
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 or their designees:

- 10 (1) The director of commerce and consumer affairs;
- 11 (2) The director of business, economic development, and
12 tourism;
- 13 (3) One member of the house of representatives, to be
14 appointed by the speaker of the house of
15 representatives;
- 16 (4) One member of the senate, to be appointed by the
17 president of the senate;
- 18 (5) Two members of the local business community, to be
19 appointed by the speaker of the house of
20 representatives; and



1 (6) Two members of the local business community, to be
2 appointed by the president of the senate.

3 Local business community members of the task force shall
4 serve without compensation but shall be reimbursed for expenses,
5 including travel expenses, necessary for the performance of
6 their duties.

7 (c) The task force shall:

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

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

13 (d) The task force shall submit a report of its findings
14 and recommendations, including any proposed legislation, to the
15 legislature no later than twenty days prior to the convening of
16 the regular session of 2026.

17 (e) The task force shall be dissolved on June 30, 2026.

18 SECTION 3. This Act shall take effect on July 1, 2024.



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. (SD2)

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