

Honolulu, Hawaii

FEB 18 , 2026

RE: H.B. No. 2118

H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committees on Economic Development & Technology and
Labor, to which was referred H.B. No. 2118, H.D. 1, entitled:

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

beg leave to report as follows:

The purpose of this measure is to:

- (1) Transfer the State Foundation on Culture and the Arts and the King Kamehameha Celebration Commission from the Department of Accounting and General Services to the Department of Business, Economic Development, and Tourism;
- (2) Transfer certain authority and responsibilities held by the Comptroller regarding the Works of Art Special Fund to the Director of Business, Economic Development, and Tourism; and
- (3) Appropriate funds for positions within the Department of Business, Economic Development, and Tourism.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services; Hawai'i State Foundation on Culture and the Arts; Association of Hawaiian



Civic Clubs; CARES; and two individuals. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committees find that the State Foundation on Culture and the Arts and the King Kamehameha Celebration Commission serve vital functions in the preservation and promotion of the State's rich cultural heritage and the arts, which are integral components of the State's identity and economy. Your Committees further find that administratively placing these state entities in the Department of Business, Economic Development, and Tourism, rather than the Department of Accounting and General Services, will better serve the State's broader economic objectives as the Department of Business, Economic Development, and Tourism is better positioned to support the growth and development of Hawaii's cultural and creative industries. The transfer of administrative oversight proposed by this measure will streamline administrative processes, enhance programmatic support, and enable the State to more effectively leverage its resources to enhance the visibility and impact of Hawaii's unique cultural and artistic initiatives.

As affirmed by the records of votes of the members of your Committees on Economic Development & Technology and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2118, H.D. 1, and recommend that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Economic
Development & Technology and
Labor,



JACKSON D. SAYAMA, Chair



GREGGOR ILAGAN, Chair



