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# A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

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

1 PART I

2 SECTION 1. This part shall be known and may be cited as  
3 the Hawaiian International Economic and Investment Leadership  
4 Act.

5 SECTION 2. The legislature finds that economic  
6 globalization, which is the increasing economic integration and  
7 interdependence of national, state, and local economies, is  
8 occurring by way of increasing trade in goods and services, the  
9 sharing and growth of technology and capital, and increasing  
10 cross-border investment. In order to achieve a successful  
11 economic future, the State must inevitably compete in the global  
12 economy by promoting Hawaii exports overseas and attracting more  
13 foreign direct investment.

14 Hawaii's economic competitiveness and investment are vital  
15 to the short- and long-term growth of the State's economy, as  
16 well as the employment and welfare of Hawaii's citizens.  
17 Attraction of foreign direct investment to the State creates



1 local jobs and supports local economic growth. The legislature  
2 also finds that a partnership that includes economic development  
3 organizations, the private sector, academia, and government  
4 agencies is the best way to realize the State's full economic  
5 potential.

6 The purpose of this part is to create an advisory council  
7 for global economic competitiveness to advise the director of  
8 business, economic development, and tourism and other state  
9 officials on policy additions and changes to help attract more  
10 foreign direct investment and increase Hawaii exports abroad.

11 SECTION 3. Chapter 201, Hawaii Revised Statutes, is  
12 amended by adding a new part to be appropriately designated and  
13 to read as follows:

14 "PART . ADVISORY COUNCIL FOR GLOBAL ECONOMIC COMPETITIVENESS

15 §201- Definitions. As used in this part:

16 "Council" means the advisory council for global economic  
17 competitiveness.

18 "Economic development organization" means an organization,  
19 such as a chamber of commerce, whose mission is centrally or  
20 primarily focused on:

21 (1) Increasing economic growth or business investment; or



1           (2) Attraction potential or retention,  
2 for an area within the State, including a neighborhood, city,  
3 county, metropolitan area or region, or for the State as a  
4 whole.

5           §201-       **Advisory council for global economic**  
6 **competitiveness; membership; annual report.** (a) There is  
7 established within the department of business, economic  
8 development, and tourism for administrative purposes the  
9 advisory council for global economic competitiveness. The  
10 council shall review existing state laws and propose  
11 recommendations to enhance the State's business and investment  
12 global competitiveness to grow exports and attract inward  
13 foreign direct investment.

14           (b) The council shall be composed of no fewer than fifteen  
15 members. The governor and the director of business, economic  
16 development, and tourism shall serve as ex officio members of  
17 the council. The other members of the council shall be  
18 appointed by the governor, without regard to section 26-34, and  
19 shall serve for terms of two years, with reappointments made at  
20 the option of the governor. Appointed members of the council  
21 shall include:



- 1           (1) Executives from at least two United States  
2           subsidiaries of foreign-headquartered businesses  
3           operating in the State;
- 4           (2) Executives from at least two United States-based  
5           businesses headquartered outside of the State but  
6           operating in the State;
- 7           (3) Representatives from at least two economic development  
8           organizations located in the State;
- 9           (4) At least one faculty member from an institution of  
10          higher education located in the State;
- 11          (5) At least one economist; and
- 12          (6) Other representatives from the private sector or  
13          public sector who are positioned to provide valuable  
14          feedback.
- 15          (c) The members of the council shall serve without  
16          compensation but shall be reimbursed for reasonable expenses,  
17          including travel expenses and a per diem in lieu of subsistence  
18          while away from their homes or regular places of business in the  
19          performance of their duties on the council.
- 20          (d) The council shall be co-chaired by:



- 1 (1) The director of business, economic development, and  
2 tourism; and
- 3 (2) A member of the council, aside from the governor, who  
4 is elected by a majority of the council or, during a  
5 vacancy before the next meeting of the council,  
6 appointed in the interim by the governor.
- 7 (e) The council shall:
- 8 (1) Meet no fewer than three times each year;
- 9 (2) Provide advice to the director of business, economic  
10 development, and tourism as well as the heads of the  
11 economic regulatory agencies of the State; and
- 12 (3) Facilitate coordination among the State's economic  
13 regulatory agencies and identify areas of potential  
14 for increased cooperation.
- 15 (f) The council shall submit an annual report to the  
16 legislature no later than twenty days prior to the convening of  
17 each regular session. The annual report shall promote a  
18 comprehensive economic development strategy for the State,  
19 including:
- 20 (1) An identification of economic sectors valuable to the  
21 State's growth in the global economy, accounting for



- 1 both export and inward foreign direct investment  
2 opportunities;
- 3 (2) A determination of what state-level policies are  
4 needed to help the economic sectors identified in  
5 paragraph (1) grow and succeed, including:
- 6 (A) Infrastructure needs;
  - 7 (B) Workforce training programs;
  - 8 (C) Education reforms;
  - 9 (D) Licensing and permitting support;
  - 10 (E) Site-selection help;
  - 11 (F) Financing assistance; and
  - 12 (G) Other areas of state support deemed important to  
13 help these economic sectors grow;
- 14 (3) Recommendations on enhancing and developing state-  
15 level policies to increase state exports;
- 16 (4) Recommendations for developing and enhancing policies  
17 to attract and retain foreign direct investment in the  
18 State;
- 19 (5) An identification of existing regulations or executive  
20 orders in need of reform to carry out the policies  
21 identified in this section; and





1 and tourism, there are only a handful of areas in the State in  
2 which a majority of the population lives and works in that same  
3 area. In particular, on Oahu, the State's most populous island,  
4 the only areas in which a majority of the population lives and  
5 works in the same area are urban Honolulu and around certain  
6 military bases. The State should therefore, to the best of its  
7 ability, seek to provide jobs and job opportunities in all urban  
8 and rural areas of the State.

9 The legislature further finds that although Hawaii has one  
10 of the lowest unemployment rates in the nation, many existing  
11 jobs are lower wage jobs in the visitor industry. Moreover,  
12 high housing costs and the high cost of living are outpacing  
13 wages. In addition, there are not enough job opportunities in  
14 the State for high-wage, skilled workers. Consequently, the  
15 United States Census Bureau recently found that there are  
16 thirty-seven more people per day who are moving out of Hawaii  
17 than are moving into the State.

18 Accordingly, the purpose of this part is to require the  
19 department of business, economic development, and tourism to  
20 develop regional economic plans for each county based on the  
21 boundaries of the development or community plans in each county,





1 including working with the department of education and the  
2 University of Hawaii to provide K-12 career pathways in each  
3 school to match the State's specific industry needs.

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

7 "§201- Regional economic plans. (a) The department  
8 shall develop regional economic plans to provide jobs in urban  
9 and rural areas of each county based on the development or  
10 community boundaries of each respective county.

11 (b) The department shall work with the department of  
12 education and the University of Hawaii to develop and provide  
13 K-12 career pathways in each school that emphasize skills  
14 necessary to meet the State's specific industry needs."

15 SECTION 6. New statutory material is underscored.

16 SECTION 7. This Act shall take effect upon its approval.



# H.B. NO.

975  
H.D. 1  
S.D. 1  
PROPOSED

**Report Title:**

DBEDT; Economic Development; Global Competitiveness; Foreign Direct Investment; Exports; Advisory Council; Regional Economic Plans

**Description:**

Creates an Advisory Council for Global Economic Competitiveness to be attached to the Department of Business, Economic Development, and Tourism. Directs the council to recommend policy additions and changes to attract more foreign direct investment and increase state exports abroad. Requires the Department of Business, Economic Development, and Tourism to develop regional economic plans for each county to provide jobs in urban and rural areas of each county based on the development or community boundaries of each respective county. Requires the Department of Business, Economic Development, and Tourism to work with the Department of Education and the University of Hawaii to develop K-12 career pathways for each school that emphasize skills necessary to meet the State's specific industry needs. (SD1 Proposed)

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