STAND. COM. REP. NO. 79

Honolulu, Hawaii **FEB 1 3** , 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



STAND. COM. REP. NO. 292 -24 Page 2

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

Your Committee has amended this measure by:

- 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.



STAND. COM. REP. NO. **292** -24 Page 3

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

DANIEL HOLT, Chair



State of Hawaii House of Representatives The Thirty-second Legislature HSCR 292-24

Record of Votes of the Committee on Economic Development

Bill/Resolution No.: HB 1956	<u>.</u>	Committee ECC	e Referral: P, FIN	Da	te: 2/7/2024		
The committee is reconsidering its previous decision on the measure.							
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)							
ECD Members			Ayes	Ayes (WR)	Nays	Excused	
1. HOLT, Daniel (C)							
		i interest					
2. LAMOSAO, Rachele	F. (VC)						
3. HUSSEY-BURDICK	, Natalia						
4. KONG, Sam Satoru							
		198.2°C					
5. LA CHICA, Trish						\times	
i a a Andra and P	t constant						
6. NAKAMURA, Nadin	e K.					and the second secon	
7. QUINLAN, Sean			Star Land				
8. PIERICK, Elijah		<u> </u>					
· · · · · · · · · · · · · · · · · · ·							
				-			
TOTAL (8)			7				
The recommendation is:	Adopted D Not Adopted If joint referral, did not support recommendation.						
Vice Chair's or designee's signature:							
Distribution: Original (Whit	Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						