

STAND. COM. REP. NO. 2687

Honolulu, Hawaii

FEB 20 2026

RE: S.B. No. 2627
S.D. 2

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 and Government Operations, to which was referred S.B. No. 2627, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT AND TOURISM,"

beg leave to report as follows:

The purpose and intent of this measure is to exempt the Hawaii Tourism Authority's contracts or agreements for sports projects and events and marketing activities from the Hawaii Public Procurement Code and all other requirements of law for competitive bidding.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Hawai'i Tourism Authority.

Your Committees received testimony in opposition to this measure from the State Procurement Office.

Your Committees received comments on this measure from one individual.

Your Committees find that the Hawaii Tourism Authority currently faces operational barriers that impair its capacity to compete in the international tourism marketplace due to the time



constraints of compliance with the Hawaii Public Procurement Code. The standard public procurement process, which often takes months, is incompatible with time-sensitive opportunities such as sponsorship agreements with international sports teams and marketing campaigns tied to seasonal events. Strategic partnerships in sports and marketing are proven drivers of visitor engagement and economic impact. This measure enhances the Authority's ability to act within the timing of competitive windows that drive sports partnerships and destination marketing, increasing its competitiveness with other tourism destinations.

Your Committees acknowledge the concerns raised in testimony by the State Procurement Office that the Hawaii Public Procurement Code is an integral tool for ensuring fairness, open competition, and transparency in the procurement and contracting process, principles that are vital to good government. Your Committees recognize that while the Hawaii Tourism Authority requires an exemption to effectively compete in the global sports tourism marketplace, the exemption should be limited in scope only for sports events and include alternative accountability measures. Therefore, amendments to this measure are necessary to address this matter.

Accordingly, your Committees have amended this measure by:

- (1) Deleting language that would have exempted the Hawaii Tourism Authority's contracts or agreements for sports projects and marketing activities from the Hawaii Public Procurement Code;
- (2) Requiring the Hawaii Tourism Authority to notify the Chief Procurement Officer of contract details no later than thirty days after executing a contract exempt from the Hawaii Public Procurement Code;
- (3) Requiring the Hawaii Tourism Authority to submit an annual report to the State Procurement Office no later than an unspecified date detailing exempt contracts it executed in the preceding year;
- (4) Amending section 1 to reflect its amended purpose;



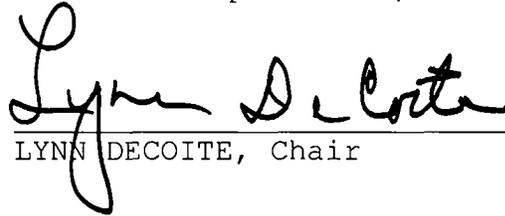
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development and Tourism and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2627, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2627, S.D. 2, 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 and
Government Operations,



ANGUS L.K. MCKELVEY, Chair



LYNN DECOITE, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* SB2627 SD1	Committee Referral: EDT/GVO, WAM	Date: 2/19/2026
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
MCKELVEY, Angus L.K. (C)	✓			
GABBARD, Mike (VC)	✓			
HASHIMOTO, Troy N.	✓			
MORIWAKI, Sharon Y.	✓			
AWA, Brenton				✓
TOTAL	4	—	—	1

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:


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 File with Committee Report Committee Drafting Agency

*Only one measure per Record of Votes