

HEMA Faced Multiple Challenges This Past Legislative Session



Eric Wright
HEMA President

Hawaii, more than any other state, is largely dependent upon the visitor industry to support the local economy. The adverse impact of having virtually no visitors to the islands because of a series of lockdowns during the pandemic left an indelible impression on Hawaii Energy Marketer Association (HEMA) member companies. While the economy seemed to be improving with pent-up demand for travel to Hawaii, we remain cautious. Travelers from the continental U.S. may be waning and we are still waiting for visitors from Japan to return to pre-pandemic levels.

In the meantime, we are facing threats right in our backyard. HEMA member companies faced multiple threats all along the energy supply distribution channel this past legislative session. As always, constant vigilance was essential up to the end of the session in early May.

HEMA was monitoring multiple bills that could potentially impact our businesses. Since a significant increase in minimum wage was passed into law in 2022, this was not an issue in 2023. However, HEMA was keeping a watchful eye on other bills. A proposed ban on flavored tobacco products was gaining momentum this past session and appeared it would easily make it over the finish line, but somewhat surprisingly died mid-session. Paid family leave was another issue that received traction this session, but this bill also lost steam and ultimately was not passed into law.

The session ended with a state budget of \$11.3 billion for fiscal year 2024. However, the Hawaii State Constitution sets a limit on the budget based on the state's economic forecast from projected revenue. As a result, it was later determined the budget was over the established ceiling by \$1.6 billion. Gov. Josh Green subsequently vetoed multiple projects to reduce the budget by \$1 billion. Fortunately, none of the budget cuts affected HEMA companies.

There are some bright spots. HEMA companies and businesses in other sectors look forward to seeing more federal funds, including those from the Infrastructure Investment and Jobs Act and American Rescue Plan Act, disbursed into the state to reinvigorate the economy. We believe funding for major projects will create jobs and cascade throughout our economy to help buoy all businesses.

