

STAND. COM. REP. NO. **3340**

Honolulu, Hawaii

MAR 30 2026

RE: H.B. No. 2438
H.D. 3
S.D. 1

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

Sir:

Your Committees on Economic Development and Tourism, Water, Land, Culture and the Arts, and Transportation, to which was referred H.B. No. 2438, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII CULTURAL TRUST,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Hawaii Cultural Trust within the Department of Business, Economic Development, and Tourism;
- (2) Establish an income tax credit applicable to taxable years beginning after December 31, 2026, for contributions made to both the Hawaii Cultural Trust and at least one qualified Hawaii cultural organization, under certain conditions; and
- (3) Establish a special number plate for motor vehicles to support the Hawaii Cultural Trust.

Your Committees received testimony in support of this measure from the State Foundation on Culture and the Arts, Department of 'Ōiwi Resources of the County of Maui, Hawai'i Arts Alliance, and Donkey Mill Art Center.



Your Committees received comments on this measure from the Department of Taxation; Department of Business, Economic Development, and Tourism; and Department of Customer Services of the City and County of Honolulu.

Your Committees find that local cultural and arts organizations, which are integral to preserving and promoting the State's heritage and cultural identity, face rising costs, unstable funding, and increasing demand for services. By holding dedicated funds or endowments, cultural trusts safeguard stable, independent, and sustainable funding for the arts, insulated from the political and economic instability that often impacts annual budget cycles. This measure promotes long-term financial security that will strengthen the arts ecosystem, supporting innovation, capacity building, and expanded public access and cultural equity.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 3050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development and Tourism, Water, Land, Culture and the Arts, and Transportation that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2438, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2438, H.D. 3, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Economic
Development and Tourism, Water,
Land, Culture and the Arts, and
Transportation,



CHRIS LEE, Chair




LYNN DECOITE, Chair



LORRAINE R. INOUE, Chair

The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
 Committee on Transportation
 TRS

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2438, HD 3	EDT/WLA/TRS, WAM	3/25/20		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
INOUYE, Lorraine R. (C)	✓			
ELEFANTE, Brandon J.C. (VC)				✓
KANUHA, Dru Mamo				✓
LEE, Chris	✓			
DECORTE, Samantha	✓			
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Committee Drafting Agency				

*Only one measure per Record of Votes