



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
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Testimony of the Department of Commerce and Consumer Affairs

Office of Consumer Protection

Before the
House Committee on Finance
Tuesday, April 7, 2026
2:00 p.m.
Via Videoconference
Conference Room 308

On the following measure:
S.B. 3255, S.D. 1, H.D. 1, RELATING TO CURRENCY

Chair Todd and Members of the Committee:

My name is Emma Olsen, and I am an Enforcement Attorney for the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection (OCP). The Department offers comments.

The purpose of this bill is to address the penny shortage and require symmetrical rounding. Cash transactions, including payments made for goods or services and cash wages to employees, must be rounded up or down to the nearest five cents. Transactions totaling \$0.01 or \$0.02 must be rounded up to \$0.05.

Our office has received requests for guidance by businesses and business advocacy groups. Mandatory symmetrical rounding, as proposed in this bill, would appear to conflict with HRS section 486-116, which requires rounding down. That statute applies to commodities or services by weight, measure, or count. It provides that "[t]he

price displayed and the price actually charged the purchaser shall be identical unless a prior agreement has been reached between the buyer and the seller or the price charged is lower than the price displayed.”

This bill appears to recognize the potential conflict with HRS section 486-116 and require that mandatory rounding trump section 486-116 to the extent of any conflict. In other words, when rounding up is authorized, this bill trumps section 486-116's command that the price advertised and the price charged must be the same, or the price charged must be lower than the price advertised.

We note some research indicating the symmetrical rounding mandated by this bill may raise consumer fairness concerns. According to the AP,¹ researchers at the Federal Reserve Bank of Richmond used a 2023 survey to show that prices that didn't end in zero or five were especially likely to end in eight or nine. Under a symmetrical rounding regime, purchases ending in an eight or nine would be rounded up to a zero, costing consumers a penny or two pennies more for every transaction. Overall, prices more often being rounded up could lead to millions of dollars gained by businesses and lost by consumers collectively, amounting to a few pennies lost per person.

Turning to remedies and enforcement, because this bill makes each deviation from symmetrical rounding a violation of state consumer protection law, it exposes violators to potential government and private civil actions. In a government enforcement action, merchants who violate state law prohibiting unfair or deceptive acts or practices face a mandatory minimum penalty of \$500 and a maximum of \$10,000 per violation.

Alternative policies under consideration in other states are authorized but not mandatory rounding, authorized store choice (round up, round down, or round up or round down) that must be made consistently by the store, and mandatory round down.

Thank you for the opportunity to testify on this bill.

¹ [States weigh in on cash purchases without pennies | AP News](#) (last visited 3/16/2026).



Mike Palmer, Chair – Ho'okipa Partners **Ryan Ko**, Vice Chair – Westman Corporation
Andy Huang, Past Chair – L&L Hawaiian Barbecue **Victor Lim**, Government Relations Lead – McDonald's
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Date: April 3, 2026
To: Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair
Committee On Finance
From: Victor Lim, Legislative Lead
Subj: SB 3255 SD 1, HD 1 Relating to Currency

The Hawaii Restaurant Association representing over 4,000 Eating and Drink Establishments strongly supports SB 3255, SD1, HD 1 dealing with the rounding up of pennies due to the shortage caused by US Treasury stopping the penny production last year.

We do recommend that you add language to this Bill that protects businesses in excising 481 B- in cash transaction rounding of pennies are immune from provisions in state statutes 480-2 and 486-116 that might be in conflict.

The guidance from US Treasury published on December 23, 2025, recommends that most states and localities will need to amend their state tax laws. Our understanding is that our State statute allows us to round down but not round up. Currently businesses are using their own judgement and interpretation because we have no clear recommendation from any state entity on how to handle this predicament of trying to round to the nearest 5 cents (nickel). This is also disproportionately hitting most of the smaller businesses.

We need this Bill 3255 SD 1, HD 1 to pass this legislative session and have our Governor sign this to stop this ambiguity. Thank You.



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TO: Committee on Finance
FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: April 7, 2026
TIME: 2pm

RE: SB3255 SD1 HD1 Relating to Currency
Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

HFIA is in strong support of this measure to allow rounding of change. Since the U.S. treasury stopped minting pennies last year many businesses around the state have already run out of pennies and others will shortly.

The Hawaii Revised Statutes (HRS) "Chapter §486-116 Misrepresentation of price" as currently written does not allow rounding to the nearest 5 cents. This creates an impossible situation for retailers who take cash, which urgently needs to be rectified.

We thank you for the opportunity to testify.



TESTIMONY OF DAVE ERDMAN
INTERIM PRESIDENT & CEO
RETAIL MERCHANTS OF HAWAI'I

**IN SUPPORT WITH COMMENTS ON SB 3255 SD1 HD1 – RELATING TO
CURRENCY**

COMMITTEE ON FINANCE
Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair

DATE: Tuesday, April 7, 2026

TIME: 2:00 p.m.

PLACE: Via Videoconference, Conference Room 308

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

My name is Dave Erdman, and I serve as Interim President and CEO of Retail Merchants of Hawai'i (RMH), a statewide nonprofit trade association representing retailers, shopping centers, restaurants located within retail environments, and allied businesses across the state.

Retail Merchants of Hawai'i supports SB 3255 SD1 HD1 with comments. This measure provides a practical and consumer-friendly framework for standardized rounding of cash transactions to the nearest five cents, addressing the growing shortage of pennies and the operational challenges businesses face in making exact change.

Retailers across Hawai'i, including high-volume locations, continue to accept cash as an important payment method. However, reduced penny circulation has created real-world difficulties in providing exact change while remaining compliant with consumer protection laws. Allowing uniform rounding for cash transactions only provides clarity, consistency, and fairness for both consumers and merchants.

RMH appreciates that the bill:

- Limits rounding to cash transactions only
- Establishes predictable rounding rules that are easy for consumers to understand
- Maintains exact pricing for electronic and non-cash payments
- Provides consistency across retailers and transaction types

We also support placement of this measure within Chapter 481B, Hawai‘i Revised Statutes, governing unfair and deceptive practices. This framework reinforces that rounding must be transparent, uniformly applied, and not misleading to consumers.

RMH further appreciates the clarifying amendments that:

- Confirm enforcement through the Attorney General and Office of Consumer Protection
- Clarify that rounding conducted pursuant to statute does not constitute price misrepresentation
- Ensure that businesses complying with rounding provisions are not subject to conflicting penalties
- Prevent private rights of action related solely to lawful rounding practices

These provisions provide important consumer protection while also offering legal certainty for businesses acting in good faith compliance with the law.

Standardized rounding is widely used in other jurisdictions and, when applied symmetrically, is neutral over time for consumers. The approach simplifies transactions, reduces delays at checkout, and allows businesses to continue accepting cash without operational disruption.

RMH believes this measure strikes an appropriate balance between consumer protection, transparency, and practical implementation for Hawai‘i’s retail community.

Thank you for the opportunity to provide testimony **in support with comments**.

Respectfully submitted,
Dave Erdman
Interim President & CEO
Retail Merchants of Hawai‘i



The
Store
With
Aloha

ABC Stores
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March 31, 2026

Chair Chris Todd
Vice Chair Jenna Takenouchi
Members of the House Committee on Finance

Re: SB3255 SD1 HD1 – Relating to Currency

Aloha Chair Todd, Vice Chair Takenouchi, and members of the committee, ABC Stores submits this testimony in **strong support of SB3255 SD1 HD1**, a necessary response to the ongoing shortage of circulating pennies. By authorizing cash transaction rounding to the nearest five cents, this measure provides a clear, uniform standard for cash sales while preserving consumer transparency.

ABC Stores operates high-volume retail locations throughout Hawai‘i and continues to serve many customers who rely on cash. As pennies become increasingly difficult to obtain, retailers are left to improvise—delaying transactions to search for exact change, using inconsistent rounding approaches, or absorbing the cost of shortages. SB3255 SD1 HD1 resolves this practical problem by establishing a consistent statewide rounding rule for cash transactions only, creating fairness and predictability for both consumers and merchants.

This bill appropriately:

- Applies rounding only to cash transactions, while exempting electronic and other non-cash payment methods
- Sets clear, easy-to-understand rules for rounding to the nearest five cents
- Recognizes the operational reality created by reduced penny circulation and prevents businesses from being penalized for circumstances beyond their control.

ABC Stores also supports the bill’s placement within Chapter 481B, Hawai‘i Revised Statutes, which governs unfair and deceptive practices. Locating cash-rounding authority in this framework reinforces that rounding must be transparent and consistently applied, and it provides an enforcement structure that protects consumers while giving businesses clear rules to follow.

However, because Chapter 481B includes a private right of action, it is essential that the statute also protect businesses that follow the State-authorized rounding method from unintended litigation and conflicting legal standards. ABC Stores would like to adopt the recommendation in the Hawai‘i Restaurant Association’s testimony dated April 3, 2026, and respectfully requests that SB3255 SD1 HD1 be amended to clarify that businesses complying with the cash-transaction rounding requirements under Chapter 481B are immune from any potentially conflicting provisions in HRS §§ 480-2 and 486-116.

This clarification is urgent. Without clear statutory direction, cash-accepting businesses will continue to make inconsistent, ad hoc decisions about 1-cent change—creating



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confusion at the register, consumer complaints, and uncertainty about what is legally permitted. This ambiguity also increases compliance risk and the potential for disputes or litigation, even when a retailer is acting in good faith to complete a transaction in the absence of available pennies. Federal guidance has indicated that states and localities may need to update their laws to accommodate rounding to the nearest five cents; Hawai'i should provide that clarity now.

By making clear that rounding conducted in accordance with this section is lawful, the Legislature will provide certainty to retailers, promote consistent statewide practices, and prevent unnecessary disputes at the point of sale.

SB3255 SD1 HD1 is a practical, balanced response to a real and growing operational issue facing Hawai'i businesses, while maintaining strong consumer protections. With the requested technical amendment adopting the Hawai'i Restaurant Association's April 3, 2026 recommendation, this measure will set a clear legal standard that benefits consumers, employees, and retailers alike.

For these reasons, ABC Stores respectfully urges the Committee to pass SB3255 SD1 HD1 this legislative session and to adopt the amendment reflected in the Hawai'i Restaurant Association's testimony dated April 3, 2026. If the Legislature does not act this session, businesses and consumers will remain stuck with unclear rules, inconsistent rounding practices, and heightened risk of disputes and litigation—problems that will intensify as penny availability continues to decline. Prompt passage will provide the certainty Hawai'i's cash-using customers and cash-accepting businesses need. Thank you for the opportunity to testify.

Mahalo,

John Mark Mageo
Employee Relations and Government Affairs Manager
ABC Stores



DATE: April 6, 2026
TO: Representative Chris Todd, Chair
Committee on Finance
FROM: Tiffany Yajima / Mihoko Ito
RE: **S.B. 3255, SD1, HD1 – Relating to Currency**
Hearing Date: Tuesday, April 7, 2026 at 2:00 p.m.
Conference Room: 308

Dear Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

On behalf of the Hawaii Bankers Association (HBA), we thank you for the opportunity to provide **comments** on S.B. 3255, SD1, HD1. HBA represents seven Hawai'i banks and one bank from the continent with branches in Hawai'i.

HBA supports amendments allowing this statute to remain in effect until federal agencies issue formal standards or guidance regarding the treatment of pennies or cash-transaction rounding.

The HD1 of this measure requires cash transactions to be rounded up or down to the nearest five cents and exempts non-cash transactions from penny rounding.

In February 2025, the U.S. Treasury was directed to stop producing pennies as part of a broader effort to cut government spending. While minting has ended, existing pennies remain legal tender, and banks continue to accept and process them.

As availability declines, some banks and merchants may run low or out of pennies, potentially affecting cash transactions that rely on exact change. A clear and consistent framework for rounding may help to reduce retailer reliance on pennies while minimizing confusion for consumers and businesses.

Rounding standards for cash transactions have historically been addressed at the federal level. At this time, however, federal agencies have not issued formal national standards for penny rounding. For this reason, HBA supports amendments to ensure the statute remains effective only until federal agencies issue formal standards or guidance on penny usage or cash transaction rounding.

Thank you for the opportunity to submit this testimony.



April 7, 2026

House Committee on Finance
Representative Chris Todd , Chair
Representative Jenna Takenouchi, Vice Chair

Tuesday, April 7, 2026, 2:00 p.m.
Conference Room #308 and via video conference

RE: SB 3255 SD1 HD1 Relating to Currency



Dear Chair Todd, Vice Chair Takenouchi and members of the Committee,

My name is Kiran Polk, and I am the Executive Director & CEO of the Kapolei Chamber of Commerce. The Kapolei Chamber of Commerce is an advocate for businesses in the Kapolei region including Waipahu, Kapolei, 'Ewa Beach, Nānakūli, Wai'anae, and Mākaha. We work on behalf of our members and the broader business community to improve the regional and State economic climate and to help West O'ahu businesses thrive.

The Kapolei Chamber of Commerce **supports SB 3255 SD1 HD1**, which allows cash transactions to be rounded up or down to the nearest five cents to address the ongoing shortage of pennies in circulation.

We support this measure due to the practical need to address the growing shortage of pennies in circulation. As noted in the measure, the United States Treasury has effectively ceased regular production of pennies, creating operational challenges for many businesses when making exact change. Allowing for standardized rounding to the nearest five cents provides a fair, efficient, and commonsense solution that supports both businesses and consumers.

This measure also provides much needed clarity and consistency for businesses that are currently navigating inconsistent practices due to the lack of clear statewide guidance.

We appreciate that the current version of the measure reflects the need for flexibility across different business models while focusing on a practical and balanced solution.

With respect to rounding, we strongly support the use of a standardized, symmetrical rounding framework for cash transactions only, while ensuring that electronic payments continue to be processed to the exact cent. This approach promotes fairness, transparency, and consistency for both businesses and consumers, particularly as coin availability continues to decline.

For these reasons, the Kapolei Chamber of Commerce supports SB 3255 SD1 HD1 and respectfully urges the Committee to pass this measure.

Thank you for this opportunity to provide testimony.

Respectfully,

Kiran Polk
Executive Director & CEO



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
TUESDAY, APRIL 7, 2026 AT 2:00 P.M.**

To The Honorable Representative Chris Todd, Chair
The Honorable Representative Jenna Takenouchi, Vice Chair
Members of the Committee on Finance

SUPPORT SB3255 SD1 HD1 RELATING TO CURRENCY

The Maui Chamber of Commerce appreciates the opportunity to share our support on SB3255 HD1, which establishes rounding for certain cash transactions.

With the ongoing penny shortage, establishing clear, consistent guidance for businesses on how to handle cash transactions is important.

We also note that the maximum potential impact to a consumer from rounding would be four cents, and customers would still have the option to pay with a credit card or other electronic form of payment to avoid rounding altogether.

Mahalo for the opportunity to share our support of SB3255 SD1 HD1. We ask that the House Draft of this measure be moved forward.

Sincerely,

A handwritten signature in cursive script that reads "Pamela Tumpap".

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

Chamber of Commerce HAWAII



**Testimony to the House Committee on Finance
Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair**

**Tuesday, April 7, 2026, at 2:00PM
Conference Room 308 & Videoconference**

RE: SB3255 SD1 HD1 Relating to Currency

Aloha e Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii (“The Chamber”). The Chamber supports Senate Bill 3255 Senate Draft 1 House Draft 1 (SB3255 SD1 HD1), Relating to Currency, which seeks to ensure that consumers who rely on cash transactions continue to have access to goods and services by establishing requirements related to the acceptance of cash for in-person retail transactions.

SB3255 SD1 HD1 aligns with the 2030 Blueprint for Hawaii, the Chamber’s long-term economic strategy developed with the business community to strengthen the state’s economy. In particular, SB3255 SD1 HD1 closely relates to the Small Business policy pillar, which focuses on improving the operating environment for local businesses while ensuring the marketplace remains accessible and inclusive for residents and visitors.

The Chamber recognizes the intent of this measure to ensure that individuals who rely on cash, particularly kūpuna, visitors, and residents who may be unbanked or underbanked, can participate in everyday commerce. Cash remains an important and accessible payment option for many members of our community, and maintaining inclusive access to retail transactions helps support a fair and functioning marketplace.

At the same time, businesses across Hawaii operate in a variety of circumstances, and some merchants have moved toward limited-cash or cashless models for operational, safety, and efficiency reasons. Handling cash can increase risks related to theft or robbery and may create additional costs associated with armored transport, banking services, and internal cash management procedures—considerations that can be particularly significant for small businesses operating on narrow margins.

Retailers and restaurants are also navigating challenges related to coin supply, particularly the growing shortage of pennies, as the United States Mint has reduced production due to rising manufacturing costs. As pennies become less available in circulation, businesses are increasingly encountering situations where exact change cannot be easily provided during cash transactions. Providing clarity in

state law regarding how these transactions may be handled can help reduce uncertainty for both businesses and consumers.

For these reasons, the Chamber respectfully asks to pass Senate Bill 3255 Senate Draft 1 House Draft 1. Thank you for the opportunity to testify.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of the available workforce, diversify the economy, and build greater local wealth.

TO: Members of the Committee on Transportation

FROM: Natalie Iwasa
808-395-3233

HEARING: 2 p.m. Tuesday, April 7, 2026

SUBJECT: SB3255, SD1, HD1 - Requires Rounding Cash Transactions - **OPPOSED**

Aloha Chair Todd and Committee Members,

Thank you for allowing the opportunity to provide testimony on SB3255, SD1, HD1, which would require businesses who accept cash transactions to round them in certain ways.

Why does the legislature think a law is needed to do this? Aren't business owners capable of making these decisions on their own?

What if a business has pennies? Why should they be required to round cash transactions?

Vote "no" on SB3255, SD1, HD1. There's no good reason to legally require rounding.