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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 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) The chair of the house of representatives standing  
14           committee with primary jurisdiction over economic  
15           development;
- 16           (4) The chair of the senate standing committee with  
17           primary jurisdiction over economic development;
- 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 (c) The task force shall:

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

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

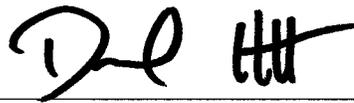
9 (d) The task force shall submit a report of its findings  
10 and recommendations, including any proposed legislation, to the  
11 legislature no later than twenty days prior to the convening of  
12 the regular session of 2026.

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

14 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:



JAN 19 2024



# H.B. NO. 1956

**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.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

