard Pezzulo, Executive Director
Hi'ipaka LLC



April 1, 2026

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

RE: **SB 3028 SD2 - Relating to Conveyance Tax**
Hearing date – April 2, 2026 at 2:00PM

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

Thank you for allowing NAIOP Hawaii to submit testimony in **OPPOSITION to SB 3028 SD2– 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.

SB 3028 SD2 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.

NAIOP Hawaii recognizes and appreciates the Legislature’s intent to generate funding for housing and infrastructure needs. 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.

SB 3028 SD2 materially increases transaction costs for investment real estate. Large commercial properties including office, industrial, retail, hospitality, and mixed-use assets already face significant upfront acquisition and redevelopment costs. Increasing conveyance tax rates directly reduces the capital available for tenant improvements, building upgrades, sustainability investments, and adaptive reuse. In many cases, these increased transaction costs will render otherwise viable transactions economically infeasible.

This reduction in transaction activity will likely have the opposite effect of what is intended—leading to fewer property transfers, less redevelopment activity, fewer construction jobs, lower general excise tax revenues, and potentially even **less overall conveyance tax revenue** collected by the State.

SB 3028 SD2 also disproportionately impacts high-value residential and multifamily housing projects. By imposing sharply higher marginal rates at the upper tiers and calculating multifamily conveyance tax based on per-unit value, the bill penalizes projects that are often best positioned to produce new housing supply. These projects already contribute disproportionately to State and County revenues through property taxes, construction-related GET revenues, and employment. Singling them out for steep conveyance tax increases risks discouraging investment in housing production rather than encouraging it.

The COLA indexing mechanism adds complexity and uncertainty. Primarily, the language remains unclear as to whether the language for the COLA applies to the tiers or the actual rates applied for each tier. This lack of clarity is concerning which could materially alter the impact of the legislation. While indexing may reduce “bracket creep” in inflationary environments, SB 3028 SD2’s COLA provision introduces ambiguity regarding how thresholds will be adjusted and increases unpredictability for long-term investment underwriting. Real estate development and acquisition require multi-year planning horizons. Automatic statutory adjustments without legislative review increase uncertainty and risk, which must be priced into projects and ultimately borne by tenants and homebuyers.

Increased conveyance tax burdens will be passed through to tenants and consumers. Although conveyance tax is paid at the time of transfer, higher transaction costs are capitalized into rents and sales prices. SB 3028 SD2 will therefore increase costs for small businesses leasing commercial space and for residents in multifamily housing, exacerbating Hawai‘i’s already high cost of living and cost of doing business.

NAIOP Hawaii understands and supports the goal of funding housing and infrastructure programs. However, if the conveyance tax is to be transformed into a significant revenue-generating tax, then revenues should be allocated in a manner that supports **housing production broadly**, including the Rental Housing Revolving Fund and Dwelling Unit Revolving Fund programs that serve projects based on readiness and feasibility rather than through narrowly restricted funding categories.

Hawai‘i is already among the least business-friendly states in the nation. Increasing transaction taxes on real estate will further discourage private investment at a

time when the State urgently needs new housing, redevelopment, and job creation. For these reasons, NAIOP Hawaii respectfully recommends that **SB 3028 SD2 HD1 be deferred.**

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read "Ken Hayashida". The signature is fluid and cursive, with the first name "Ken" and last name "Hayashida" clearly distinguishable.

Ken Hayashida, President
NAIOP Hawaii

Hawai'i Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.

To: House Committee on Finance
 Re: **SB3028 SD2 HD1 – Relating to Property Conveyance**
 Hawai'i State Capitol & Via Videoconference
 April 2, 2026, 2:00 PM

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 SB3028 SD2 HD1**. This bill restructures the conveyance tax to a marginal rate system, adjusts the tax for multifamily properties, and applies a cost-of-living adjustment to its rates. It also allocates a portion of conveyance tax collections to the Dwelling Unit Revolving Fund, Hawaiian Home Lands Infrastructure and Housing Special Fund (HHLIHSF), and Special Land and Development Fund, and it establishes and appropriates funds out of the HHLIHSF.

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	SB3028 Tax	Difference	Current Tax	SB3028 Tax	Difference
\$1,000,000	\$3,000	\$2,000	-\$1,000	\$4,000	\$2,500	-\$1,500
\$5,000,000	\$35,000	\$37,000	+\$2,000	\$42,500	\$74,000	+\$31,500
\$10,000,000	\$100,000	\$119,000	+\$19,000	\$125,000	\$229,000	+\$104,000
\$25,000,000	\$250,000	\$569,000	+\$319,000	\$312,500	\$8441,000	+\$531,500

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 HHLIHSF.

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

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

Sincerely,

Nicole Woo
 Director of Research and Economic Policy

**Testimony of The Nature Conservancy
Commenting on SB3028 SD2 HD1, Relating to Property Conveyance
Committee on Finance
April 2, 2026 at 2:00 pm
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 SB3028 SD2 HD1, which restructures the conveyance tax to a marginal rate system for the sale of properties with residential use, adjusts the tax for multifamily properties to reflect value on a per-unit basis, and applies a cost-of-living adjustment to conveyance tax rates, allocates a portion of conveyance tax collections to the Dwelling Unit Revolving Fund, Hawaiian Home Lands Infrastructure and Housing Special Fund, and Special Land and Development Fund, and establishes and appropriates funds out of the Hawaiian Home Lands Infrastructure and Housing Special Fund.

The land conservation fund (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.

Recent CTX collections have ranged widely, from \$61.1 million to \$188.4 million annually in the last six fiscal years, demonstrating both the importance and the variability of this revenue source. Given this range, a higher cap on the LCF would provide more stable, reliable conservation funding that enables Hawai'i to meet its growing land protection and climate resilience needs. TNC therefore supports an approach that increases the LCF cap to ensure consistent investment in conserving the natural and cultural resources that sustain our communities.

Mahalo for the opportunity to comment on SB3028 SD2 HD1.

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

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

April 2, 2026

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

RE: SUPPORT for SB 3028 SD2 HD1 - RELATING TO PROPERTY CONVEYANCE

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

On behalf of Hawai'i YIMBY, we are writing in **support of SB 3028**.

Lack of infrastructure remains a barrier to housing development across the state. By allocating a portion of conveyance tax revenues, particularly from higher-value and non-owner-occupied property transactions, 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. The bill's adjustment to calculate conveyance tax on a per-unit basis for multifamily housing helps ensure that these projects are not disproportionately burdened due to their total value. This change supports the financial feasibility of larger-scale housing developments, which are essential to increasing overall housing supply.

SB 3028 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. DHHL currently has over 29,000 applicants on its waiting list statewide as of June 2024, underscoring the scale of unmet housing need among Native Hawaiians.

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



Hawai'i YIMBY
Honolulu, HI 96814
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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.

Sincerely,

Damien Waikoloa
Chapter Lead, Hawai'i YIMBY

Edgardo Díaz Vega
Chapter Lead, Hawai'i YIMBY

Huey Kwik
Chapter Lead, Hawai'i YIMBY





HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
Support for SB3028 SD2 HD1 – Relating to Property Conveyance
House Committee on Finance
Thursday, April 2, 2026 at 2:00PM 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 SB3028 SD2 HD1**, which would modernize Hawaii's conveyance tax structure, reduce the tax burden on the average resident homeowner, increase the burden of conveyance tax on investment owners, and create a dedicated 20% allocation to the Dwelling Unit Revolving Fund (DURF) and a 30% allocation for the Department of Hawaiian Home Lands (DHHL).

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

HB3028 SD2 HD1 recognizes that real estate transactions in Hawaii's high-cost market should contribute more equitably and aims to rectify this issue by:

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

Infrastructure Needs around TOD

The Dwelling Unit Revolving Fund (DURF), established in 1970, supports infrastructure



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CENTER FOR LAW & ECONOMIC JUSTICE

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Thursday, April 2, 2026 at 2:00PM 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 SB3028 SD2 HD1 – Relating to Property Conveyance
House Committee on Finance
Thursday, April 2, 2026 at 2:00PM 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. SB3028 SD2 HD1 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.

If the rate structures were to reflect the ones this committee set like in HB2049 HD3 it would max out the special funds and increase revenue to the general fund. **SB3028 SD2 HD1**

Estimated Revenue Allocation (Millions):

	FY2027	FY2028	FY2029	FY2030	FY2031
DHHL Special Fund	\$60.0M	\$60.0M	\$60.0M	\$60.0M	\$60.0M
RHRF	\$40.0M	\$40.0M	\$40.0M	\$40.0M	\$40.0M
DURF	\$40.0M	\$40.0M	\$40.0M	\$40.0M	\$40.0M
LUCF	\$10.0M	\$10.0M	\$10.0M	\$10.0M	\$10.0M
General Fund	\$120.8M	\$128.3M	\$136.3M	\$144.4M	\$152.6M
Total	\$270.8M	\$278.6M	\$268.3M	\$294.4M	\$302.6M

Mahalo for your time and consideration.

⁸ [Hawaii Budget Primer FY2025-26](#)

April 2, 2026

The Honorable Chris Todd, Chair

House Committee on Finance

State Capitol, Conference Room 308 & Videoconference

RE: Senate Bill 3028, SD2, HD1, Relating to Property Conveyance

HEARING: Thursday, April 2, 2026, at 2:00 p.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** Senate Bill 3028, SD2, HD1, which restructures the conveyance tax to a marginal rate system for the sale of properties with residential use, adjusts the tax for multifamily properties to reflect value on a per-unit basis, and applies a cost-of-living adjustment to conveyance tax rates. Allocates a portion of conveyance tax collections to the Dwelling Unit Revolving Fund, Hawaiian Home Lands Infrastructure and Housing Special Fund, and Special Land and Development Fund. Establishes and appropriates funds out of the Hawaiian Home Lands Infrastructure and Housing Special Fund. Effective 7/1/3000.

HAR believes that the conveyance tax structure could benefit from reform and appreciates the Legislature's willingness to consider such changes. However, we have concerns with the measure. While the current rates in the measure remain unspecified, if they are based on the original version of the measure, the increases would impact residential properties valued above \$2 million. Additionally, under this measure the conveyance tax rates would increase to as much as 4% of the sales price for purchasers eligible for a county homeowner's exemption, and up to 6% of the sales price for those who are ineligible for the exemption.

Given Hawaii's current housing market, where median home prices have steadily risen, as well as the State's need to increase housing supply, the \$2 million threshold may capture a broader segment of Hawaii residents, including multigenerational households. Adjusting the threshold to a higher amount would help mitigate these impacts on Hawaii homeowners.

HAR also has concerns regarding the creation of special funds in perpetuity 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. Historically, the Conveyance Tax was not intended to serve as a primary revenue-generating mechanism, but rather to cover administrative costs associated with determining the market value of transferred properties. 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.

Moreover, the challenge with linking funding to the Conveyance Tax is that when the real estate market is down, such as what the market is experiencing over the last couple years, there may not be enough funds to pay for the programs it supports. The Conveyance Tax is then often targeted for an increase to cover these programs. However, when the market is up, there are excess funds over and above the programs' needs. This becomes a cyclical issue, and the Conveyance Tax is never lowered, even in an up market, thereby contributing to the ever-increasing cost of housing in our state.

The Conveyance Tax, as it stands today, applies not only to residential property such as single-family homes and condominiums, but also to the conveyance of multi-family rentals, land for residential subdivisions, mixed-income and mixed-use properties, and commercial, resort, and agricultural lands. However, residential properties are the only property type subject to the highest increase under the newly restructured rates. We are concerned that this may disproportionately shift the tax burden to Hawaii homeowners. These rates would also impact housing development, including affordable housing projects where uninhabitable residential properties are turned into much needed housing. We respectfully suggest further consideration to ensure that the categorization and rate structure are balanced and that all property types are treated equitably. We are concerned that Hawaii's homeowners are disproportionately shouldering the burden of increasing revenue for the state and respectfully ask the Legislature to consider other options.

We also have concerns regarding how certain property types may be classified under this revised structure. For example, agricultural lands that include farm dwellings, such as for employee housing, as well as mixed-use commercial properties that also have a residential unit, would be categorized as having a "residential dwelling unit." This classification would subject these properties to significantly higher Conveyance Tax rates compared to similarly valued properties that are strictly commercial or agricultural and contain no dwelling units.

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.



April 2, 2026

TESTIMONY OF THE ASSOCIATION OF HAWAIIAN CIVIC CLUBS
To the House Committee on Finance
In Support of

SB 3028 SD2 HD1 - RELATING TO PROPERTY CONVEYANCE

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

The Association of Hawaiian Civic Clubs submits testimony in **SUPPORT** of SB 3028 that re-structures the conveyance tax and allows a portion of conveyance tax revenues to the Department of Hawaiian Home Lands.

Since inception, Hawaiian Civic Clubs have supported the Hawaiian homestead program along with policies and measures designed to expedite delivery of homestead leases to native Hawaiian families. We consider this measure and the proposed allocation of significant revenue to the Hawaiian Home Lands trust as a necessary tool. This is an important step forward in providing a consistent revenue stream to support the homesteading program. Historically, the program was funded by a portion of revenues derived from water licenses which have all but dried up. The allocation of the conveyance tax is today's substitution for this declining revenue stream.

Founded by Prince Kūhiō in 1918, the Hawaiian Civic Club movement is the oldest Native Hawaiian community-based advocacy movement. The Association of Hawaiian Civic Clubs is a not-for-profit organization that is a confederation of 60 individual and autonomous Hawaiian Civic Clubs and 3,500 members located across Hawai'i and across the continental United States.

We appreciate your favorable consideration of this measure.

SB-3028-HD-1

Submitted on: 3/31/2026 1:45:31 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

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

Comments:

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

I am testifying in strong support of HB2049/SB3028, 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.

This bill wisely corrects this imbalance by adopting a marginal rate structure—the same fair principle used in our income tax.

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.

Patrick F. Hurney

Hope Services Hawaii



CATHOLIC CHARITIES HAWAII

SUPPORT FOR SB 3028 SD2 HD1: RELATING TO PROPERTY CONVEYANCE

TO: House Committee on Finance
FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawai'i
Hearing: Thursday, April 2, 2026; 2:00 PM; CR 308 and via Videoconference

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

I am Betty Lou Larson with Catholic Charities Hawai'i. Thank you for the opportunity to testify in **strong support of SB 3028 SD2, HD1, with amendments**. This bill restructures the conveyance tax to a marginal rate system and adjusts the tax rates. It also adds allocations to the Dwelling Unit Revolving Fund (DURF), Hawaiian Home Lands Infrastructure and Housing Special Fund, and Special Land and Development Fund.

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 tool for generating ongoing and predictable funding for the long-term needs in our state. Hawai'i's current conveyance tax is significantly lower than that in comparable high-cost areas of the US. Given the severity of our housing crisis, now is the time to overhaul this tax. **With the anticipated increase in revenues, we respectfully urge the following to effectively address homelessness and our affordable housing crisis:**

Allocate 10% of revenues to a Homeless Services Special Fund*. Homeless services are essential "infrastructure" that are critical for success. Ending homelessness requires ongoing, stable funding. With dedicated revenues, permanent supportive housing and other proven initiatives could expand to help many more individuals transition off our streets.

Allocate at least 30% of revenues to the Rental Housing Revolving Fund (RHRF). While 50% of this tax is currently allocated to the RHRF, higher revenues will allow for more needs to be addressed. However, we urge you to continue a strong priority for creating rental housing. There is ever growing demand for RHRF investments to make rental projects feasible to build. This housing is a cornerstone of homelessness prevention and is critical for enabling local families to remain in Hawai'i. We urge you to balance the dire need throughout our state for affordable rentals when you consider other State priorities.

***Urgency for a Dedicated Homeless Services Special Fund:**



The need for a 10% allocation to a Homeless Services Special Fund is especially pressing due to the uncertainty of federal funding. Hawai`i's homeless service system is now facing a very serious risk. The February 22, 2026 *HUD Impact Report* by Partners In Care, warns:

“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—now stably housed--could be immediately displaced, with ripple effects on landlords, healthcare systems, youth transition systems and disaster response infrastructure. The uncertainty of federal funding now and in the future underscores the urgent need for a reliable state revenue source for these essential programs.

A dedicated 10% share of conveyance tax revenues would provide predictable, sustainable funding to maintain proven services. It would allow the State to strategically invest in new initiatives that advance our shared goal of ending homelessness.

Catholic Charities Hawai`i strongly urges your support for this bill, along with the proposed amendments, to strengthen the State's capacity to effectively address homelessness and to create housing for those most in need.

If you have any questions, please contact Betty Lou Larson, at (808) 527-4813.

SB-3028-HD-1

Submitted on: 3/31/2026 5:41:10 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brandon Makaawaawa	Nation of Hawai'i	Support	Written Testimony Only

Comments:

TESTIMONY IN STRONG SUPPORT OF SB 3028

The Nation of Hawai'i supports SB 3028, which restructures the conveyance tax system and allocates additional resources to funds that directly benefit Native Hawaiian housing and infrastructure, particularly those serving beneficiaries of the Hawaiian Homes Commission Act.

At the foundation of SB 3028 is the State's constitutional trust obligation under Article XII, Section 5 (5f) to manage and utilize public trust resources for the betterment of Native Hawaiians. This obligation is not discretionary—it is a legal and moral duty to ensure that the promises of the Hawaiian Homes Commission Act are fully realized.

For decades, the State has fallen short of this responsibility.

The ongoing lack of consistent, dedicated funding for infrastructure and housing on Hawaiian Home Lands is one of the primary reasons that over 29,000 Native Hawaiian beneficiaries remain on the waitlist, many for generations, still waiting to return to 'āina that was set aside for their rehabilitation. This is not simply a housing issue—it is a direct reflection of the State's failure to adequately fulfill its trust obligations.

SB 3028 represents an important step toward correcting that failure.

By directing a portion of conveyance tax revenues to the Hawaiian Home Lands Infrastructure and Housing Special Fund and the Dwelling Unit Revolving Fund, SB 3028 begins to align State

fiscal policy with its constitutional and trust responsibilities. Without sustained investment in infrastructure—roads, water, sewer, and utilities—homestead lands cannot be developed, awarded, or lived on. Addressing this gap is essential to reducing the waitlist and restoring Native Hawaiians to their lands.

The transition to a marginal conveyance tax structure and the adjustment for multifamily properties on a per-unit basis establishes a more equitable and reliable funding mechanism. These changes recognize Hawai‘i’s evolving housing landscape while creating a pathway for more consistent revenue generation to support long-overdue development on Hawaiian Home Lands.

However, we must be clear: SB 3028 should be viewed as part of a broader obligation, not the full solution. The State must continue to take deliberate and sustained action to fully fund and implement the Hawaiian Homes Commission Act and eliminate the waitlist.

We further emphasize the importance of transparency, accountability, and ongoing consultation with Native Hawaiian beneficiaries and organizations to ensure that these funds are deployed effectively, equitably, and in a manner consistent with cultural values and community priorities.

The Nation of Hawai‘i supports SB 3028 because it moves the State closer to fulfilling its trust responsibilities, restoring Native Hawaiians to ‘āina, and advancing true self-determination.

We respectfully urge the Legislature to pass SB 3028 and to continue advancing policies that fully uphold the State’s obligations under the Hawaiian Homes Commission Act.

Mahalo,

Brandon Maka'awa'awa

Vice President, Nation of Hawai'i



Protect Democracy Move Forward

www.indivisiblehawaii.org

info@indivisiblehawaii.org

To: Hawai'i State House Committee on Finance
Re: Testimony in SUPPORT of SB3028 SD2 HD1

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

Indivisible Hawai'i thank you for this opportunity to testify in strong support of SB3028 SD2 HD1 which would restructure the conveyance tax to a marginal rate system and allocate a portion of conveyance tax collection to Dwelling Unit Revolving Fund, Hawaiian Home Lands Infrastructure and Housing Special Fund, and Special Land and Development Fund.

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. 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

SB3028 SD2 HD1 would also allocate a portion of conveyance tax collections to the Hawaiian Home Lands Trust Fund and also to the Dwelling Unit Revolving Fund to fund much needed development. The additional tax revenue from tweaking the conveyance tax could also fund affordable housing, homeless programs, land conservation, and so on.

Please pass this measure 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>



Friends of Amy B.H. Greenwell Ethnobotanical Garden
P.O. Box 1053, Captain Cook, HI 96704
(808) 767-1814

April 1, 2026

House of Representatives
Committee on Finance
State Capitol, 415 South Beretania St.

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

On behalf of the Staff, Volunteers, and Board of the Friends of Amy Greenwell Ethnobotanical Garden, I appreciate the opportunity to offer testimony today.

The Friends of Amy B.H. Greenwell Ethnobotanical Garden supports SB 3028, HD1, with a projected allocation of 10% of conveyance tax revenues to the Land Conservation Fund which supports the Legacy Land Conservation Program.

The 13.6-acre Garden is a treasured and vibrant community resource for education, youth development, food security, and conservation that preserves endangered plant species and indigenous and canoe plants of the Kona Field System. Also, our nonprofit Garden builds essential capacity in the community for growing Native Hawaiian food crops.

We are one of the many statewide properties that have been assisted with purchase and saved at a time of threat. We are now protected in perpetuity. Passing this bill would sustain other critically important lands in our precious islands through the Legacy Land Fund of the Department of Land and Natural Resources. This Fund also plays a major role ensuring the maintenance and operational oversight and support. Statewide, the Legacy Land Fund has helped protect important properties through a carefully administered program for critical public benefit.

Please maintain support for the Legacy Land Fund in your support for SB 3028 HD1.

Sincerely,

MaryAnne Maigret

Executive Director

Friends of Amy B.H. Greenwell Ethnobotanical Garden

<https://www.amygreenwell.garden>



April 1, 2026

Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair
House Committee on Housing

Strong Opposition to SB 3028, SD2, HD1, RELATING TO PROPERTY CONVEYANCE (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 [DURF], Hawaiian Home Lands Infrastructure and Housing Special Fund, and Special Land and Development Fund. Establishes and appropriates funds out of the Hawaiian Home Lands Infrastructure and Housing Special Fund. Effective 7/1/3000. [HD1])

**FIN Hearing: Thursday, April 2, 2026, at 2:00 p.m.
State Capitol, Conference Room 308, and VIA VIDEOCONFERENCE**

The Land Use Research Foundation of Hawai'i (LURF) is a private research and trade association founded in 1979, whose members include major Hawai'i landowners, developers, utility companies, and land use professionals. LURF's mission is to research, educate, and advocate for reasonable, rational, and equitable land use planning, laws, and regulations that encourage well-planned and sustainable economic growth in agriculture, housing, renewable energy, commercial and industrial uses, and tourism, while safeguarding Hawai'i's significant natural, environmental, historic, and cultural resources, public health, and safety.

LURF strongly **opposes SB 3028, SD2, HD1**, based on, among other things, the following:

- The assumed substantial increases in State conveyance taxes¹ will increase the costs of higher-valued lands sold for agriculture, conservation, housing, and industrial and commercial purposes, etc. and those increased costs will be passed-on to residents and businesses and have detrimental impacts on local kupuna and families (sales of Family properties that have greatly appreciated) farmers and lessees of agricultural lands; commercial and industrial landowners and developers and their business tenants.**

¹ The bill has "unspecified" or "blanked-out" crucial financial information regarding conveyance tax marginal rates, conveyance tax dispositions, including the caps, and the percent or amount allocations for the various Special Funds. This lack of critical information makes it impossible to accurately determine the financial impact on Hawaii taxpayers, and that lack of legislative transparency absolves the legislative proponents from financial and budget justification for the bill and denies the public its right to provide meaningful testimony.

2. **Originally, the Hawai'i conveyance tax was never intended to be and should not operate as a revenue-generating tax and this bill is an unfair money-grab from those who sell lands with higher values to expand the funding sources and revenue for special and revolving funds, including DURF, Hawaiian Home Lands Infrastructure and Housing Special Fund, and Special Land and Development Fund (collectively "Special Funds").**
3. **A legal challenge is possible because this bill violates Hawaii Revised Statutes Sections 37-52.3 and 37-52.4, relating to special and revolving funds, by using increases in conveyance taxes to increase special and revolving funds which do not have a clear nexus or benefit to those who are paying the conveyance taxes.**
4. **A Constitutional challenge may be triggered under Article III, Section 15 of the Hawai'i Constitution, because the "unspecified amounts" and "blanks" in the most crucial portions of the bill makes it impossible for the public to adequately assess its specific impact of the new taxes, and denies the public of the opportunity to provide meaningful testimony on the specific impact of the bill, and when the "blanks" are eventually filled-in, the impact on certain members of the public could be dramatically different.**
5. **Another Constitutional challenge might also be triggered under Article III, Section 14, of the Hawai'i Constitution, because the measure's title "Property Conveyance" is not consistent with the bill's contents, which primarily seeks to expand the funding sources of specific Special Funds for land acquisition, TOD and DHHL infrastructure relating to housing, all of which are arguably not directly related to the "Property Conveyance" title of the bill.**
6. **There are other legal alternatives available to "expand the funding sources" for DURF, the Hawaiian Home Lands Infrastructure and Housing Special Fund, and the Special Land and Development Fund, including:**
 - a. The legislative appropriation process, reducing or eliminating state tax credits, increases to general excise tax and other broad-based taxes, enacting fees, etc.;
 - b. DURF and TOD infrastructure: the proposed Constitutional amendment to allow the counties to issue housing infrastructure growth bonds for infrastructure that supports housing and community development, etc.
 - c. Hawaiian Home Lands Infrastructure and Housing Special Fund: prior \$600 million legislative appropriation; may have a carry-over from prior years of \$20 million annual Federal block grants for native Hawaiians; the above-referenced proposed Constitutional amendment, etc.
7. **Exemptions should be provided for sellers who already support the purposes of the bill by providing affordable housing or supporting infrastructure; stewards of natural and special lands that maintain natural resources, trails, or other public access and outdoor public recreational facilities, etc..**

LURF's Position. LURF appreciates that this measure may be well-intended, and that it provides for a marginal tax rate, cost of living adjustments, and caps on total conveyance taxes paid per conveyance. However, under the circumstances, it must respectfully express its **opposition** to fact that the bill proposes to restructure conveyance taxes which will **increase the costs of housing, agricultural production and commercial and industrial businesses** and unfairly and detrimentally impact all local people who engage in selling, buying, or leasing residential homes, including kupuna, and young families.

The proposed restructuring of conveyance taxes and resulting increase of the conveyance tax rate for the transfer or conveyance of certain properties is arguably inappropriate, improper, and illegal, given the following:²

1. The Hawaii conveyance tax was never intended to be and should not operate as a revenue-generating tax.

Chapter 247 (Conveyance Tax) of the HRS was purposefully enacted in 1966 to provide the State Department of Taxation (“DoTax”) with informational data for the determination of market value of properties transferred, and to assist the DoTax in establishing real property assessed values. In short, the sole intent of the conveyance tax was originally to cover the administrative costs of collecting and assessing said informational data, which necessarily entails the recording of real estate transactions, as performed by the Bureau of Conveyances.

Since the enactment of HRS Chapter 247, however, the State Legislature has proposed, and has managed to implement changes to the law 1) to allow application of conveyance tax revenue to a number of non-conveyance type uses (land conservation fund; rental housing trust fund; and natural area reserve fund) to the point where there is no longer any clear nexus between the benefits sought by the original Act and the charges now proposed to be levied upon property owners transferring ownership; and 2) also to increase the tax rates to the point that said revenues now far exceed the initially stated purpose of the Act. Moreover, supplemental funding for some of those expanded uses for which conveyance tax revenues were subsequently authorized has since been determined to be unnecessary, and recommended to be discontinued, creating an even stronger basis for legal objection and challenge.

Such expansions and deviations, including the unspecified use of conveyance tax proposed by the current measure, go beyond the scope of the original intent of the conveyance tax law, and are concerning to LURF since the proposed bill, particularly if unlawfully intended to target specific types of transactions or groups of property owners, could be characterized as imposing an improper penalty, hidden tax, or surcharge, which may be subject to legal challenge.

² Further opposition to HB 2049, H.D. 2 may be warranted but shall be reserved until the actual details regarding tax rates, disposition and use of the revenues intended to be collected are fully disclosed, as is proper and appropriate with any proposed bill for which the intended purpose is to generate revenue.

2. SB 3028, SD2 is in violation of Sections 37-52.3 and 37-52.4, HRS, because it attempts to use the conveyance tax to subsidize or increase subsidies to newly created and existing special and revolving funds which do not have a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program.

Due to concerns relating to the establishment and use of special funds and the circumvention of the legislative appropriation processes which could potentially be caused by their use, special funds are subject to HRS Sections 37-52.3 and 37-52.4. Criteria for the establishment and continuance of special and revolving funds were enacted by the 2002 Legislature through Act 178, SLH 2002, Sections 37-52.3 and 37-52.4, HRS. To be approved for continuance, a special fund must:

- a. serve the purpose for which it was originally established;
- b. reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program, as opposed to serving primarily as a means to provide the program or users with an automatic means of support that is removed from the normal budget and appropriation process;
- c. provide an appropriate means of financing for the program or activity; and
- d. demonstrate the capacity to be financially self-sustaining.

The first and second criteria are nearly identical to those in Act 240, SLH 1990, codified in Section 23-11, HRS, requiring the Auditor to review all legislative bills in each session to establish new special or revolving funds.

The bill and previous Committee Reports confirm that the intent of this measure is to now create an additional source of funding for certain Special Funds.

However, the State Auditor has concluded in the past that **Special Funds should be repealed** when there is such an arrangement to use the conveyance tax revenues for Special Funds **where there is no clear link with the funding source** (individuals and organizations involved in specific, particular types of real estate transactions).

3. Other legal and voluntary alternatives may be available to increase funding or incentivize support for the Special Land and Development Fund and the DURF TOD infrastructure programs.

In lieu of improperly imposing changes and increases of conveyance taxes to increase the State's general fund, or to subsidize or increase revenue for certain unrelated special funds with no clear link to the conveyance tax purposes or beneficiaries, proponents of those special funds or programs are urged to look to other possible legitimate means to do so, including funding support through the legislative appropriation process, reducing or eliminating tax credits, if a constitutional amendment is passed, funding infrastructure and land acquisition through tax-increment financing, increasing state taxes, or increasing other "related" or "linked" state and county charges, fees, or taxes.

Given the **“clear nexus” requirement for special and revolving funds**, and also given that general funding and alternative methods to secure revenues for these funds exist, expansions and deviations of HRS Chapter 247 which go beyond the scope of the original intent of the conveyance tax law is again, concerning and arguably **in violation of Sections 37-52.3 and 37-52.4, HRS.**

4. Increasing the State conveyance tax as a revenue-generating tax will cause the increased costs to be passed-on to Hawai'i residents and businesses and other substantial unintended negative consequences.

- a. **The increased conveyance tax would be “passed-on” and drive up the purchase prices and leases for major housing projects, farmers on agricultural lands, developers, and business leases of commercial and industrial projects on lands subject to the increased conveyance taxes.**

This proposed increase in conveyance taxes for high value conveyances will be “passed-on” and have a negative impact upon local residents, farmers, and small businesses, creating yet another substantial financial burden on them. To address the increased taxes, businesses may raise the costs of their services, lay off, or reduce the pay or hours of employees, or take other actions that would negatively impact employees and the public.

- b. **Hawaii's large kama`aina landowners, developers, and sellers and buyers of lands for major housing projects will be negatively affected.**

This proposed bill would increase conveyance costs and negatively impact local landowners and developers who may be transferring or conveying high valued residential property that create needed housing and construction employment.

- c. **This bill would create significant disincentives for business in Hawaii.**

At a time when the State still continues to reel from the effects of the Covid pandemic and the Maui wildfires and is still attempting to encourage business expansion in, and attract business operations to Hawaii, measures implemented to utilize the State conveyance tax as a revenue generating tax would create a disincentive and will have a substantial negative impact on persuading new and existing housing developers and financiers of multi-family housing projects to open, expand, or continue to do business in Hawaii, or to relocate their operations to this State. The proposed additional cost of doing business in Hawaii would certainly appear to negatively outweigh any positive revenue impact resulting from the imposition of conveyance taxes pursuant to these types of measures.

5. Should this measure be enacted, “exemptions” should be created for all landowners and developers that currently build needed affordable housing, are stewards of trails and builders of outdoor public recreational facilities and public TOD-related infrastructure.

This state money grab could be a “double whammy” and possible unfair punishment to large landowners and major developers who already build affordable housing, provide funding

for TOD-related public infrastructure, and steward lands for trail and other public access, and build public outdoor recreational facilities for the public to enjoy.

It is ironic and unfair that among the entities which will be hardest hit by these types of measures include Hawaii's large landowners and developers that build housing (including affordable housing), and serve as stewards of our lands, and are the leading partners in, and contributors to the purposes that are proposed to be funded by the increased conveyance tax revenues. At the very least, exemptions to these types of measures should be written in or created for those entities that lend to the affordable housing and TOD infrastructure needs in the State, or support and participate in conservation and watershed programs.

Conclusion.

Given the incontrovertibly clear and express original intent of Hawaii's conveyance tax law (HRS Chapter 247), which is to use State conveyance tax revenue to specifically cover administrative costs incurred by DoTax to collect and assess informational data, any expanded use of State conveyance tax revenue should be strictly limited to that purpose as set out in the original Act. Use of conveyance tax revenue for any other purpose is subject to scrutiny and legal challenge.

There is also significant concern that proposed measures which attempt to utilize the conveyance tax as a revenue generating tax will likely cause unintended negative consequences to affordable housing developers and homebuyers, which would be detrimental to the State.

In view of these issues, we hope that legislators act with caution and proceed judiciously when considering measures which propose to utilize or apply the conveyance tax as a revenue generating tax, especially to support the establishment or continuance of special, revolving and trust funds.

Due to the importance of the above conveyance tax issues, **LURF must oppose SB 3028, SD2, HD1, and respectfully requests that this bill be deferred by this Committee** to allow stakeholders, including, but not limited to government agencies, the public, private landowners, legal experts and other interested parties to work together to come to a consensus regarding the bill's purpose and to develop alternatives to subsidizing the general fund, including other broad-based supplemental funding by Hawaii's taxpayers and visitors.

Thank you for the opportunity to provide comments and concerns relating to this proposed measure.

SB-3028-HD-1

Submitted on: 3/31/2026 1:08:56 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Beth Giesting	Individual	Support	Written Testimony Only

Comments:

I strongly support the restructuring of Hawai'i's Conveyance Tax and the distribution of proceeds to include funding for Hawaiian Homesteads, as proposed in SB3028. Passage of this bill will address housing equity in our state, which currently greatly favors the wealthy, and strengthen the programs that already exist to increase the supply of affordable housing for Native Hawaiians and other residents.

SB-3028-HD-1

Submitted on: 3/31/2026 1:13:59 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brianna Blackburn	Individual	Support	Written Testimony Only

Comments:

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

I am testifying in strong support of SB3028, to update Hawai'i's conveyance tax to ensure it is fair, modern, and capable of meeting our state's greatest needs.

During a time where the everyday working class people are finding it exorbitantly difficult to afford housing (especially here!), and local families are being priced out of their home state, it is critical to find equitable solutions before Hawai'i becomes a playground for only wealthy transplants. Not only that, the state needs to find ways to generate funds during a time where the federal government has discriminately withheld funding and aid.

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 \$2.2 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. Because of this increase, the special funds would see an increase in allocation, even with the reduction in percentage set aside as the bill is written. 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 your time and consideration,

Brianna Blackburn, Kaimuki

SB-3028-HD-1

Submitted on: 3/31/2026 1:26:06 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Amber Kanehailua	Individual	Support	Written Testimony Only

Comments:

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

I am testifying in strong support of HB2049/SB3028, to update Hawai‘i’s conveyance tax to ensure it is fair, modern, and capable of meeting our state’s greatest needs.

I was born and raised here on the west side of O‘ahu in Nanakuli. My father is in the process of getting a new home in Ka‘uluokaha‘i subdivision with DHHL after taking my grandmother’s place on the waitlist from 1985. We are so grateful to finally be able to get a home and I must say DHHL has made some significant adjustments in their approach to help families. So I support this bill because I believe it would help more local families afford to STAY home here in Hawai‘i and not get priced out like so many other families.

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 \$2.2 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. Because of this increase, the special funds would see an increase in allocation, even with the reduction in percentage set aside as the bill is written. 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.

SB-3028-HD-1

Submitted on: 3/31/2026 1:41:57 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

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

Comments:

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

I am testifying in strong support of SB3028, 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 \$2.2 million (as originally drafted), 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 as originally written. 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.

SB-3028-HD-1

Submitted on: 3/31/2026 1:45:05 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

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. I am testifying in strong support of SB3028, 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 \$2.2 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. Because of this increase, the special funds would see an increase in allocation, even with the reduction in percentage set aside as the bill is written. 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.

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

SB-3028-HD-1

Submitted on: 3/31/2026 2:03:23 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lorna Holmes	Individual	Support	Written Testimony Only

Comments:

I urge you to pass this bill. It is a long-overdue step toward tax fairness, and a revenue-generating commitment to housing.

As the value of property, especially luxury estates, has increased dramatically, our very low tax rates have remained stuck. 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 helps to ensure that when luxury property changes hands at record prices, our community receives a fair share to invest in itself. The marginal tax rate structure makes it fair; the tax increases will fall squarely on the portion of a property's value over \$2 million, property often owned by non-resident investors. The wealthy who take up a bigger share of the islands' housing resources should in turn be contributing more to the community they profit from.

Please pass this bill and move forward toward meeting our housing needs.

Mahalo for your consideration,

Dr. Lorna Holmes

Mo'ili'ili 96826

SB-3028-HD-1

Submitted on: 3/31/2026 2:25:53 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

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 SB3028, 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 \$2.2 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. Because of this increase, the special funds would see an increase in allocation, even with the reduction in percentage set aside as the bill is written. 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 share testimony.

Noelle Lindenmann, Kailua-Kona

SB-3028-HD-1

Submitted on: 3/31/2026 2:26:21 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Marion McHenry	Individual	Support	Written Testimony Only

Comments:

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

I am testifying in strong support of SB3028, 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 \$2.2 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. Because of this increase, the special funds would see an increase in allocation, even with the reduction in percentage set aside as the bill is written. 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.

Sincerely,

Marion McHenry

Princeville, Kauai

SB-3028-HD-1

Submitted on: 3/31/2026 2:36:47 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Pua Auyong-White	Individual	Support	Written Testimony Only

Comments:

Please support a fair and equitable tax reform for the people of Hawaii!
Malama pono!

HB2049 / SB3028 would implement a progressive, marginal rate structure for the tax—similar to our income tax—that protects local homeowners while asking high-value investment properties to contribute more. It would also raise the tax rates on very expensive property to better reflect the impact these sales have on our housing market.

Revenue from the tax would be directed to four critical areas:

- - Housing infrastructure (DURF);
 - Affordable housing (RHRF);
 - Land conservation (LCF); and
 - Housing for Native Hawaiians (DHHL).

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

HEARING:
Thursday, April 2, 2026 at 2:00 pm
Conference Room 308 and Via Videoconference

TESTIMONY IN **SUPPORT** OF SB 3028, SD2, HD1 - RELATING TO PROPERTY CONVEYANCE.

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 **strong support of SB 3028, SD2, HD1**, Relating to Housing, which restructures the conveyance tax to a marginal rate system for the sale of properties with residential use, adjusts the tax for multifamily properties to reflect value on a per-unit basis, and applies a cost-of-living adjustment to conveyance tax rates; allocates a portion of conveyance tax collections to the Dwelling Unit Revolving Fund, Hawaiian Home Lands Infrastructure and Housing Special Fund, and Special Land and Development Fund, and establishes and appropriates funds out of the Hawaiian Home Lands Infrastructure and Housing Special 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 respectfully request your **support of SB 3028, SD2, HD1** as a necessary and equitable mechanism to leverage conveyance tax revenues to benefit our community.

Mahalo,

Christine Andrews, JD
Wailuku, Maui

SB-3028-HD-1

Submitted on: 3/31/2026 3:03:15 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

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

Comments:

Hawai‘i is in the middle of a deep housing crisis. Tax policy can play a crucial role in helping to solve it, and one tax reform proposal in particular is tailor-made for the job.

The conveyance tax is a one-time tax on the sale of real property. Right now the state's policy around this tax is seriously outdated. As a result, when wealthy individuals and corporate entities buy up high value, luxury real estate in Hawai‘i to make a profit, they aren't contributing back their fair share.

[SB3028](#) would implement a progressive, marginal rate structure for the tax—similar to our income tax—that protects local homeowners while asking high-value investment properties to contribute more. It would also raise the tax rates on very expensive property to better reflect the impact these sales have on our housing market.

Revenue from the tax would be directed to four critical areas:

- - Housing infrastructure (DURF);
 - Affordable housing (RHRF);
 - Land conservation (LCF); and
 - Housing for Native Hawaiians (DHHL).

SB-3028-HD-1

Submitted on: 3/31/2026 3:09:53 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Luke Kikukawa	Individual	Support	Written Testimony Only

Comments:

Aloha,

I am writing in strong support of SB3028. Hawai'i needs affordable housing. It is egregious to have an economy that is almost solely propped up by housing, amenities, and activities for tourists while our own local people and most importantly indigenous Kanaka Maoli are unable to put a roof over their heads. It is egregious to be spending such an exorbitant amount on the United State's imperialist military and prison system while we cannot provide housing for people. This measure offers a thoughtful, equitable path forward at a moment when Hawai'i's housing crisis demands action.

The bill modernizes our outdated conveyance tax with a progressive, marginal rate structure—similar to our income tax—that protects local homeowners while asking high-value investment properties to contribute more. Revenue would be directed to four critical areas: housing infrastructure (DURF), affordable housing (RHRF), the Land Conservation Fund, and the Department of Hawaiian Home Lands.

The bill funds affordable housing development, and the infrastructure needed to build supports that development across the state. These are not new taxes on working families. They are modest transaction costs on high-value investment properties—the same properties driving up prices and pricing out our communities.

Mahalo,

Luke Kikukawa

83-5349 Manako Road, Captain Cook, HI, USA

SB-3028-HD-1

Submitted on: 3/31/2026 3:19:45 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
chelsea pang	Individual	Support	Written Testimony Only

Comments:

I support a progressive tax to fund

- Housing infrastructure (DURF);
- Affordable housing (RHRF);
- Land conservation (LCF); and
- Housing for Native Hawaiians (DHHL).

SB-3028-HD-1

Submitted on: 3/31/2026 4:01:52 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brodie Lockard	Individual	Support	Written Testimony Only

Comments:

I support this bill.

SB-3028-HD-1

Submitted on: 3/31/2026 4:03:58 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

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

Comments:

Hawai'i is in the middle of a deep housing crisis. Tax policy can play a crucial role in helping to solve it, and one tax reform proposal in particular is tailor-made for the job.

The conveyance tax is a one-time tax on the sale of real property. Right now the state's policy around this tax is seriously outdated. As a result, when wealthy individuals and corporate entities buy up high value, luxury real estate in Hawai'i to make a profit, they aren't contributing back their fair share.

[HB2049](#) / [SB3028](#) would implement a progressive, marginal rate structure for the tax—similar to our income tax—that protects local homeowners while asking high-value investment properties to contribute more. It would also raise the tax rates on very expensive property to better reflect the impact these sales have on our housing market.

Revenue from the tax would be directed to four critical areas:

- - Housing infrastructure (DURF);
 - Affordable housing (RHRF);
 - Land conservation (LCF); and
 - Housing for Native Hawaiians (DHHL).
 - Thank you for this opportunity, Jane Aquino, Indivisible.

SB-3028-HD-1

Submitted on: 3/31/2026 4:46:38 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lawrence S Franco	Individual	Support	Written Testimony Only

Comments:

For years, we, the general public, have been promised that our government will build homes for our local people. But it has not and our people are leaving to find another place to live that has homes that can be purchased at or below 30% of household income. If we, the people, want something done about losing our future community leaders, why don't we find the money to build for our people. Luxury homes are built primarily for off shore buyers who pay a low conveyance tax. This bill will change the way are off shore buyers will pay to support the building homes that our people can afford. I support SB 3028.

SB-3028-HD-1

Submitted on: 3/31/2026 5:11:35 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cristina Holt	Individual	Support	Remotely Via Zoom

Comments:

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

My name is Tina Holt and I live in Hilo. I work four jobs to keep my family housed and fed. And I am not the exception. That is just what life looks like for a lot of us here. We are working multiple jobs, driving on roads that wash out in every storm, living in communities that have been chronically underinvested for decades while the most valuable land around us changes hands without contributing meaningfully to the people who actually live here.

SB3028 changes that. It restructures the conveyance tax so that high-value properties, those valued at two million dollars and above, pay a higher rate when they change hands. According to the Hawai'i Tax Fairness Coalition this could raise between 69 and 80 million dollars per year. And where that money goes is written right into the law. Hawaiian Home Lands. Affordable rental housing. Infrastructure. Land conservation. Not a vague promise. The law.

Working families like mine will not see our taxes go up. But we will see the benefits of those who gain the most from Hawai'i's land and real estate paying more into the programs and systems that sustain us.

Please pass SB3028. Our communities cannot afford to wait.

Mahalo, Tina Holt Hilo, Hawai'i

SB-3028-HD-1

Submitted on: 3/31/2026 5:16:34 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sunya N Nardo	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Sunya Nardo Kapolei, Oahu

SB-3028-HD-1

Submitted on: 3/31/2026 5:17:37 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lyle Perez	Individual	Support	Written Testimony Only

Comments:

Support

SB-3028-HD-1

Submitted on: 3/31/2026 5:21:56 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Maxine L Akee	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Maxine Akee, Oahu Hawaii

SB-3028-HD-1

Submitted on: 3/31/2026 5:30:24 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Keke Manera	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Keke Manera

SB-3028-HD-1

Submitted on: 3/31/2026 5:31:50 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Herbert Kai	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Herbert A. Kai, Mokuokeawe

31 March 2026

SB-3028-HD-1

Submitted on: 3/31/2026 5:35:58 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Antone Aku	Individual	Support	Written Testimony Only

Comments:

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

I'm a Hawaiian Homestead Waitlister and I am writing to express my strong support for SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries like myself and my ohana.

Mahalo for the opportunity to testify.

Antone Aku

Oahu, HI

SB-3028-HD-1

Submitted on: 3/31/2026 5:38:38 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Miriam Karratti	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

SB-3028-HD-1

Submitted on: 3/31/2026 5:40:25 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cameron Ahana	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Cameron Ahana | Aiea, Oahu

SB-3028-HD-1

Submitted on: 3/31/2026 5:43:10 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Melissa Faufata	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

SB-3028-HD-1

Submitted on: 3/31/2026 5:43:29 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Rebecca Matz	Individual	Support	Written Testimony Only

Comments:

I hereby support the measures on Bill 3028 SB.

Regards,

Rebecca Matz

SB-3028-HD-1

Submitted on: 3/31/2026 5:49:47 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dexter Kaohelaulii	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

SB-3028-HD-1

Submitted on: 3/31/2026 5:53:55 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Tania Waa	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Harry Waa

Oahu, Hawaii.

SB-3028-HD-1

Submitted on: 3/31/2026 6:01:12 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

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

Comments:

Aloha my name is Russlyn U'ilani Wright,

I am writing in strong support of SB3028, HD1 to ensure funding for DHHL to provide well overdue homes for Native Hawaiian beneficiaries like myself who personally have waited over 30yrs. I appreciate the opportunity to submit my testimony

.

Mahalo,

Russlyn U'ilani Wright

SB-3028-HD-1

Submitted on: 3/31/2026 6:01:15 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Vernon Kapuaala	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Vernon Kapua'ala, Maui

SB-3028-HD-1

Submitted on: 3/31/2026 6:07:13 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kawaiohawaiki Anakalea-Kila	Individual	Support	In Person

Comments:

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

ive been on the list for over 20 years. It's unfortunate that Hawaiians hav to beg for crumbs when this is our birthright lands. I am writing to express my strong support for SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries. I

Mahalo for the opportunity to testify.

Kawaiohawaiki Anakalea-Kila

SB-3028-HD-1

Submitted on: 3/31/2026 6:19:19 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Tina Even	Individual	Support	Written Testimony Only

Comments:

I am in support of this bill.

Thanks

Tina Marie Even
Indivisible Member

SB-3028-HD-1

Submitted on: 3/31/2026 6:43:44 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

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

Comments:

I support SB3028.

SB-3028-HD-1

Submitted on: 3/31/2026 6:47:24 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Miriam Kikukawa	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Respectfully,

Miriam Kikukawa, Kaunakakai Molokai

March 31, 2026

**TESTIMONY IN SUPPORT OF SB3028, HD1
Relating to Conveyance Tax and Housing**

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

My name is Shirley De Rego, and I respectfully submit testimony in strong support of SB3028, HD1.

I have worked in the mortgage industry for 29 years, serving our Hawaiian Homestead community. I am also a third-generation homestead beneficiary. Through both my professional experience and my own family's story, I see firsthand the disparities that continue to exist within our Hawaiian communities—and the urgent need for housing.

This measure represents a meaningful step forward by creating a more intentional use of conveyance tax revenues—directing resources toward infrastructure and establishing a dedicated, predictable funding stream for the Department of Hawaiian Home Lands.

For too long, DHHL has faced uncertainty in funding, making it difficult to plan, build, and deliver homes at the scale our beneficiaries deserve. Predictable, multi-year funding allows for thoughtful planning, stronger partnerships, and more efficient development. It moves us from reactive efforts to sustained, generational progress.

When our families have access to stable housing, we are not just building homes, we are restoring legacy, strengthening identity, and creating a foundation for future generations to thrive.

To me, this is about more than policy—it is about kuleana. It is about honoring commitments and ensuring that Native Hawaiian families have a real, consistent pathway to a place they can call home.

I respectfully urge the Committee to pass SB3028, HD1.

Mahalo for the opportunity to testify.

With respect,
Shirley De Rego

SB-3028-HD-1

Submitted on: 3/31/2026 7:13:52 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Patricia Coad	Individual	Support	Written Testimony Only

Comments:

I would like to go forward with this bill SB3028

SB-3028-HD-1

Submitted on: 3/31/2026 7:17:25 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Darol Scott Kukahiko	Individual	Support	Written Testimony Only

Comments:

<p>To Char Todd, Vice Chair Takenouchi and members of the house committee of finance, I am writing to express my strong support for SB 3028 HD1 to insure funding for DHHL so homes can be delivered to beneficiaries. Mahalo for the opportunity to testify </p>

SB-3028-HD-1

Submitted on: 3/31/2026 7:25:51 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nina Agbayani	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify. Nina

SB-3028-HD-1

Submitted on: 3/31/2026 7:30:28 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

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

Comments:

I, Johnnie-Mae L. Perry, Support

3028 SB RELATING TO PROPERTY CONVEYANCE

SB-3028-HD-1

Submitted on: 3/31/2026 7:59:32 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brandi Mawae	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 SB3028, HD1, which will help ensure dedicated and predictable funding for the Department of Hawaiian Home Lands (DHHL) so that homes can be delivered to eligible beneficiaries in a timely and efficient manner.

Reliable annual funding is essential for DHHL to successfully carry out the complex, multi-year planning, procurement, and construction required to develop homestead communities. Without consistent funding, critical infrastructure work—including roads, water, sewer, drainage, and utilities—can be delayed, leading to higher costs and slower housing delivery. SB3028, HD1 provides the financial stability needed for DHHL to sequence projects properly, leverage economies of scale, and maintain momentum across development phases.

The need is urgent. Many Native Hawaiian families have waited years, and in some cases decades, for the opportunity to return to the land. Dedicated funding will allow DHHL to accelerate infrastructure readiness, advance housing production, and reduce the beneficiary waitlist while ensuring responsible stewardship of public resources.

For these reasons, I respectfully urge your support for SB3028, HD1. This measure represents a meaningful step toward fulfilling the State’s commitment to Native Hawaiian beneficiaries and strengthening homestead communities across Hawai‘i.

Thank you for your consideration.

Sincerely,

Brandi Mawae

SB-3028-HD-1

Submitted on: 3/31/2026 8:12:55 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sharae Hawelu	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Sharae Hawelu Oahu

SB-3028-HD-1

Submitted on: 3/31/2026 8:19:05 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ray Leota	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Ray Leota | Kealakekua, Hawaii

SB-3028-HD-1

Submitted on: 3/31/2026 9:00:17 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Belinda Pate	Individual	Support	Written Testimony Only

Comments:

I am writing as a concerned citizen and home owner in Kailua Kona regarding the Coneyance Tax. Hawaii is a deeply Democratic state, but it is decisions like these that keep Democrats in good standing. We must take concrete action to steward our economy.

As we know, revenue from the conveyance tax goes to affordable housing and conservation

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

We have some smart responses to plaguing, chronic, hot-button issues. This tax would be a common sense solution to some of our housing and sustainability concerns. No one loses.

SB-3028-HD-1

Submitted on: 3/31/2026 9:15:45 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Alea Defrancia	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Alea DeFrancia, Makawao, Maui

SB-3028-HD-1

Submitted on: 3/31/2026 9:30:09 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Martha Evans	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Respectfully,

Martha Evans

Honolulu

SB-3028-HD-1

Submitted on: 3/31/2026 9:43:20 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jennifer Lum	Individual	Support	Written Testimony Only

Comments:

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 \$2.2 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. Because of this increase, the special funds would see an increase in allocation, even with the reduction in percentage set aside as the bill is written. 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,

Jen Lum, 'Ewa Beach

SB-3028-HD-1

Submitted on: 3/31/2026 11:05:14 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kathy Shimata	Individual	Support	Written Testimony Only

Comments:

My name is Kathy Shimata & I live in Honolulu.

Hawai'i is in the middle of a deep housing crisis. Tax policy can play a crucial role in helping to solve it, and one tax reform proposal in particular is tailor-made for the job.

The conveyance tax is a one-time tax on the sale of real property. Right now the state's policy around this tax is seriously outdated. As a result, when wealthy individuals and corporate entities buy up high value, luxury real estate in Hawai'i to make a profit, they aren't contributing back their fair share.

[HB2049](#) / [SB3028](#) would implement a progressive, marginal rate structure for the tax—similar to our income tax—that protects local homeowners while asking high-value investment properties to contribute more. It would also raise the tax rates on very expensive property to better reflect the impact these sales have on our housing market.

Please support SB3028.

Mahalo,

Kathy Shimata

SB-3028-HD-1

Submitted on: 3/31/2026 11:21:53 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ann Marie Kirk	Individual	Support	Written Testimony Only

Comments:

Aloha,

I strongly support SB 3028 SD2 HD1, which supports the amazing work of the Legacy Land Funds that help communities protect and preserve our islands' natural resources. The \$10,000,000 in funding is essential to community efforts to ensure future generations can experience the natural resources that make Hawai'i so special. It is an investment in the future of our communities and should not in any way have its funding diminished.

The success of the work of Legacy Lands in our communities is clearly seen in the smiling and engaging faces of young keiki who step into and onto protected and preserved natural spaces, spaces saved by Legacy Land Funding, and its success is seen in our kūpuna who looking across these landscapes take pride and have relief in knowing future generations will experience these saved spaces in Hawai'i and may know and understand the 'āina as they do. These spaces not only hold external beauty, but are also spaces imbued with mana.

The importance of the Legacy Lands Funds can be summed up in a single word: Legacy. The long-lasting legacy of saved natural resources is a gift handed down to future generations.

Please support HB 3028 SD2 HD1.

Mahalo for your consideration.

Aloha,

Ann Marie Kirk

SB-3028-HD-1

Submitted on: 4/1/2026 5:49:17 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
James O. Kuloloio	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

James O. Kuloloio Kahului, Maui

SB-3028-HD-1

Submitted on: 4/1/2026 6:30:29 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Bernadette Kalua	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Bernadette Kalua Hauula, Oahu

SB-3028-HD-1

Submitted on: 4/1/2026 6:36:28 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Maile Rapoza	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Maile A Rapoza

SB-3028-HD-1

Submitted on: 4/1/2026 7:02:47 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

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

Comments:

Thank you. I am a member of Indivisible Windward.

SB-3028-HD-1

Submitted on: 4/1/2026 7:19:42 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kaylee Kaluau	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries. For too long our people have waited on the Hawaiian Homes list, without much hope that they would get awarded and see their dream of homeownership come to fruition. Now, thousands of leases have been awarded and we need this bill to move forward, now more than ever. Please do not rip away the opportunity for thousands of people to become homeowners here in Hawai'i. Keep our people here and support DHHL in building more homes for our people.

Mahalo for the opportunity to testify.

Na'u nō,

Kaylee Kaluau

SB-3028-HD-1

Submitted on: 4/1/2026 7:36:55 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

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

Comments:

I oppose

SB3028

the mansions I believe that should be taxed higher are for properties that are true mansions. My home is 1450 sq ft / cottage 900 sq ft but on 2 acres and valued already at 2 million. 2 million in hawaii is not a enough for a mansion.

3028 SB RELATING TO PROPERTY CONVEYANCE

Aloha,

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

I am writing to express my strong support for SB3028, HD1, to ensure funding for DHHL so that homes can be delivered to beneficiaries.

I am 80% Hawaiian and am 72 years old, I have applied for Hawaiian Homes Residential in 1978 and have not been awarded a home on Hawaiian Home Land, yet. I have been awarded a Project Lease for the Wailuku Single Family, and it has been officially recorded on March 3, 2026. I was 25 years old when I applied for Hawaiian Home Land and I finally received a Project Lease. My older brother passed before he could be awarded HHL & his children, who are not 50% Hawaiian will not inherit their father's birth right. My heart is heavy with grief, not only for the loss of my brother, but for the loss of our Mo'opuna's birth rights.

Kali Watson publicly apologized to us at the Project Lease Selection, because it has taken so long to get to this point.

However, at this point, which is a Project Lease, is just a steppingstone. I humbly ask that you help the Hawaiian People build building blocks that we may walk onto our Land, as Prince Kuhio has destined that we shall walk that path.

I pray to Akua that you may listen to our words with the intelligence to join brilliant minds and to act upon with support and dignity to assist Hawaiians to return their Aina, to fulfill Prince Kuhio's destiny for his Hawaiian People.

In support for SB3028, HD1, and with your consideration for the Hawaiians today and in the future, we will be able to proud to live, cultivate and farm our Home Land.

Mahalo for your consideration in support of the Native Hawaiians.

Melinda Lei Kahakauwila

leik.808@gmail.com

(808) 359-0090

SB-3028-HD-1

Submitted on: 4/1/2026 7:50:46 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

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

Comments:

I oppose SB3028 2 million is too low a cut off for a mansion.

SB-3028-HD-1

Submitted on: 4/1/2026 8:01:01 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Rowlana Kepa-Heanu	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Rowlana Kepa-Heanu | Mountain View, Hawaii

SB-3028-HD-1

Submitted on: 4/1/2026 8:08:52 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kathleen Dickson	Individual	Support	Written Testimony Only

Comments:

I am writing in support of SB3028 SD2 HD1. The conveyance tax needs to be adjusted so the high value property sales contribute proportionately in support of public housing and conservation of legacy lands. Our islands are becoming unaffordable and crowded with wealthy property owners. Let us honor our kuleana to protect our land by having those with the most contribute on a fair basis, instead of leaving the burden on the less advantaged.

Thank you for the opportunity to provide testimony,

Kathleen "Kate" Dickson, Waikiki 96815

SB-3028-HD-1

Submitted on: 4/1/2026 8:10:11 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Patrick Ah Loy	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Patrick Ah Loy Molokai, HI

SB-3028-HD-1

Submitted on: 4/1/2026 8:24:28 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Fern 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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Fern Kealoha, Kamuela, Hawaii Island

SB-3028-HD-1

Submitted on: 4/1/2026 8:33:55 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cheyenne Perry	Individual	Support	Written Testimony Only

Comments:

Aloha, I am a hawaiian homes beneficiary and have been on the wait list for about 30 years. Just last year I attended a DHHL lot award meeting in Waikoloa and was awarded a lot at La'iopua in Kailua-Kona, one of 390 lots awarded. I never thought I was going to become a lessee and now that I have I have been making plans for my daughter to be my successor and am saving up to buiild the house. I'm middle income and live simply, and willing to make sacrifices now to secure my families future as well as do my part to be a valued part of my community. Please vote in support of this bill, it creates postive generational change for all of us and makes Hawaii a better place.

mahalo,

Cheyenne

April 1, 2026

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

My name is **Kaimi Kaupiko**, and I submit this testimony in **strong support of SB3028 HD1**.

As a **beneficiary of the Department of Hawaiian Home Lands**, I feel strongly about this bill because stable and dedicated funding is essential if DHHL is going to move from promises to actual delivery of homes, infrastructure, and real opportunity for beneficiaries and our families.

SB3028 HD1 recognizes a very important truth: the Department of Hawaiian Homelands needs **dedicated, predictable annual funding** to support multi-year planning, procurement, and sequencing of infrastructure and housing so that homes can be delivered to beneficiaries. The bill also recognizes that consistent revenue is not only operationally necessary but fiscally efficient, because DHHL funding can leverage additional public and private capital. It further notes that prior investments have already unlocked billions in projected development and that dedicated conveyance tax funding for DHHL, including up to **\$60,000,000 annually**, is warranted.

That matters deeply to beneficiaries like me. Too many of our people have waited too long. Too many families continue to carry the burden of high housing costs, overcrowding, displacement, and uncertainty, while the promise of Hawaiian home lands remains delayed by a lack of infrastructure and insufficient long-term funding. If we are serious about justice for beneficiaries, then we must be serious about giving DHHL the resources it needs to plan, build, and deliver.

SB3028 HD1 does that by establishing a **Hawaiian Homelands Infrastructure and Housing Special Fund** within DHHL. The bill provides that conveyance tax revenues allocated under the law, along with other appropriated or available funds, shall be deposited into that special fund. It also specifies that those monies shall be used for **multi-year planning, procurement, and sequencing of infrastructure and housing to deliver homes to beneficiaries**, and for **leveraging additional public and private capital** for that work.

This is important because homes do not get built without roads, water, wastewater, utilities, and coordinated planning. Beneficiaries do not just need promises on paper. We need ready lots, homes that can actually be delivered, and a funding structure that allows DHHL to move projects forward in a steady and strategic way.

I also support this bill because it creates a more intentional funding structure through the conveyance tax system, while recognizing the need for equity over time through a marginal rate structure and cost-of-living adjustments. The measure allocates a portion of conveyance tax collections to several public purposes, including the **Hawaiian Homelands Infrastructure and Housing Special Fund**, helping create a more reliable source of revenue for beneficiary housing needs.

As a beneficiary, I know this issue is not abstract. This is about whether Native Hawaiian families will finally see meaningful progress. It is about whether the State will back its

obligations with real resources. It is about whether DHHL can move at the scale and pace needed to serve beneficiaries with dignity.

For these reasons, I respectfully urge the Committee to pass **SB3028 HD1**.

Mahalo for the opportunity to testify.

Me ka ha'aha'a,

Kaimi Kaupiko

DHHL Beneficiary

A handwritten signature in black ink, appearing to be 'Kaimi Kaupiko', written over the printed name.

SB-3028-HD-1

Submitted on: 4/1/2026 9:20:40 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brandi-Marie Kaluhiwa-Cabral	Individual	Support	Written Testimony Only

Comments:

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

Across our islands, thousands of Native Hawaiian families are still recovering from catastrophic flooding and other climate-driven disasters. These events have devastated homes, livelihoods, and entire communities. In moments like this, the stability and resilience of our people depend on strong, consistent public investment.

Removing or weakening the guaranteed support for DHHL programs would be detrimental to Hawai‘i’s financial and physical stability. These programs are not simply line items in a budget—they are lifelines. They ensure that Native Hawaiian families can rebuild, remain housed, and stay rooted in their ancestral lands. Without continued funding, both our people and our ‘āina face renewed threats, and the progress we have fought for becomes vulnerable.

The people of Hawai‘i continue to stand firm in supporting government decisions that prioritize safety, housing, and long-term community well-being. I urge you to maintain and strengthen funding for these essential programs so that Native Hawaiian families can continue receiving the services and support they urgently need.

Mahalo for the opportunity to testify.

Brandi-Marie Kaluhiwa-Cabral

Honolulu, O‘ahu

SB-3028-HD-1

Submitted on: 4/1/2026 9:25:07 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jotis Russell-Christian	Individual	Support	Written Testimony Only

Comments:

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

I am testifying in strong support of HB3028, 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 \$2.2 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. Because of this increase, the special funds would see an increase in allocation, even with the reduction in percentage set aside as the bill is written. 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.

Jotis Russell-Christian

Kapahulu, O'ahu

SB-3028-HD-1

Submitted on: 4/1/2026 9:27:22 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Gail Morrison	Individual	Support	Written Testimony Only

Comments:

As an individual and member of Indivisible Hawaii, I support a one-time tax paid to the state when a property is sold. i am in favor because the revenues would help build affordable housing and protect natural areas—two things that have been hurt by Hawai‘i’s real estate prices.

Mahalo, Gail Morrison, Honolulu

SB-3028-HD-1

Submitted on: 4/1/2026 9:55:42 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
John A. H. Tomoso	Individual	Support	Written Testimony Only

Comments:

04-01-26

RE: SB3028 SD2 HD1

Aloha mai,

We all know that Hawai'i is in the middle of a deep housing crisis. Thus, Tax Policy can play a crucial role in helping to solve it, and this conveyance tax Bill is a one-time tax on the sale of real property. I know that the state's policy around this tax is seriously outdated. As a result, when wealthy individuals and corporate entities buy up high value, luxury real estate in Hawai'i to make a profit, they aren't contributing back their fair share.

We all need to contribute our "fair share" or else taxes/ taxation will continue to be a burden for many, for all. I support this Bill.

Mahalo a nui,

John A H Tomoso+, MSW (ret.), ACSW

51 Ku'ula St., Kahului, HI 96732-2906

john.a.h.tomoso@gmail.com

SB-3028-HD-1

Submitted on: 4/1/2026 10:13:00 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Darlene K Kennison	Individual	Support	Written Testimony Only

Comments:

I strongly support SB3028. Mahalo!

SB-3028-HD-1

Submitted on: 4/1/2026 10:15:39 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kristal Hanawahine	Individual	Support	Written Testimony Only

Comments:

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

As a Native Hawaiian that has been on the DHHL waitlist for 23 years, I am writing in strong support of SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries sooner than later.

Mahalo for the opportunity to testify.

Kristal Hanawahine

Kaneohe, Oahu

SB-3028-HD-1

Submitted on: 4/1/2026 10:52:00 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
JOY	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

JOY / Wailuku, Maui

TESTIMONY IN SUPPORT

SB 3028, SD2, HD1

RELATING TO PROPERTY CONVEYANCE

House Committee on Finance

Thursday, April 2, 2026 | 2:00 p.m. | Conference Room 308, State Capitol

Submitted by: Benton K. Pang, Ph.D.

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

I submit this testimony in support of SB 3028, SD2, HD1, which modernizes Hawai'i's conveyance tax structure and directs a meaningful share of revenues to housing infrastructure, Hawaiian Home Lands, land conservation, and trail acquisition. This is a well-constructed bill that addresses several long-standing fiscal and equity gaps at once, and I urge the Committee to pass it.

The Conveyance Tax Reform Is Long Overdue

Hawai'i's conveyance tax rates have not been updated since Act 59, Session Laws of Hawai'i 2009. In that time, housing prices have risen dramatically while the tax structure remained fixed—creating cliff effects, bracket compression for moderately priced homes, and rates that are significantly lower than comparable high-cost jurisdictions.

The marginal rate structure in HD1 corrects this. It applies higher rates only to property values exceeding specific thresholds, so buyers are taxed proportionately on each increment of value rather than facing a sudden jump in tax liability when they cross a bracket. The per-unit calculation for multifamily properties is equally important: under the old structure, a 50-unit affordable housing complex could face the same tax rate as a luxury high-rise based on total property value alone. HD1 fixes that by basing the applicable rate on per-unit value, not aggregate value. This directly protects affordable housing production.

The cost-of-living adjustment tied to the Urban Hawai'i Consumer Price Index ensures the brackets stay current over time. This prevents bracket creep from pushing modest transactions into higher tax tiers as home prices rise—something the 2009 structure failed entirely to address.

The DHHL Allocation Is a Critical Addition—and It Is Now in the Bill

Earlier in this legislative session, advocates urged the Legislature to amend SB 3028 to include a dedicated allocation of conveyance tax revenues for the Department of Hawaiian Home Lands. That request was grounded in the State's constitutional trust obligation to DHHL beneficiaries and the decades-long waitlist that has persisted despite that obligation.

HD1 includes that allocation. Section 7 establishes the Hawaiian Home Lands Infrastructure and Housing Special Fund, and §247-7(3) dedicates a share of conveyance tax revenues to it. This fund is designed specifically for multi-year planning, procurement, and sequencing of infrastructure and housing to deliver homes to DHHL beneficiaries, with an explicit goal of leveraging additional public and private capital.

This matters enormously. Act 279 (2022) provided a historic one-time investment of \$600 million into DHHL, and the department estimates it still needs hundreds of millions more to produce the homestead lots its beneficiaries are waiting for. One-time appropriations alone cannot sustain multi-year delivery

pipelines. A dedicated, recurring revenue stream tied to real estate transactions is exactly the right mechanism—it connects housing infrastructure funding to the market that generates the need for it.

I urge the Committee to preserve this allocation intact. The State has a constitutional obligation to DHHL that has gone underfunded for decades. This bill finally begins to address that gap in a structural, recurring way.

The Dwelling Unit Revolving Fund and Infrastructure Funding

The allocation to the Dwelling Unit Revolving Fund (§247-7(4)) for transit-oriented development infrastructure is equally important. Infrastructure constraints are one of the most significant barriers to housing production in Hawai'i, particularly near transit corridors where density is appropriate and demand is high. Zoning and financing reforms alone will not deliver housing at the scale needed without corresponding investment in roads, water, sewer, and other public infrastructure.

Directing conveyance tax revenues—derived from the very real estate market that benefits from infrastructure investment—back into transit-oriented development infrastructure is sound public finance. It aligns the funding source with the use and creates a self-reinforcing cycle: infrastructure enables housing, housing generates conveyance tax revenue, and revenue funds more infrastructure.

Land Conservation and Trails

The allocation to the Special Land and Development Fund (§247-7(5)) for land acquisition under the Nā Ala Hele trail program reflects a broader principle: that economic growth from real estate should also support the natural and cultural resources that make Hawai'i worth living in. Public trail access, watershed protection, and open space are not separate from housing policy—they are part of what makes communities livable and what sustains the long-term health of our 'āina.

As a retired federal biologist with 26 years managing Pacific island ecosystems, and previous chair for the City and County Clean Water and Natural Lands Commission, I appreciate the inclusion of this allocation. Conservation land acquisition is most effective when it keeps pace with development pressure, not when it reacts to it years later.

My Perspective as a Kaimukī Resident and Native Hawaiian Advocate

I live in Kaimukī, O'ahu. I serve as Board President of Ka'ala Farm Inc. in Wai'ānae, where we work with Native Hawaiian families and youth who are acutely affected by Hawai'i's housing crisis. Many of the families in our community have been on DHHL waitlists for years—in some cases, generations. The constitutional promise of homesteads has meant waiting, year after year, for infrastructure that has not come.

I am also a life member of the Hawaiian Civic Club of Honolulu. Our movement has long advocated for the State to meet its trust obligations to Native Hawaiians. This bill, with its dedicated DHHL allocation, is a meaningful step toward that.

SB 3028, SD2, HD1 is a fiscally sound, structurally important, and equitably designed measure. It modernizes an outdated tax, protects affordable housing production, funds critical infrastructure, and begins to fulfill a constitutional obligation that has been deferred for far too long.

I respectfully urge the Committee to PASS SB 3028, SD2, HD1.

Mahalo for your leadership on this critical issue.

Me ka 'oi'ai'o,

Keali'i Pang, Ph.D.

Kaimukī, O'ahu

SB-3028-HD-1

Submitted on: 4/1/2026 11:07:45 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kahi Pacarro	Individual	Support	Written Testimony Only

Comments:

This is an opportunity for our government to generate revenue without impacting the average resident. Those with the most already don't pay their proportionate fair amount of taxes. Let's work to level out the playing field. Even if it is a small dent in their pockets, it can have immense positive impacts on the community, including them! Please pass SB3028 for all of us.

SB-3028-HD-1

Submitted on: 4/1/2026 11:30:25 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

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

Comments:

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

SB-3028-HD-1

Submitted on: 4/1/2026 11:40:31 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nicole Lau	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

Nicole Lau, Kane'ohe, O'ahu

SB-3028-HD-1

Submitted on: 4/1/2026 12:03:56 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Oriana Leao	Individual	Support	In Person

Comments:

Strong support for this senate version of the bill.

SB-3028-HD-1

Submitted on: 4/1/2026 12:53:47 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

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

Comments:

Aloha:

Hawai‘i is in the middle of a deep housing crisis. Tax policy can play a crucial role in helping to solve it, and one tax reform proposal in particular is tailor-made for the job.

The conveyance tax is a one-time tax on the sale of real property. Right now the state's policy around this tax is seriously outdated. As a result, when wealthy individuals and corporate entities buy up high value, luxury real estate in Hawai‘i to make a profit, they aren't contributing back their fair share.

[HB2049](#) / [SB3028](#) would implement a progressive, marginal rate structure for the tax—similar to our income tax—that protects local homeowners while asking high-value investment properties to contribute more. It would also raise the tax rates on very expensive property to better reflect the impact these sales have on our housing market.

Revenue from the tax would be directed to four critical areas:

- - Housing infrastructure (DURF);
 - Affordable housing (RHRF);
 - Land conservation (LCF); and
 - Housing for Native Hawaiians (DHHL).

Mahalo. --Shay Chan Hodges, Maui Hawaii

SB-3028-HD-1

Submitted on: 4/1/2026 1:27:52 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

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

Comments:

I support this bill.

I strongly support 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 more modest properties, while increasing rates in a graduated fashion for more expensive properties that can bear a greater share. I also support the elimination of the cap on revenues for the Rental Housing Revolving Fund and Dwelling Unit Revolving Fund, so that greater revenues can flow into those funds to support our affordable housing needs.

Thank you for consideration of my testimony.'

Ellen Carson

SB-3028-HD-1

Submitted on: 4/1/2026 2:55:15 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Rebecca Kapolei Kiili	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries. As a waitlister since 2009, I was recently awarded a paper lease from DHHL on Dec 6, 2025. While I am thankful to be moved off the waitlist, the paper lease is only an inch forward in the process of living on homestead land. The project I am slated for has a projected finish date of 2033, which is seven years. I will be 53 years old by that time.

I have been a public school teacher for over 20 years and have worked hard to become financially stable as a single person with one income. But, public teachers in Hawaii are paid the lowest salary in the nation. So, I continuously feel like the goal post of home ownership keeps moving out of reach.

This dedicated funding source for DHHL beneficiaries will not only make a difference for native Hawaiians to stay in Hawaii, but will benefit all of Hawaii. When Hawaiians thrive, Hawaii also thrives. Do right by the aboriginal people of these lands and create dedicated funding for DHHL projects.

Mahalo for the opportunity to testify.

Sincerely,

Dr. Rebecca Kapolei Kiili

SB-3028-HD-1

Submitted on: 4/1/2026 2:56:53 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nelson H. Makua	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 SB3028, HD1 to ensure funding for DHHL so homes can be delivered to beneficiaries.

Mahalo for the opportunity to testify.

SB-3028-HD-1

Submitted on: 4/1/2026 2:55:15 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Rebecca Kapolei Kiili	Individual	Support	Written Testimony Only

Comments:

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

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I have been a public school teacher for over 20 years and have worked hard to become financially stable as a single person with one income. But, public teachers in Hawaii are paid the lowest salary in the nation. So, I continuously feel like the goal post of home ownership keeps moving out of reach.

This dedicated funding source for DHHL beneficiaries will not only make a difference for native Hawaiians to stay in Hawaii, but will benefit all of Hawaii. When Hawaiians thrive, Hawaii also thrives. Do right by the aboriginal people of these lands and create dedicated funding for DHHL projects.

Mahalo for the opportunity to testify.

Sincerely,

Dr. Rebecca Kapolei Kiili

SB-3028-HD-1

Submitted on: 4/1/2026 6:06:51 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Summer Begnaud	Individual	Comments	Written Testimony Only

Comments:

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

I am testifying in strong support of HB2049/SB3028, to update Hawai‘i’s conveyance tax to ensure it is fair, modern, and capable of meeting our state’s greatest needs.

As someone who has grown up always in the lower tax brackets, this is very important and meaningful to my life and I know it is imperative to a better future for my fellow residents.

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 \$2.2 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. Because of this increase, the special funds would see an increase in allocation, even with the reduction in percentage set aside as the bill is written. 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.

SB-3028-HD-1

Submitted on: 4/1/2026 7:15:38 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Leilani Keli'ikipi	Individual	Support	Written Testimony Only

Comments:

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

My name is Leilani Keli'ikipi. I am a Native Hawaiian, a resident of Lāhaina, Maui, a long time Nurse, focusing on healthcare administration and disaster preparedness. I am writing in strong SUPPORT of SB3028, which establishes dedicated, long-term funding for the Department of Hawaiian Home Lands (DHHL).

I appreciate the intent of this measure to create a predictable and sustainable funding stream through the conveyance tax. For many years, inconsistent funding has been one of the greatest barriers to reducing the DHHL waitlist and advancing Native Hawaiian housing. SB3028 represents an important step toward fulfilling the State's responsibility to Native Hawaiian beneficiaries.

However, I respectfully ask that as this bill moves forward, consideration be given to how these funds are structured and ultimately reach the people they are intended to serve before meeting their grave.

Currently, a significant portion of DHHL funding is directed toward infrastructure development, large-scale housing projects, and contracts with developers, engineering firms, and construction companies. While these investments are necessary to make land buildable, many Native Hawaiian families continue to face barriers in actually building and sustaining homes.

From lived experience and community observation, families are ready and willing to build. We are not asking for handouts—we are asking for access to resources and pathways that allow us to take part in building our own homes. Yet many of us face:

- Limited access to direct construction funding or grants

- Difficulty securing affordable financing
- High costs of materials and labor
- Delays tied to infrastructure timelines
- Dependence on developer-driven housing options

As a result, there remains a disconnect between funding allocations and the ability of beneficiaries to achieve homeownership.

I respectfully urge the Legislature to strengthen SB3028 by ensuring that a portion of the dedicated funding is used to directly support beneficiaries. This could include:

- Direct-to-beneficiary grants for construction costs such as materials, site preparation, and labor.
- Expanded owner-builder programs that allow families to build using sweat equity and ‘ohana support.
- A hybrid model that combines infrastructure investment with direct funding pathways for individual homebuilding.
- Increased transparency in how DHHL funds are allocated, including clear reporting on spending across infrastructure, developers, and direct beneficiary support.

SB3028 is a critical step forward. With thoughtful implementation, it can do more than fund projects—it can empower Native Hawaiian families to build homes, stability, and generational wealth.

As someone from Lāhaina, I can speak to the resilience and readiness of our people. We are capable, we are willing, and we are ready to build. We simply need a system that meets us halfway.

Mahalo for your time, consideration, and continued commitment to Native Hawaiian beneficiaries.

Leilani Keli‘ikiپی

Lāhaina, Maui

**Representative Chris Todd, Chair, Representative Jenna Takenouchi, Vice
Chair, Members**

COMMITTEE ON FINANCE

SB 3028

02 April 2026

02:00 p.m.

CR 308 & Videoconference

I, Robert Nawahine Mansfield, Jr. strongly support **SB 3028** and urge your support as well.

Funding affordable housing including Department of Hawaiian Homelands is crucial as we witness a diaspora of Hawaii born and raised grow on the continent. Also, Infrastructure compromised by storms, water contamination by the military, and an overwhelmed waste management system summons our full attention to act now.

Please support this measure, **SB. 3028**

Mahalo a nui loa,

Robert Nawahine Mansfield, Jr.
Moiliili - 96826

SB-3028-HD-1

Submitted on: 4/2/2026 12:21:11 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Merlyn Colon	Individual	Support	Written Testimony Only

Comments:

I support bill SB3028 SD2 HD1

SB-3028-HD-1

Submitted on: 4/2/2026 7:09:13 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Wendy Awai-Dakroub	Individual	Support	Written Testimony Only

Comments:

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

My name is Wendy Awai-Dakroub, and I am a beneficiary of the Department of Hawaiian Home Lands who has been waiting for a home for many years.

I am writing in strong support of SB3028, HD1.

Like many Native Hawaiian beneficiaries, I have spent years—far longer than any family should—waiting for the opportunity to return to the land that was set aside for us. This wait is not just about housing. It is about stability, dignity, and the ability to build a future for our families in Hawai‘i.

During this time, the cost of living has continued to rise, housing has become increasingly unaffordable, and many of us are forced to make difficult decisions just to remain in Hawai‘i. Some of our families have already been pushed out. Others, like mine, continue to wait with uncertainty, hoping that our turn will come.

The biggest challenge is not a lack of demand—it is a lack of consistent, reliable funding to move projects forward.

SB3028 represents a real solution. By establishing dedicated, predictable funding for DHHL, this bill will allow for long-term planning, faster development, and the delivery of homes to beneficiaries who have already waited too long.

This is not just about building houses—it is about fulfilling a promise.

For generations, Native Hawaiians have been told to wait. We have waited. Now we need action.

I respectfully urge you to pass SB3028, HD1 and provide DHHL with the resources needed to finally deliver homes to beneficiaries.

Mahalo for your time and consideration.

Sincerely,
Wendy Awai-Dakroub

