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**Kit Okimoto**, Okimoto Corp., *Chair*  
**Jayson Watts**, Mahi Pono, *Vice Chair*  
**Jill Tamura**, Tamura Super Market, *Secretary/Treas.*  
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**Eddie Asato**, Pint Size Hawaii, *Advisor*  
**Gary Okimoto**, Safeway, *Advisor*  
**Maile Miyashiro**, C&S Wholesale, *Immediate Past Chair*

TO: Committee on Commerce and Consumer Protection

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: February 25, 2026

TIME: 9:32am

RE: SB3255 Relating to Currency

Position: Comments with Requested Amendments

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

As written this measure could disadvantage small start up local businesses. Sometimes new entrepreneurs will opt to use a cashless model in order to simplify their operations and avoid the liabilities and risks associated with dealing with cash. In certain circumstances having cash on hand also requires additional more expensive insurance, which can necessitate price increases.

Those businesses that do accept cash are currently dealing with the very urgent issue of the penny shortage. Some banks have already stopped providing pennies to businesses customers. Many businesses around the state have already run out of pennies and others will shortly. The Hawaii Revised Statutes (HRS) as currently written does not allow rounding to the nearest 5 cents. This creates an impossible situation for retailers who take cash which urgently needs to be rectified.

Measures to revised the HRS to allow rounding did not meet First Lateral Deadline. In order to allow rounding we ask that the text of this measure be replaced with the text of HB2346 to read as follows:



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RELATING TO CURRENCY.

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

SECTION 1. The legislature finds that the United States Treasury has stopped minting the penny for general circulation.

Accordingly, the purpose of this Act is to require that cash transactions be rounded up or down to the nearest five cents.

The legislature notes that a person who violates the requirements of this Act shall be deemed to have engaged in an unfair or deceptive act or practice in the conduct of trade or commerce, pursuant to section 481B-4, Hawaii Revised Statutes, and will be subject to the penalties established in chapter 480, Hawaii Revised Statutes.

SECTION 2. Chapter 481B, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

**"§481B-\_\_\_\_\_ Cash transaction rounding. (a)**

Notwithstanding any law to the contrary, any person selling



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goods or services in a cash transaction, entering into any other transaction that results in a payment or transfer of cash between the parties to the transaction, or paying cash wages to an employee as compensation, shall round the payment in the following manner for any person seeking to make payment with legal tender:

(1) In any case in which the total transaction amount, including any taxes, ends with one cent, two cents, six cents, or seven cents as the final digit, the amount of cents in the sum shall be rounded down to the nearest amount divisible by five;

(2) In any case in which the total transaction amount, including any taxes, ends with three cents, four cents, eight cents, or nine cents as the final digit, the amount of cents in the sum shall be rounded up to the nearest amount divisible by five; and

(3) Notwithstanding paragraph (1) to the contrary, in any case in which the total transaction amount, including any taxes, totals \$0.01 or \$0.02, the transaction shall be rounded up to \$0.05.

(b) Subsection (a) shall not apply to any transaction for which payment is made by any demand or negotiable instrument, electronic fund transfer, check, gift card, money order, credit card, or other like instrument or method."

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.



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TESTIMONY OF DAVE ERDMAN, PRESIDENT & CEO  
RETAIL MERCHANTS OF HAWAII  
FEBRUARY 17, 2026

**COMMENTS ONLY FOR SB 3244 – RELATING TO CASH ACCEPTANCE**

Aloha Chair Keohokalole, Vice Chair Fukunaga, and Members of the Committee:

My name is Dave Erdman, Interim President and CEO of Retail Merchants of Hawai'i (RMH), representing retailers and allied businesses statewide.

RMH appreciates the intent of SB 3255 to address consumer access to cash transactions. However, as currently drafted, this measure would impose a broad mandate on small businesses without adequately accounting for operational realities, safety considerations, and cost impacts.

Many small retailers have moved to limited-cash or cashless models due to robbery risk, employee safety concerns, armored transport costs, and cash-handling expenses. A universal cash acceptance requirement could unintentionally increase risk and impose new compliance burdens on businesses already operating on thin margins.

Additionally, any discussion of mandatory cash acceptance must account for the ongoing national coin shortage, particularly the persistent shortage of pennies. Retailers across Hawai'i have had trouble securing adequate coin supply, resulting in the adoption of transparent rounding practices for cash transactions. The current draft does not sufficiently address this practical constraint.

Rather than attempting to amend this version, RMH respectfully requests that the Committee replace the contents of SB 3255 with the language contained in the House version (HB2346) of this measure, which more appropriately balances consumer access with business safety and operational flexibility.

We believe that approach provides a clearer and more workable framework for both consumers and small businesses.

Thank you for the opportunity to provide comments.

Respectfully submitted,  
Dave Erdman  
Interim President & CEO  
Retail Merchants of Hawai'i

**LATE**

**SB-3255**

Submitted on: 2/24/2026 9:49:07 AM

Testimony for CPN on 2/25/2026 9:32:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Laura Yano	Testifying for Imi Ila Legacy, LLC	Support	Written Testimony Only

Comments:

Please support this bill. This is a basic freedom and choice that everyone in our state should have.

Mahalo!

**SB-3255**

Submitted on: 2/20/2026 7:34:56 PM

Testimony for CPN on 2/25/2026 9:32:00 AM

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

Comments:

I, Johnnie-Mae L. Perry, Support

3255 SB RELATING TO CURRENCY.

**SB-3255**

Submitted on: 2/21/2026 12:39:47 PM

Testimony for CPN on 2/25/2026 9:32:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Richard McClellan	Individual	Comments	Written Testimony Only

Comments:

The Legislature and the Department of Taxation have targeted cash transactions for the last 15 years, with special published warnings in English, Chinese and Korean available on the Department of Taxation website.

Act 134 of 2009 and related Administrative Regulation impose numerous burdens on cash transactions that are generally not present with electronic transactions. Furthermore, cash transactions put extra burdens on businesses to create ledgers or use a cash register at a threshold of ten transactions per day. Electronic transactions are typically automatically compiled and readily sorted for book-keeping purposes. Cash may also require additional security measures that e-transactions may not require.

Countries like India have managed to convert to largely electronic payment systems on a society-wide basis.

I recommend that the Legislature find ways to make e-payment more convenient for everyone and lessen the burdens for businesses serving the communities mentioned in this bill.

**LATE**

**SB-3255**

Submitted on: 2/24/2026 6:22:31 PM

Testimony for CPN on 2/25/2026 9:32:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Blaine De Ramos	Individual	Support	Written Testimony Only

Comments:

I support SB3255.

**LATE**

**SB-3255**

Submitted on: 2/24/2026 7:16:19 PM

Testimony for CPN on 2/25/2026 9:32:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
pahnelopi mckenzie	Individual	Support	Written Testimony Only

Comments:

I support SB 3255. Cash should be allowed to use in any establishment as it is legal tender. To assume that everyone has digital currency access is terrible. Cash should be protected as a means of usage and survival. I support SB 3255

Pahnelopi McKenzie

**LATE**

**SB-3255**

Submitted on: 2/24/2026 7:48:06 PM

Testimony for CPN on 2/25/2026 9:32:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Angela Matsumoto	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill because we have always had a cash society from the beginning. Some people may not have credit cards, some people may have bad credit, some may be too young to get one. It shouldn't be forced on us to only have one option or choice IN ANYTHING. Bless us with choices always.

**LATE**

**SB-3255**

Submitted on: 2/24/2026 9:18:27 PM

Testimony for CPN on 2/25/2026 9:32:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Marie Mossman	Individual	Support	Written Testimony Only

Comments:

I support SB3255. Many do not have credit cards

**LATE**

**SB-3255**

Submitted on: 2/24/2026 9:42:05 PM

Testimony for CPN on 2/25/2026 9:32:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Emily Mossman	Individual	Support	Written Testimony Only

Comments:

I submit Bill SB3255. Not everyone utilizes debit or credit cards and only prefer to pay for essentials with cash.

Thank you for your time and consideration.