

Honolulu, Hawaii

MAR 22, 2024

RE: S.B. No. 2974
S.D. 2
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 S.B. No. 2974, S.D. 2, 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, including by mitigating regulatory and tax burdens.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawai'i Farm Bureau; Retail Merchants of Hawaii; Hawaiian Telcom; Kapolei Chamber of Commerce; Chamber of Commerce Hawaii; Hawaii Food Industry Association; Maui Chamber of Commerce; and two individuals. Your Committee received testimony in opposition to this measure from UNITE HERE Local 5.

Your Committee finds that the State continues to be ranked low in terms of business opportunities and economic competitiveness by many organizations. The low rankings largely reflect the uniqueness of the State's geographic location and its economic structure, having a smaller market for new products and relying heavily on a few industries. Your Committee further finds



that the State needs to balance economic growth with environmental concerns, social equity, and government finances. Your Committee believes that the establishment of a task force is an important means of collecting ideas from stakeholders and addressing the economic challenges the State faces.

Your Committee has amended this measure by:

- (1) Amending the Business Revitalization Task Force's membership;
- (2) Requiring the Task Force to:
 - (A) Select a chairperson from among certain members;
 - (B) Meet no less than quarterly;
 - (C) Develop recommendations for improving governmental operations and reducing costs; and
 - (D) Consider reports issued by the Auditor; State Ethics Commission; Department of Business, Economic Development, and Tourism; and University of Hawaii Economic Research Organization and any other relevant reports in performing its duties;
- (3) Authorizing the Task Force to conduct its meetings by teleconference or other similar means;
- (4) Requiring that any staff to assist the Task Force in performing its duties be assigned by the Department of Business, Economic Development, and Tourism or the President of the Senate, Speaker of the House of Representatives, and Governor;
- (5) Allowing the Task Force to submit all or parts of its recommendations to the Legislature prior to the submission of its report;
- (6) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



Your Committee notes that the establishment and activities of the Business Revitalization Task Force can be accomplished without funding. However, your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider an appropriation amount of \$50,000.

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 S.B. No. 2974, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2974, S.D. 2, 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



