
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 be nationally
3 ranked in the top thirty states for business climate by 2050,
4 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, "ranking
10 metric" means the CNBC's America's Top States for Business. The
11 CNBC ranking scores each state using one hundred thirty-five
12 metrics in ten broad categories of competitiveness. The
13 categories are:

- 14 (1) Economy: Measures economic strength through gross
15 domestic product and job growth, fiscal stability,
16 credit ratings, real estate health, business
17 diversity, trade exposure, and new business survival;
- 18 (2) Infrastructure: Assesses transportation networks,
19 utilities, broadband, site readiness, land
20 availability, market access, and climate resiliency;



- 1 (3) Workforce: Evaluates skilled labor availability,
2 education levels, migration of talent, productivity,
3 training programs, and labor flexibility;
- 4 (4) Cost of doing business: Examines tax competitiveness,
5 wages, utilities, property and insurance costs, and
6 business incentives;
- 7 (5) Business friendliness: Focuses on regulatory and
8 legal environments, permitting efficiency, land-use
9 rules, and support for emerging industries;
- 10 (6) Quality of life: Measures livability, including
11 safety, environment, health care, child care, worker
12 rights, inclusiveness, and reproductive freedoms;
- 13 (7) Technology and innovation: Captures innovation
14 capacity via patents, research funding, research and
15 development support, and participation in
16 semiconductor and artificial intelligence sectors;
- 17 (8) Education: Assesses K-12 and higher education
18 systems, funding, access, and workforce alignment
19 through partnerships with community colleges;



1 (9) Access to capital: Measures availability of venture
2 capital, bank lending, state-backed financing, and
3 foreign direct investment; and

4 (10) Cost of living: Evaluates affordability through
5 housing, consumer goods, and insurance costs,
6 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 2050, as
10 measured by the ranking metric. The interim goals shall
11 include:

- 12 (1) Ranking of forty-fifth or better by 2035;
- 13 (2) Ranking of fortieth or better by 2040;
- 14 (3) Ranking of thirty-fifth or better by 2045; and
- 15 (4) Ranking of thirtieth or better by 2050;

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.** The department shall submit an
21 annual report to the legislature no later than twenty days prior



1 to the convening of each regular session until the regular
2 session of 2050, which shall 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 SECTION 3. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$ or so
9 much thereof as may be necessary for fiscal year 2026-2027 for
10 the costs of independent research, staffing, travel, and other
11 administrative expenses necessary for the purposes of this Act.

12 The sum appropriated shall be expended by the department of
13 business, economic development, and tourism for the purposes of
14 this Act.

15 SECTION 4. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$ or so
17 much thereof as may be necessary for fiscal year 2026-2027 for
18 the establishment of full-time equivalent (FTE)
19 positions.



1 The sum appropriated shall be expended by the department of
2 business, economic development, and tourism for the purposes of
3 this Act.

4 SECTION 5. This Act shall take effect on July 1, 3000.



Report Title:

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

Description:

Establishes a business competitiveness goal for the State to be nationally ranked in the top thirty states for business climate by 2050, with interim goals. Requires the Department of Business, Economic Development, and Tourism to submit annual progress reports to the Legislature. Appropriates funds. Effective 7/1/3000. (HD1)

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

