
A BILL FOR AN ACT

RELATING TO OFFICE OF ENTREPRENEURSHIP.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that entrepreneurship is
2 vital to the State's economic innovation. Recent data evaluated
3 an uptick in the rate of entrepreneurship. In 2020, 4.1 out of
4 every one thousand adults became entrepreneurs in a given month.
5 However, high fees, complicated requirements, and delayed
6 permitting create barriers to starting a new business in the
7 State.

8 According to the 2019 Bureau of Labor Statistics study,
9 fifty per cent of Hawaii businesses close within the first six
10 years. Over twenty-five per cent of businesses in Hawaii failed
11 in their first year. This is the highest first-year failure
12 rate in the nation.

13 The purpose of this Act is to establish the office of
14 entrepreneurship and authorize the use of the Hawaii film and
15 creative industries development special fund to fund a program
16 in partnership with the office that creates opportunities in



1 film, media, electronic sports, and creative industries for new
2 businesses.

3 SECTION 2. The Hawaii Revised Statutes is amended by
4 adding a new chapter to be appropriately designated and to read
5 as follows:

6 "CHAPTER

7 OFFICE OF ENTREPRENEURSHIP

8 § -1 Definitions. For the purpose of this chapter:

9 "Business" means any corporation, partnership, company,
10 cooperative, sole proprietorship, or other legal entity
11 organized or operating for pecuniary or nonpecuniary gain.

12 "Director" means the director of the office of
13 entrepreneurship.

14 "Entrepreneur" means a person who initiates and assumes the
15 financial risk of a business.

16 "Office" means the office of entrepreneurship created by
17 section -2.

18 "State agency" means an agency, bureau, board, commission,
19 department, division, or any other unit of the executive
20 department of the state government.



1 § -2 Office of entrepreneurship; director; general
2 functions, duties, and powers. (a) There is established an
3 office of entrepreneurship that shall be temporarily placed
4 within the office of the governor; provided that on July 1,
5 2027, the office shall be permanently established within the
6 department of business, economic development, and tourism for
7 administrative purposes only.

8 (b) The head of the office shall be known as the director
9 of the office of entrepreneurship. The director shall:

- 10 (1) Be nominated by the governor and, by and with the
11 advice and consent of the senate, appointed by the
12 governor without regard to chapter 76;
- 13 (2) Have professional training in the field of business,
14 marketing, community economic development, or other
15 relevant fields, preferably holding an academic degree
16 in one of the fields listed above;
- 17 (3) Have experience in programs or services related to
18 business, marketing, community economic development,
19 or other relevant fields;
- 20 (4) Have recent experience in a supervisory, consultative,
21 or administrative position;



- 1 (5) Be paid a salary set by the governor;
- 2 (6) Be included in any benefit program generally
- 3 applicable to the officers and employees of the State;
- 4 and
- 5 (7) Report to the director of business, economic
- 6 development, and tourism and not be required to report
- 7 directly to any other principal executive department.
- 8 (c) The director shall be responsible for:
- 9 (1) Serving as the principal officer in state government
- 10 responsible for the performance, development, and
- 11 control of programs, policies, and activities under
- 12 the jurisdiction of the office;
- 13 (2) Supervising and directing the performance of the
- 14 director's subordinates in various activities,
- 15 including planning, evaluation, and coordination of
- 16 office programs;
- 17 (3) Administering funds allocated for the office and
- 18 applying for, receiving, and disbursing grants and
- 19 donations from all sources for office programs and
- 20 services;



1 (4) Assessing the policies and practices of other agencies
2 impacting economic development and conducting advocacy
3 efforts for entrepreneurship;

4 (5) Advising agencies on new legislation, programs, and
5 policy initiatives relating to entrepreneurship;

6 (6) Employing and retaining staff as may be necessary for
7 the purposes of this section; and

8 (7) Contracting for services that may be necessary for the
9 purposes of this section, including through master
10 contracts, memoranda of understanding, and memoranda
11 of agreement with other state agencies receiving
12 federal and state funds for programs and services for
13 entrepreneurship, and purchase of service agreements
14 with appropriate agencies.

15 **§ -3 Responsibilities.** (a) The office shall:

16 (1) Work to strengthen policies and programs supporting
17 the growth of entrepreneurship in the State, including
18 but not limited to growth across demographic segments
19 and geographic areas;

20 (2) Work with stakeholders and organizations supporting
21 entrepreneurship to enhance the learning and skills



1 of, provide technical support to, and expand access to
2 resources for entrepreneurs across the State;

3 (3) Serve as a point of contact to assist businesses that
4 have been in operation for no more than five years in
5 their interactions with state agencies and, where
6 appropriate, refer businesses to other state or local
7 agencies that provide assistance to businesses;

8 (4) Encourage five per cent of the total number of state
9 contracts to be awarded to businesses that have been
10 in operation for no more than five years and whose
11 principal place of business is in this State;

12 (5) Serve as a liaison to provide resources to help
13 entrepreneurs navigate regulatory requirements; and

14 (6) Advocate for entrepreneurs in the legislative and
15 administrative rule-making process.

16 § -4 **Annual report.** At least twenty days prior to the
17 convening of each regular session of the legislature beginning
18 with the regular session of 2027, the office shall submit to the
19 legislature a report that includes, at minimum:

20 (1) The number and total dollar amount of state contracts
21 awarded to businesses that have been in operation for



1 no more than five years, including but not limited to
2 a breakdown by demographic segments and geographical
3 areas throughout the State;

4 (2) The percentage of state contracts awarded to
5 businesses that have been in operation for no more
6 than five years compared to the total number of
7 contracts awarded;

8 (3) The number of businesses owned by women, minorities,
9 or veterans that have been in operation for no more
10 than five years and have been awarded a state
11 contract;

12 (4) The percentage of the total dollar amount of state
13 contracts awarded to businesses that have been in
14 operation for no more than five years compared to the
15 total dollar amount of contracts awarded;

16 (5) The types of businesses awarded a state contract;

17 (6) Recommendations on improving access to state contracts
18 for businesses that have been in operation for no more
19 than five years, including but not limited to those
20 businesses in statistically underrepresented
21 demographic segments and geographic areas of Hawaii;



(7) Recommendations on improving entrepreneurship in the State, including but not limited to identifying regional challenges to entrepreneurship; and

(8) Any additional information deemed necessary by the office to provide an accurate depiction of the condition of entrepreneurship in Hawaii."

SECTION 3. Section 201-113, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The fund shall be used by the department to provide for:

(1) A program to provide seed capital for film, media, electronic sports, and creative industries intellectual property development projects for export, as determined by the department;

(2) Programs that expand the skills of the State's resident workforce in the film, media, and creative industries;

(3) Marketing programs that attract business opportunities in the film, media, and creative industries in the State; [and]

(4) A program in partnership with the office of entrepreneurship that creates opportunities in film,



1 media, electronic sports, and creative industries for
2 businesses that have been in operation for no more
3 than five years; and
4 [~~(4)~~] (5) Repair, maintenance, and related costs of the
5 department's management of public facilities that
6 support media and entertainment workforce and business
7 development."

8 SECTION 4. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$ or so
10 much thereof as may be necessary for fiscal year 2025-2026 and
11 the same sum or so much thereof as may be necessary for fiscal
12 year 2026-2027 for the purpose of establishing the office of
13 entrepreneurship.

14 The sums appropriated shall be expended by the office of
15 the governor for the purposes of this Act.

16 SECTION 5. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 6. This Act shall take effect on July 1, 3000.



Report Title:

Office of Entrepreneurship; Businesses; Hawaii Film and Creative Industries Development Special Fund; Appropriation

Description:

Establishes the Office of Entrepreneurship. Authorizes the use of the Hawaii Film and Creative Industries Development Special Fund to fund a program in partnership with the Office that creates opportunities in film, media, electronic sports, and creative industries for new businesses. Appropriates funds. Effective 7/1/3000. (HD1)

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