

---

# 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 Hawaii ranks among  
2 the least competitive states for business in national  
3 assessments, including CNBC's America's Top States for Business,  
4 which ranked Hawaii fiftieth in 2024 and forty-ninth in 2025.  
5 Businesses in Hawaii face high regulatory burdens, elevated  
6 costs, and slow governmental processes, which collectively  
7 hinder economic growth and threaten the long-term prosperity of  
8 the State and its residents.

9 The legislature further finds that the business  
10 revitalization task force, created by Act 142, Session Laws of  
11 Hawaii 2024, was established to identify strategies to improve  
12 Hawaii's business climate. In the business revitalization task  
13 force's November 2025 report, the task force recommends the  
14 creation of a permanent framework to advance business  
15 competitiveness through sustained policy development and  
16 stakeholder engagement.



1        Accordingly, the purpose of this Act is to establish a  
2        business competitiveness goal for the State to achieve a ranking  
3        of being in the top thirty states in the United States for  
4        business climate by 2045, with interim goals.

5        SECTION 2. Chapter 201, Hawaii Revised Statutes, is  
6        amended by adding a new part to be appropriately designated and  
7        to read as follows:

8                **"PART . HAWAII BUSINESS COMPETITIVENESS GOAL**

9                **§201- Definitions.** As used in this part:

10                "Ranking metric" means the CNBC's America's Top States for  
11        Business. The CNBC ranking scores each state using one hundred  
12        thirty-five metrics in ten broad categories of competitiveness.

13        The categories are:

14                (1) Economy: Measures economic strength through GDP and  
15        job growth, fiscal stability, credit ratings, real  
16        estate health, business diversity, trade exposure, and  
17        new business survival;

18                (2) Infrastructure: Assesses transportation networks,  
19        utilities, broadband, site readiness, land  
20        availability, market access, and climate resiliency;





- (9) Access to capital: Measures availability of venture capital, bank lending, state-backed financing, and foreign direct investment; and
- 10) Cost of living: Evaluates affordability through housing, consumer goods, and insurance costs, factoring in inflation and overall living expenses.

7           **§201- Business climate improvement; state goals.** It  
8        shall be the goal of the State to achieve a ranking among the  
9        top thirty states in the nation for business climate by 2045, as  
10      measured by the ranking metric. The interim goals shall  
11      include:

12 (1) Ranking of forty-fifth or better by 2030;

13 (2) Ranking of fortieth or better by 2035;

14 (3) Ranking of thirty-fifth or better by 2040; and

15 (4) Ranking of thirtieth or better by 2045;

16 provided that if the ranking metric is discontinued, the  
17 department shall identify and recommend an alternative national  
18 ranking metric that provides a comprehensive and balanced  
19 assessment of state business climates.

20           **\$201-**       **Annual report.**   (a)   The department shall submit  
21   an annual report to the legislature no later than twenty days



1 prior to the convening of each regular session, which shall  
2 include:

3 (1) The status and progress toward the State's business  
4 competitiveness goals pursuant to this part; and  
5 (2) Legislative options to improve Hawaii's business  
6 climate.

7 (b) The legislature shall deliberate on the department's  
8 proposals submitted in the department's report and enact  
9 legislation to advance the goals set forth in this part."

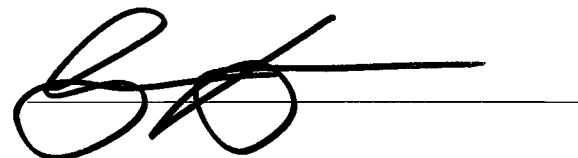
10 SECTION 3. There is appropriated out of the general  
11 revenues of the State of Hawaii the sum of \$300,000 or so much  
12 thereof as may be necessary for fiscal year 2026-2027 for the  
13 costs of independent research, staffing, travel, and other  
14 administrative expenses necessary for the purposes of this Act.

15 The sum appropriated shall be expended by the department of  
16 business, economic development, and tourism for the purposes of  
17 this Act.

18 SECTION 4. This Act shall take effect on July 1, 2026.

19

INTRODUCED BY:



JAN 16 2026



# H.B. NO. 1612

**Report Title:**

Department of Business, Economic Development, and Tourism; Business Competitiveness Goals; Reports; Appropriation

**Description:**

Establishes a business competitiveness goal for the State to achieve a ranking of being in the top thirty states in the United States for business climate by 2045, with interim goals. Requires the Department of Business, Economic Development, and Tourism to submit annual reports on progress in meeting the business competitive goals. Appropriates funds.

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

