

Honolulu, Hawaii

**FEB 16 2024**

RE: S.B. No. 2974  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism,  
to which was referred S.B. No. 2974 entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish 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 by mitigating regulatory and tax burdens; and
- (2) Require a report to the Legislature.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaiian Telcom; Chamber of Commerce Hawaii; Hawaii Food Industry Association; and Hawaii Credit Union League.

Your Committee received testimony in opposition to this measure from UNITE HERE Local 5 and one individual.

Your Committee finds that economic development is a complex process, requiring the balance of economic growth with environmental concerns, social equity, and government finances.



Your Committee further finds that establishing a task force is an important means of collecting ideas from stakeholders and discussing solutions to the challenges that the State faces concerning the complexity of its financial system.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2060, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that the Department of Business, Economic Development, and Tourism's testimony requests an appropriation of \$200,000 for one full-time equivalent (1.0 FTE) position or the hiring of a consulting firm to implement the purposes of this measure. Therefore, your Committee respectfully requests that your Committee on Ways and Means consider inserting an appropriation amount of \$200,000 for fiscal year 2024-2025, should it choose to deliberate on this measure.

Your Committee further notes the testimony of the Chamber of Commerce Hawaii, and finds that the issued raised therein merit further discussion and consideration of the inclusion of the following language:

- (1) The business revitalization task force shall be composed of at least twenty members serving a term of at least two years, including the following members of the Hawaii business community:
  - (A) Seven representatives from any of Hawaii's regional chambers of commerce/business associations, including but not limited to Chamber of Commerce Hawaii, Maui Chamber of Commerce, Kauai Chamber of Commerce, Kona-Kohala Chamber of Commerce, Hawaii Island Chamber of Commerce, Lanai Chamber of Commerce, Molokai Chamber of Commerce, Kapolei Chamber of Commerce, North Shore Chamber of Commerce, Kailua Chamber of Commerce, and others;



(B) Five representatives from any of the following ethnic and diversity chambers of commerce including but not limited to the Chinese Chamber of Commerce, Japanese Chamber of Commerce, Filipino Chamber of Commerce, Hispanic Chamber of Commerce, Black Chamber of Commerce, Rainbow Chamber of Commerce, and more; and

(C) One member of the Small Business Regulatory Review Board;

Provided that a vacancy on the task force be filled in the same manner as the original appointment; provided further the terms of the members shall be for one year;

- (2) The task force shall elect a chair and vice chair from among its members;
- (3) The task force shall meet as necessary, but at least quarterly, at the call of the chair and at the time and place designated by the chair. The task force may conduct its meetings through teleconferences or other similar means;
- (4) The task force shall develop recommendations for improving governmental operations and reducing costs. Staff to assist the task force in performing its duties shall be assigned by the President of the Senate, the Speaker of the House of Representatives, and the Governor. The task force shall consider reports issued by the Auditor; Ethics Commission; Department of Business, Economic Development, and Tourism; the University of Hawaii Economic Research Organization; and other relevant reports; and
- (5) The task force may submit all or part of its recommendations at any time during the year, but a final report summarizing its recommendations shall be submitted at the completion of its work.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the



intent and purpose of S.B. No. 2974, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2974, S.D. 1, and be referred to your Committee on Ways and Means.

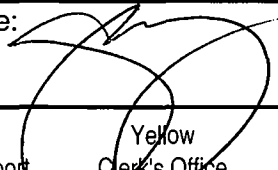
Respectfully submitted on  
behalf of the members of the  
Committee on Energy, Economic  
Development, and Tourism,

  
LYNN DECOITE, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Energy, Economic Development, and Tourism**  
**EET**

Bill / Resolution No.:*	Committee Referral:	Date:
SB 2974	EET, WAM	2-13-24
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye /	Aye (WR)
Nay	Excused	
DECOITE, Lynn (C)	✓	
WAKAI, Glenn (VC)	✓	
FUKUNAGA, Carol	✓	
KIM, Donna Mercado	✓	
FEVELLA, Kurt	✓	
<b>TOTAL</b>	5	0
0	0	0
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
<b>Distribution:</b>		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
		Goldenrod Committee File Copy

\*Only one measure per Record of Votes