STAND. COM. REP. NO. 2879

Honolulu, Hawaii

MAR 0 6 2026

RE: S.B. No. 3255
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 3255 entitled:

"A BILL FOR AN ACT RELATING TO CURRENCY,"

begs leave to report as follows:

The purpose and intent of this measure is to require retail merchants to accept cash payments in in-person transactions.

Your Committee received testimony in support of this measure from Imi Ila Legacy, LLC and six individuals.

Your Committee received comments on this measure from the Hawaii Food Industry Association, Retail Merchants of Hawaii, and one individual.

Your Committee finds that merchants in the State refusing to accept cash as legal tender can exclude individuals who rely on cash transactions, particularly those who are unbanked or underbanked. This measure would ensure fair and equal access to goods and services for all residents of the State.

Your Committee acknowledges the concerns raised in testimony that due to the United State Treasury decision to cease penny production, there is a penny shortage in the State that cannot be rectified, which is creating difficulties for local businesses to legally settle cash transactions. Your Committee notes that House

Bill No. 2346, introduced in the Regular Session of 2026, would permit rounding in cash transactions to the nearest amount divisible by five to better allow merchants to settle cash transactions in light of the penny shortage. To ensure consideration of this matter within the current legislative session, amendments to this measure are necessary to incorporate the contents of H.B. No. 2346 (2026) to facilitate discussion as this measure moves through the legislative process.

Accordingly, your Committee has amended this measure by:

(1) Inserting language that requires cash transactions to be rounded up or down to the nearest five cents, with certain conditions;

(2) Inserting additional legislative findings and amending section 1 to reflect its amended purpose;

(3) Inserting a savings clause;

(4) Inserting an effective date of July 1, 2050, to encourage further discussion; and

(5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes the concerns raised in testimony that small businesses often use a cashless model to simplify operations, lower costs, and avoid the risks and liabilities of cash handling. Accordingly, as this measure continues through the legislative process, your Committee respectfully requests that subsequent Committees to which this measure is referred consider the establishment of a threshold for cash mandates dependent on business size.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3255, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3255, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,

Consumer Protection,

JARRETT KEOHOKALOLE, Chair

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:
SB3255	CPN	3/4/2026

☑ The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: PWA (pass, with amendments)

The Recommendation is:

☐ Pass, unamended 2312 ☑ Pass, with amendments 2311 ☐ Hold 2310 ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
LAMOSAO, Rachele	✓			
MCKELVEY, Angus L.K.	✓			
AWA, Brenton	✓			
TOTAL	5			

Recommendation: ☑ Adopted ☐ Not Adopted

Chair's or Designee's Signature: Carol Fukunaga

Distribution: Original — File with Committee Report; Yellow — Committee; Pink — Drafting Agency

*Only one measure per Record of Votes

Revised: 01/02/26

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:
SB 3255	CPN	2/25/26

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to: _____

The Recommendation is:

☐ Pass, unamended 2312 ☑ Pass, with amendments 2311 ☐ Hold 2310 ☐ Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
LAMOSAO, Rachele	✓			
MCKELVEY, Angus L.K.	✓			
AWA, Brenton	✓			
TOTAL	5			

Recommendation: ☑ Adopted ☐ Not Adopted

Chair's or Designee's Signature: Carol Fukunaga

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Revised: 01/02/26