

JAN 26 2022

A BILL FOR AN ACT

RELATING TO THE ECONOMY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that, in light of the
2 State's ongoing recovery from the coronavirus disease 2019
3 pandemic, the State must improve its economic coordination and
4 focus its efforts to meet specific state goals in the areas of
5 economic disaster mitigation, economic diversification, import
6 substitution, and community development.

7 Accordingly, this Act is intended to help meet this need by
8 establishing a policy matrix that will ensure economic success
9 and meet the State's strategic economic diversification goals.
10 The legislature finds that the implementation of this matrix
11 will not require a significant additional investment in overhead
12 resources but will require funds for specific programs that are
13 identified collaboratively by the legislature and the department
14 of business, economic development, and tourism. The
15 implementation will also require the establishment of specific
16 goals and reports to the legislature that assess the
17 effectiveness of the projects in meeting those goals.



1 The legislature finds that through this Act, the department
2 of business, economic development, and tourism will serve as a
3 facilitative catalyst for the State, the counties, businesses,
4 investors, labor organizations, and communities and will help to
5 align the State with the emerging knowledge-based,
6 zero-emission, and digital global economy while putting Hawaii
7 on the path toward economic prosperity. Finally, the
8 legislature finds that this Act will serve as a model for the
9 creation and implementation of future public policy frameworks
10 for the State.

11 The purpose of this Act is to promote economic recovery and
12 diversification by:

- 13 (1) Establishing state goals for economic disaster
14 mitigation, economic diversification, import
15 substitution, and community development;
- 16 (2) Appropriating moneys to the department of business,
17 economic development, and tourism to implement
18 specific projects that address those goals;
- 19 (3) Identifying additional projects authorized in the
20 executive budget to be implemented by the department



of business, economic development, and tourism that
address those goals; and

(4) Requiring the department of business, economic
development, and tourism to submit annual reports to
the legislature that summarize:

(A) The progress of projects assigned to the
department by this Act;

(B) The outcomes of the projects assigned to the
department, including an assessment of each
project's effectiveness in achieving state goals;
and

(C) Any other findings and recommendations, including
any proposed legislation.

SECTION 2. (a) The legislature declares that the projects
for which funds are appropriated pursuant to section 3 of this
Act or authorized in the Supplemental Appropriations Act or
Supplemental Improvements Act as described in section 4 of this
Act align with one or more of the following goals that address
economic disaster mitigation, economic diversification, import
substitution, and community development:



1 (1) Economic disaster mitigation: Projects shall address
2 economic disaster mitigation by strengthening
3 infrastructure to better serve the community's
4 well-being and by empowering community-based planning
5 and development;

6 (2) Economic diversification through participation in the
7 digital economy: Projects shall address economic
8 diversification by strengthening Hawaii's
9 participation in the digital economy, including:

10 (A) Strengthening broadband infrastructure and
11 affordability;

12 (B) Increasing digital literacy;

13 (C) Strengthening remote work infrastructure; and

14 (D) Strengthening business capacity and readiness to
15 participate in the digital economy;

16 (3) Economic diversification through strengthened traded
17 activities: Projects shall address economic
18 diversification by strengthening traded activities
19 that redistribute Hawaii's gross domestic product,
20 including:

21 (A) Increasing the export of professional services;



(B) Increasing the export of creative intellectual property;

(C) Strengthening the post-production capacity for value-added agriculture and manufacturing; and

(D) Strengthening the attraction of film projects;

(4) Import substitution: Projects shall address import substitution by reducing the State's reliance on fossil fuels; and

(5) Community development: Projects shall address community development through the creation of affordable, livable, and desirable communities for Hawaii's residents.

(b) The department of business, economic development, and tourism shall implement the projects authorized or described in sections 3 and 4 of this Act for the purpose of meeting the goals described in subsection (a); provided that the department may work with any other state or county agency for the implementation of the assigned projects.

(c) No later than twenty days prior to the convening of the regular sessions of 2023, 2024, and 2025, the department of



1 business, economic development, and tourism shall submit a
2 report to the legislature that includes:

3 (1) A summary of the progress of the projects assigned to
4 the department by this Act;

5 (2) The outcomes of the projects assigned to the
6 department by this Act, including an assessment of
7 each project's effectiveness in achieving the goals
8 described in subsection (a); and

9 (3) Any findings and recommendations, including any
10 proposed legislation.

11 SECTION 3. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$26,060,000 or so
13 much thereof as may be necessary for fiscal year 2022-2023 for
14 the following projects:

15 (1) For the purpose of economic disaster mitigation, as
16 described in section 2(a)(1) of this Act: \$500,000
17 for community-based economic development
18 revitalization grants to provide funding for
19 communities to hold economic development activities;

20 (2) For the purpose of economic diversification, as
21 described in section 2(a)(2) and 2(a)(3) of this Act:



- 1 (A) \$1,000,000 for carrier-neutral cable landing
- 2 infrastructure to develop pre-construction
- 3 specifications for the design and engineering of
- 4 carrier-neutral cable landing infrastructure on
- 5 the islands of Oahu, Hawaii, Maui, and Kauai;
- 6 (B) \$1,000,000 for digital literacy training in
- 7 partnership with state libraries and Hawaii
- 8 Literacy;
- 9 (C) \$500,000 for instant teams phase 2 to increase
- 10 remote work opportunities for Hawaii's residents;
- 11 (D) \$300,000 for remote work website business
- 12 resources build-out to strengthen business
- 13 capacity to hire Hawaii's remote workforce;
- 14 (E) \$1,310,000 to expand creative space studio at
- 15 Entrepreneurs Sandbox;
- 16 (F) \$50,000 for a film permitting digital system to
- 17 streamline the permit process;
- 18 (G) \$18,000,000 for the ocean economy innovation
- 19 village;
- 20 (H) \$400,000 to establish an office of international
- 21 affairs; and



(I) \$500,000 for a cyber leaders programs to provide educational and technical cybersecurity assistance to local businesses to maintain compliance with cybersecurity requirements; and

(3) For the purpose of import substitution, as described in section 2(a)(4) of this Act: \$2,500,000 for Solarize Waianae.

The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act.

SECTION 4. The following capital improvement projects authorized by the Supplemental Appropriations Act of 2022 (Bill No.) or the Supplemental Improvements Act of 2022 (Bill No.) shall be implemented by the department of business, economic development, and tourism for the purpose of community development, as described in section 2(a)(5) of this Act:

(1) Saratoga avenue electrical and communications infrastructure improvements (\$12,125,000); and

(2) Repair of the Fisherman's Wharf bulkhead (\$25,000,000);



1 provided that this section shall not be interpreted to
2 appropriate or authorize the expenditure of any additional funds
3 beyond what is appropriated or authorized by the Supplemental
4 Appropriations Act or the Supplemental Improvements Act.

5 SECTION 5. The appropriation made for projects authorized
6 by section 3 of this Act shall not lapse at the end of the
7 fiscal biennium for which the appropriation is made; provided
8 that all moneys from the appropriation unencumbered as of
9 June 30, 2024, shall lapse as of that date.

10 SECTION 6. This Act shall take effect on July 1, 2022.

11
INTRODUCED BY: 



Report Title:

DBEDT; Economic Disaster Mitigation; Economic Diversification; Import Substitution; Community Development; Omnibus Appropriations; Report to Legislature

Description:

Establishes a public policy framework that addresses state goals in the areas of economic disaster mitigation, economic diversification, import substitution, and community development. Appropriates moneys to the Department of Business, Economic Development, and Tourism to implement specific projects that address those goals. Identifies additional projects authorized in the executive budget to be implemented by the Department of Business, Economic Development, and Tourism in furtherance of those goals. Requires DBEDT to submit annual reports to the Legislature summarizing project outcomes, including an assessment of each project's effectiveness in achieving those goals.

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