

STAND. COM. REP. NO. 124

Honolulu, Hawaii

FEB 10 2025

RE: S.B. No. 981  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Economic Development and Tourism, to which was referred S.B. No. 981 entitled:

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Research and Economic Analysis Division of the Department of Business, Economic Development, and Tourism to study the impacts of the minimum wage increases pursuant to Act 114, Session Laws of Hawaii 2022, on businesses and other employers and submit a report to the Legislature; and
- (2) Appropriate funds.

Your Committee received testimony in support of this measure from the Hawaii Food Industry Association.

Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that Act 114, Session Laws of Hawaii 2022 (Act 114) established an incremental increase of the State's minimum wage by \$2.00 every two years, raising the minimum wage



from \$10.00 per hour to \$18.00 per hour beginning January 1, 2028. The current minimum wage is \$14.00 per hour. Your Committee further finds that any minimum wage increase can cause nebulous effects throughout the economy, potentially obscuring the direct and most prevalent realities that an increase could have on Hawaii's economy. This measure will allow the Legislature to evaluate the effects that the minimum wage increase has had on businesses and employers and take action if necessary.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this measure, as amended, contains an unspecified appropriation amount. Should your Committee on Ways and Means choose to deliberate on this measure, your Committee respectfully requests that it considers inserting an appropriation amount of \$200,000 for the study and report.

As affirmed by the record of votes of the members of your Committee on Economic Development and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 981, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 981, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development and Tourism,

  
LYNN DECOITE, Chair



