

STAND. COM. REP. NO. 1985-26

Honolulu, Hawaii

APR 09 , 2026

RE: S.B. No. 2598
H.D. 1

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

Madame:

Your Committee on Finance, to which was referred S.B. No. 2598 entitled:

"A BILL FOR AN ACT RELATING TO NON-GENERAL FUNDS,"

begs leave to report as follows:

The purpose of this measure is to authorize the use of monies in certain special and revolving funds for operation and administration costs of the related programs.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that fluctuating federal policies and funding levels have created uncertainty for state programs that rely on special and revolving funds to deliver essential services. Restrictions on the use of these funds for administrative and operating expenses can limit the ability of agencies and authorities to respond effectively to changing fiscal conditions. Your Committee further finds that allowing these funds to be used for personnel and other operational costs provides the executive branch with greater flexibility to maintain program continuity and adapt to revenue fluctuations while continuing to fulfill statutory purposes.

2026-3103 SB2598 HD1 HSCR HMSO



Your Committee has amended this measure by changing the effective date to July 1, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2598, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2598, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



CHRIS TODD, Chair



