

STAND. COM. REP. NO. 2652

Honolulu, Hawaii

FEB 20 2026

RE: S.B. No. 2884
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 Commerce and Consumer Protection, to which was referred S.B. No. 2884 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a temporary nonrefundable individual income tax credit for a certain percentage of expenses paid to retrofit a residence with wind resistive devices or to purchase, install, or construct, a hurricane shelter on a taxpayer's property; and
- (2) Reduce the general excise tax rate on the gross proceeds or income from the sale of a concrete certified hurricane-resistant residential project or certain hurricane-resistant components of the project.

Your Committee received testimony in support of this measure from the Department of Defense, Department of Land and Natural Resources, and four individuals.

Your Committee received comments on this measure from the Insurance Division of the Department of Commerce and Consumer Affairs and Department of Taxation.



Your Committee finds that climate change is increasing both the frequency and intensity of hurricanes threatening the State. This measure would enhance housing resilience, safeguard families from disasters, and reduce long-term recovery costs.

Your Committee has amended this measure by:

- (1) Inserting language that clarifies that a certified hurricane shelter shall meet certain requirements;
- (2) Inserting language that clarifies that certain fortification standards of high-rise apartment and condominium buildings or units shall be certified by a licensed building inspector or design professional;
- (3) Inserting definitions for "related structural components" and "incremental cost"; and
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2884, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2884, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



JARRETT LEOKALOALE, Chair



