
A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

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

1 SECTION 1. The legislature finds that while new business
2 formations have grown by thirty-seven per cent in Hawaii since
3 the beginning of 2020, this rate is well below the national
4 average and among the bottom ten nationally. In the latest
5 comprehensive entrepreneurial study from the Kauffman
6 Foundation, the early survival rate for startups in Hawaii is
7 the lowest in the country. Self-employment in Hawaii has
8 consistently been lower than in the United States as a whole,
9 and in 2020, Hawaii ranked fortieth for the percentage of
10 self-employed individuals.

11 The legislature further finds that tax rates are a factor
12 in business investment decisions and often affect the movement
13 of individuals. Recent reports show both companies and
14 individuals are more likely to move to a location with lower
15 taxes. Hawaii currently ranks the sixth highest for state and
16 local taxes per capita and was ranked forty-second for business
17 climate by the Tax Foundation.



1 The purpose of this Act is to establish a task force to
2 identify methods to improve Hawaii's general economic
3 competitiveness and business climate, including the mitigation
4 of regulatory and tax burdens.

5 SECTION 2. (a) There is established a business
6 revitalization task force within the department of business,
7 economic development, and tourism for administrative purposes.

8 (b) The task force shall consist of the following members:

- 9 (1) The director of business, economic development, and
10 tourism or the director's designee;
- 11 (2) The director of commerce and consumer affairs or the
12 director's designee;
- 13 (3) The director of taxation or the director's designee;
- 14 (4) The director of labor and industrial relations or the
15 director's designee;
- 16 (5) A member of the small business regulatory review
17 board, to be appointed by the chair of the board;
- 18 (6) The dean of the university of Hawaii at Manoa Shidler
19 college of business or the dean's designee; and



1 (7) The director of each county agency with jurisdiction
2 over economic development or each respective
3 director's designee.

4 (c) The chair of the house of representatives standing
5 committee with primary jurisdiction over economic development
6 and the chair of the senate standing committee with primary
7 jurisdiction over economic development shall each invite the
8 following persons to join the task force:

9 (1) One representative of the construction industry;

10 (2) One representative of the agriculture industry;

11 (3) One representative of the visitor industry;

12 (4) One representative of the food industry;

13 (5) One representative of the retail industry;

14 (6) One representative of the high technology industry;

15 and

16 (7) One representative of the regional and ethnic chambers
17 of commerce.

18 (d) The task force shall select a chairperson from among
19 the members listed in subsection (b) and a vice chairperson from
20 among any of its members.



1 (e) Local business community members of the task force
2 shall serve without compensation but shall be reimbursed for
3 expenses, including travel expenses, necessary for the
4 performance of their duties.

5 (f) The task force shall meet as necessary but no less
6 than quarterly. The task force may conduct its meetings by
7 teleconference or other similar means.

8 (g) The task force shall:

9 (1) Identify methods to improve Hawaii's general economic
10 competitiveness and business climate, including the
11 mitigation of regulatory and tax burdens;

12 (2) Develop and recommend legislation to increase Hawaii's
13 general economic competitiveness; and

14 (3) Develop recommendations for improving governmental
15 operations and reducing costs.

16 (h) Staff to assist the task force in performing its
17 duties shall be assigned by the department of business, economic
18 development, and tourism or the president of the senate, speaker
19 of the house of representatives, and governor.

20 (i) In performing its duties as required by subsection
21 (g), the task force shall consider reports issued by the



1 auditor; state ethics commission; department of business,
2 economic development, and tourism; and university of Hawaii
3 economic research organization and any other relevant reports.

4 (j) The task force shall submit a report of its findings
5 and recommendations, including any proposed legislation, to the
6 legislature no later than twenty days prior to the convening of
7 the regular session of 2026; provided that the task force may
8 submit all or parts of its recommendations to the legislature
9 prior to the submission of its report.

10 (k) The task force shall be dissolved on June 30, 2026.

11 SECTION 3. This Act shall take effect on July 1, 3000.



Report Title:

DBEDT; Task Force; Business Revitalization; Report to
Legislature

Description:

Establishes a Business Revitalization Task Force within the Department of Business, Economic Development, and Tourism to identify methods to improve Hawaii's general economic competitiveness and business climate, including the mitigation of regulatory and tax burdens. Requires a report to the Legislature. Effective 7/1/3000. (HD1)

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