

STAND. COM. REP. NO. 3145

Honolulu, Hawaii

MAR 24 2026

RE: H.B. No. 2583
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Economic Development and Tourism, to which was referred H.B. No. 2583, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Hawaii Micro-Lending Credit Enhancement Program within the Department of Business, Economic Development, and Tourism to expand micro-lending capacity by providing state-funded loan loss reserves or other credit enhancement that absorbs first losses on qualified micro-loans made by participating lenders to Hawaii small businesses;
- (2) Allow borrower fees and state matching contributions to capitalize lender-held loan loss reserve accounts;
- (3) Establish the Hawaii Micro-Lending Credit Enhancement Special Fund;
- (4) Require reports to the Legislature; and
- (5) Appropriate funds.



Your Committee received testimony in support of this measure from the Chamber of Commerce Hawaii, Hawai'i Farm Bureau, Retail Merchants of Hawaii, Maui Chamber of Commerce, Hawai'i Island Chamber of Commerce, and one individual.

Your Committee received comments on this measure from the Business Development and Support Division of the Department of Business, Economic Development, and Tourism and Hawaii Bankers Association.

Your Committee finds that small businesses struggle to access affordable, appropriately sized, local lending sources, and their use of and repayments to out-of-state lenders reduce the local economic multiplier effect of loaned funds. Many states have successfully enacted state-backed micro-lending programs that share risk with lenders to increase capital lending activity within those states without providing direct lending subsidies to banks. This measure will mitigate capital leaving the State and stimulate growth and development for local businesses.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 3050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2583, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2583, H.D. 1, S.D. 1, and be referred to your Committees on Ways and Means and Commerce and Consumer Protection.



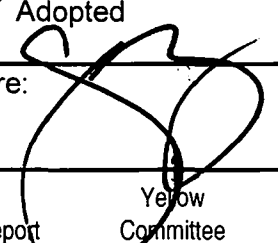
Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Tourism,


LYNN DECOITE, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Economic Development and Tourism
EDT

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2583, HD1	EDT, WAM/CPN	3/17/26		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DECOITE, Lynn (C)	✓			
WAKAI, Glenn (VC)	✓			
FUKUNAGA, Carol				
KIM, Donna Mercado				✓
FEVELLA, Kurt				✓
TOTAL	3	0	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Committee	Drafting Agency		

*Only one measure per Record of Votes