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# 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 self-  
10 employed.

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 by mitigating  
4 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, who shall serve as  
11           chair of the task force;
- 12           (2) The director of commerce and consumer affairs or the  
13           director's designee;
- 14           (3) The director of taxation or the director's designee;
- 15           (4) The director of labor and industrial relations or the  
16           director's designee;
- 17           (5) A member of the small business regulatory review  
18           board, to be appointed by the chair of the board;
- 19           (6) The dean of the university of Hawaii at Manoa Shidler  
20           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:

19 (1) Identify methods to improve Hawaii's general economic  
20 competitiveness and business climate, including by  
21 mitigating regulatory and tax burdens; and



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

3           (e) The task force shall meet no less than quarterly.

4           (f) The task force shall submit a report of its findings  
5 and recommendations, including any proposed legislation, to the  
6 legislature no later than forty days prior to the convening of  
7 the regular session of 2026.

8           (g) The task force shall be dissolved on June 30, 2026.

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



**Report Title:**

Task Force; Business Revitalization

**Description:**

Establishes a business revitalization task force to identify methods to improve Hawaii's general economic competitiveness and business climate, including by mitigating regulatory and tax burdens. Requires a report to the legislature. Effective 7/1/3000. (HD1)

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