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# 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



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

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

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

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

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

14 SECTION 2. (a) The legislature declares that the projects  
15 for which funds are appropriated pursuant to section 3 of this  
16 Act or authorized in the Supplemental Appropriations Act or  
17 Supplemental Improvements Act as described in section 4 of this  
18 Act align with one or more of the following goals that address  
19 economic disaster mitigation, economic diversification, import  
20 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 trade  
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;



1 (B) Increasing the export of creative intellectual  
2 property;

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

5 (D) Strengthening the attraction of film projects;

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

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

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

19 (c) No later than twenty days prior to the convening of  
20 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 \$4,160,000 or so much  
13 thereof as may be necessary for fiscal year 2022-2023 for the  
14 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 and



- 1           (2) For the purpose of economic diversification, as
- 2           described in section 2(a)(2) and 2(a)(3) of this Act:
- 3           (A) \$1,000,000 for digital literacy training in
- 4           partnership with state libraries and Hawaii
- 5           Literacy;
- 6           (B) \$500,000 for Instant Teams' phase 2 to increase
- 7           remote work opportunities for Hawaii's residents;
- 8           (C) \$300,000 for remote work website business
- 9           resources build-out to strengthen business
- 10          capacity to hire Hawaii's remote workforce;
- 11          (D) \$1,310,000 to expand creative space studio at
- 12          Entrepreneurs Sandbox;
- 13          (E) \$50,000 for a film permitting digital system to
- 14          streamline the permit process; and
- 15          (F) \$500,000 for a cyber leaders programs to provide
- 16          educational and technical cybersecurity
- 17          assistance to local businesses to maintain
- 18          compliance with cybersecurity requirements.

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



1 SECTION 4. The appropriation made for projects authorized  
 2 by section 3 of this Act shall not lapse at the end of the  
 3 fiscal biennium for which the appropriation is made; provided  
 4 that all moneys from the appropriation unencumbered as of  
 5 June 30, 2024, shall lapse as of that date.

6 SECTION 5. There is appropriated out of the general  
 7 revenues of the State of Hawaii the sum of \$ or so  
 8 much thereof as may be necessary for fiscal year 2022-2023 to  
 9 fund two full-time equivalent (2.0 FTE) positions at the Hawaii  
 10 center for advanced transportation technologies; provided that  
 11 should federal funds or funding from other private or public  
 12 sources for these positions become available, the sum shall be  
 13 decreased by the amount of the funds secured from other sources.

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

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





**Report Title:**

DBEDT; Economic Disaster Mitigation; Economic Diversification; Import Substitution; Community Development; Omnibus Appropriations; Report to Legislature; Hawaii Center for Advanced Transportation Technologies (HCATT); Appropriation

**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 (DBEDT) to implement specific projects that address those goals. Identifies additional projects authorized in the executive budget to be implemented by DBEDT to further 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. Appropriates funds to continually staff the Hawaii Center for Advanced Transportation Technologies. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

