

STAND. COM. REP. NO. **2188**

Honolulu, Hawaii

**FEB 11 2026**

RE: S.B. No. 2129  
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 Economic Development and Tourism, to which was referred S.B. No. 2129 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 Department of Business, Economic Development, and Tourism to study the impacts of the incremental minimum wage increase pursuant to Act 144, Session Laws of Hawaii 2022, on businesses and other employers;
- (2) Require a report to the Legislature; and
- (3) Appropriate funds.

Your Committee received testimony in support of this measure from the Hawai'i Restaurant Association; Retail Merchants of Hawai'i; Chamber of Commerce Hawaii; Activities & Attractions Association of Hawaii, Inc.; Maui Chamber of Commerce; and Kapolei Chamber of Commerce.



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

Your Committee finds that the Legislature passed Act 114, Session Laws of Hawaii 2022, that incrementally increases the State's minimum wage over a period of six years until it reaches \$18.00 beginning January 1, 2028, to address inflation and the rising cost of living in the State. While increasing the minimum wage assists Hawaii residents to raise their quality of life, reduces poverty, and increases economic activity in the State, the increased cost of compensation may adversely impact small and mid-sized employers that operate with narrow margins. Your Committee further finds that monitoring the impacts of new legislation is a critical component of effective policymaking. The study conducted pursuant to this measure will assist the Legislature in making informed policy decisions on labor and wage matters in the State.

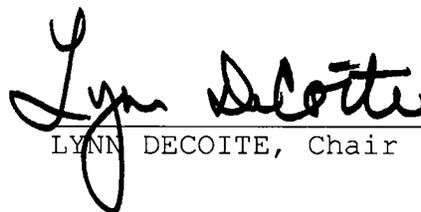
Your Committee has amended this measure by:

- (1) Extending the deadline for the Department of Business, Economic Development, and Tourism to submit its report to the Legislature from twenty days prior to the convening of the Regular Session of 2027 to no later than December 31, 2027;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

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. 2129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2129, 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



