

STAND. COM. REP. NO. 2207

Honolulu, Hawaii

FEB 12 2026

RE: S.B. No. 2263
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 S.B. No. 2263 entitled:

"A BILL FOR AN ACT RELATING TO BUSINESS COMPETITIVENESS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a goal for the State to achieve a ranking among the top ten states in the nation for business competitiveness by 2045;
- (2) Establish a ranking metric and interim goals;
- (3) Require the Department of Business, Economic Development, and Tourism to establish a working group to develop and recommend policies that improve the State's business competitiveness;
- (4) Require annual reports to the Legislature; and
- (5) Appropriate funds.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Research and Economic Analysis Division of the Department of Business, Economic Development, and Tourism; Hawaii Food



Industry Association; Hawai'i Farm Bureau; Chamber of Commerce Hawaii; Hawaii Transportation Association; Holomua Collaborative; Maui Chamber of Commerce; Mana Up; Title Guaranty of Hawai'i; and two individuals.

Your Committee finds that the State ranks among the least competitive states for business in national assessments due to its high regulatory burdens, elevated costs, and infrastructure constraints. Your Committee further finds that the Business Revitalization Task Force, established pursuant to Act 142, Session Laws of Hawaii 2024, found that the State's economic performance challenges are structural and require a sustained, measurable, and long-term policy framework to improve overall economic competitiveness, business climate, and governmental efficiency. This measure transforms the Task Force's strategic direction into an operational accountability structure by establishing unified economic competitiveness improvement goals that provide for recurring progress evaluations.

Your Committee has amended this measure by:

- (1) Inserting a definition section that defines:
 - (A) "Department" as the Department of Business, Economic Development, and Tourism; and
 - (B) "Director" as the Director of Business, Economic Development, and Tourism;
- (2) Inserting a blank appropriation amount;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

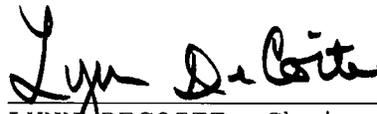
Your Committee notes that this measure, as amended, contains an appropriation for an unspecified amount. Should your Committee on Ways and Means choose to deliberate on this measure, your Committee respectfully requests that it consider inserting an appropriation amount of \$300,000 for the implementation of business climate and competitiveness improvement measures,



including for independent research, staffing, travel, and other expenses for the purposes of this measure.

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 S.B. No. 2263, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2263, S.D. 1, and be referred to your Committee on Ways and Means.

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


LYNN DECOITE, Chair



