



**Testimony to the House Committee on Economic Development and Business
Friday, January 31, 2020 at 9:30 A.M.
Conference Room 309, State Capitol**

RE: HB 2210, RELATING TO THE OFFICE OF PLANNING

Chair McKelvey, Vice Chair Kitagawa, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 2210, which appropriates funds for the Office of Planning to conduct a business climate report.

The Chamber is Hawaii's leading statewide business advocacy organization, representing 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Hawaii has continuously been recognized as one of the worst states to start a business by a number of nationwide studies. However, these studies may not take into account Hawaii's geographical location and unique mandates for business owners. By commissioning a study that takes into account these factors, we are able to gain an accurate sense of challenges and opportunities that could lead to economic growth.

Additionally, the Chamber would like to propose the following amendments to HB 2210:

Creating a new Section 1 to read:

The legislature finds that Hawaii is consistently recognized as one of the worst states in which to start a business by numerous nationwide studies. Specifically, annual studies produced by WalletHub, CNBC, and Forbes consistently rank Hawaii at or near the bottom each year. For their 2019 studies, Hawaii was ranked 47th, 49th, and 46th, respectively.

The Legislature also notes that according to the Small Business Administration's 2019 Small Business Profile, there are over 132,000 small businesses across the state, employing over 275,000 employees. These small businesses play a vital role in helping to provide jobs, preserve our state's unique culture, and promote the Hawaii brand.

By identifying areas of opportunity to support entrepreneurs and their contributions to our state's economy, the Legislature will increase support to start businesses and keep businesses in Hawaii, rather than leaving for a state with a friendlier business climate, and also drastically improve Hawaii's standing for business opportunity and investment.



Chamber of Commerce HAWAII

The Voice of Business

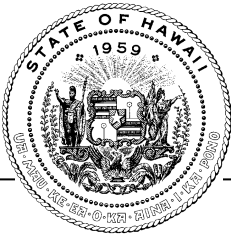
Changing the sentence in the current Section 1 (a) to read:

The office of planning shall conduct a study on the cost of doing business in the State.

Listing the issues to be studied as follows:

1. Availability of current information and incentives available to new and current for business owners by state agencies and the ease of accessibility to such resources;
2. Costs incurred to businesses of Hawaii as a result of the state's Prepaid Health Care Act and other insurance mandates currently paid for by business owners.
3. Labor, including projected workforce growth, identifying future industries of growth in Hawaii, and identifying how we can prepare our future workforce through educational programs;
4. Costs associated with leases and rents, including current laws related to permits for construction and renovation and the effects they have on the cost to a business;
5. Costs associated with utilities, transportation, and shipping of goods and services for a business;
6. Analysis of current laws related to employee hiring, workers' compensation, employment records, occupational safety, business and professional licensing, business registration, environmental, and trade laws in the State of Hawaii and their potential impact to the additional costs incurred by businesses.

Thank you for the opportunity to provide testimony in support of this measure.



OFFICE OF PLANNING STATE OF HAWAII

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DAVID Y. IGE
GOVERNOR

MARY ALICE EVANS
DIRECTOR
OFFICE OF PLANNING

Statement of
MARY ALICE EVANS
Director, Office of Planning
before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS
Friday, January 31, 2020
9:30 AM
State Capitol, Conference Room 309
in consideration of
HB 2210
RELATING TO THE OFFICE OF PLANNING.

LATE

Chair McKelvey, Vice Chair Kitagawa, and Members of the House Committee on Economic Development and Business.

The Office of Planning (OP) supports the intent of this measure offers the following **comments** on HB 2210. The Office of Planning understands that the intent of HB 2210 to provide a comprehensive study of Hawai'i's business climate.

The Office of Planning has a limited capacity and does not have the existing resources to staff or fund such a study, nor does the Office of Planning's staff have the expertise specific to the 19 areas to be addressed in this study. Such a study would need to be contracted by the Office of Planning through a competitive request for proposal.

The Office of Planning would appreciate the following amendments to HB 2210:

- Section b of HB 2210 is unnecessary since the Office of Planning presently has contracting authority:
[“(b) ~~The office of planning may contract the service of public or private entities to effectuate the purpose of this Act. Any contract executed pursuant to this Act shall be exempt from chapter 103D, Hawaii Revised Statutes.~~”]
- The study requested by this bill would require additional time beyond December 2020:
“(c) The office of planning shall submit a report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of [~~2021~~] **2022**.”
- “The sum appropriated shall be expended by the [~~department of business, economic development, and tourism~~] **office of planning** for the purposes of this Act.”

The Office of Planning appreciates the intent of this bill provided that its passage does not replace or adversely impact priorities indicated in the Executive Budget.



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

LATE

**HEARING BEFORE THE HOUSE COMMITTEE ON
ECONOMIC DEVELOPMENT & BUSINESS
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 309
FRIDAY, JANUARY 31, 2020 AT 9:30 A.M.**

To The Honorable Angus L.K. McKelvey, Chair;
The Honorable Lisa Kitagawa, Vice Chair; and
Members of the Committee on Economic Development & Business;

TESTIMONY IN SUPPORT OF HB2210 RELATING TO THE OFFICE OF PLANNING

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce, with approximately 650 members. I am writing share our strong support of HB2210.

The Maui Chamber of Commerce strongly supports this bill to appropriate funds for the Office of Planning to conduct a business climate report. We appreciate that this bill has been introduced as it is something we have long supported. Unless one has run a business, they often have no idea of the challenges that businesses face. This study will help to illustrate those challenges including how our regulatory environment impacts businesses in both positive and negative ways, access to capital, finding qualified employees and sustaining growing expenses month after month. It will also help to showcase how Hawaii's businesses have to compete in a global economy where businesses in other states and countries costs are considerably less.

In addition to this great initiative, we also support similar bills HB2071, HB2655 and SB3163 to include a fiscal/economic impact statement with bills.

We appreciate the opportunity to testify on this matter and ask that this bill be passed.

Sincerely,

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.