
A BILL FOR AN ACT

PROPOSING AN AMENDMENT TO ARTICLE VIII, SECTION 3 OF THE HAWAII
CONSTITUTION RELATING TO THE FUNCTIONS, POWERS, AND DUTIES
OF REAL PROPERTY TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii has one of
2 the highest income tax rates and the lowest real property tax
3 rates in the nation. These tax strategies result in a
4 disproportionate amount of the overall tax burden being placed
5 on the residential workforce, who, in turn, effectively
6 subsidize non-residents' real estate investments in Hawaii.

7 The legislature further finds that removing the exclusivity
8 of county authority over real property taxes will provide the
9 State with greater flexibility and control of its taxation
10 policies.

11 The intention is to ultimately eliminate personal and
12 business income taxes and offset these tax revenue sources with
13 real property taxes. The legislature intends to double the
14 homeowner and senior exemptions on real property taxes to lessen
15 the overall tax burden on local residents. If this Act is
16 enacted and the amendment to the Hawaii State Constitution is



1 ratified, House Bill No. , Regular Session of 2023, upon its
2 enactment and the enactment of state law specifying the real
3 property tax amounts to be levied and assessed, will take effect
4 and the State will stop collecting all income taxes.

5 The purpose of this Act is to propose an amendment to
6 article VIII, section 3, of the Constitution of the State of
7 Hawaii to repeal the exclusive authority of the counties to
8 exercise the functions, powers, and duties of real property
9 taxation, and thereby authorizing the State to also exercise
10 those functions, powers, and duties.

11 SECTION 2. Article VIII, section 3, of the Constitution of
12 the State of Hawaii is amended to read as follows:

13 **"TAXATION AND FINANCE**

14 Section 3. The taxing power shall be reserved to the
15 State, except so much thereof as may be delegated by the
16 legislature to the political subdivisions, and except that [~~all~~]
17 functions, powers and duties relating to the taxation of real
18 property [~~shall~~] may be exercised [~~exclusively~~] by the counties,
19 with the exception of the county of Kalawao. The legislature
20 shall have the power to apportion state revenues among the
21 several political subdivisions."



H.B. NO. 293

1 SECTION 3. The question to be printed on the ballot shall
2 be as follows:

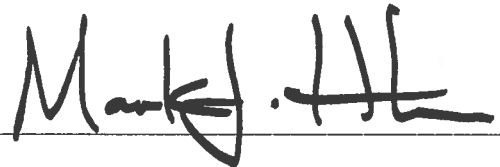
3 "Shall the Hawaii State Constitution be amended to repeal
4 the counties' exclusive authority to exercise functions, powers,
5 and duties relating to the taxation of real property, thereby
6 authorizing both the State and counties to exercise functions,
7 powers, and duties relating to the taxation of real property?"

8 SECTION 4. Constitutional material to be repealed is
9 bracketed and stricken. New constitutional material is
10 underscored.

11 SECTION 5. This amendment shall take effect upon
12 compliance with article XVII, section 3, of the Constitution of
13 the State of Hawaii.

14

INTRODUCED BY:



JAN 19 2023



H.B. NO. 293

Report Title:

Real Property Taxation; Constitutional Amendment

Description:

Proposes an amendment to the Hawaii State Constitution to repeal the exclusive power of the counties to exercise the functions, powers, and duties related to real property taxation, thereby authorizing the State to also exercise those functions, powers, and duties.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

