

STAND. COM. REP. NO. 292 -24

Honolulu, Hawaii

FEB 13 , 2024

RE: H.B. No. 1956
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred H.B. No. 1956 entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish a Business Revitalization Task Force to identify methods to improve Hawaii's general economic competitiveness and business climate.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Food Industry Association; Retail Merchants of Hawaii; Hawaiian Telcom; Chamber of Commerce Hawaii; Watanabe Floral, Inc.; Hawaii Credit Union League; Hispanic Chamber of Commerce Hawaii; Ho'onui LLC; Island Plastic Bags, Inc.; and CARES.

Your Committee finds that although new business formations have grown by thirty-seven percent in the State since the beginning of 2020, this rate is well below the national average and among the bottom ten nationally. Your Committee further finds that tax rates are a factor in business investment decisions, often affecting the movement of individuals. This measure establishes a task force to determine methods and develop and recommend legislation to improve the State's general economic

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competitiveness and business climate, including by mitigating regulatory and tax burdens.

Your Committee has amended this measure by:

- (1) Amending the Business Revitalization Task Force's membership;
- (2) Requiring the Task Force to meet no less than quarterly;
- (3) Changing the deadline for submission of the Task Force's report to the Legislature to forty days prior to the convening of the Regular Session of 2026;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests the Chair of the Task Force, should this measure be enacted and once the Task Force is established, to contract with an outside entity to administer the Task Force.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1956, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1956, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Economic
Development,



DANIEL HOLT, Chair

