STAND. COM. REP. NO. 342

Honolulu, Hawaii

Fe 413, 2007

RE: H.B. No. 1277

H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns, to which was referred H.B. No. 1277 entitled:

"A BILL FOR AN ACT RELATING TO TAX CREDITS,"

begs leave to report as follows:

The purpose of this bill is to stimulate investment in and revitalization of the Leeward Coast region of Oahu by expanding the Ko Olina Resort and Marina and Makaha Resort tax credit to cover expenditures for infrastructure or building improvements to commercial property used by a business within the Leeward Coast.

The Department of Taxation, Department of Business, Economic Development, and Tourism, and Office of Planning testified in support of this bill.

Your Committee understands that the developer of the Ko Olina Resort and Marina no longer needs the tax credit. However, although your Committee continues to support revitalization of the Leeward Coast, it cannot support transferring this \$75,000,000 credit for the specific purposes described in this bill without any justification for the credit amount or other due diligence. Accordingly, your Committee has amended this measure by:

(1) Repealing the Ko Olina Resort and Marina and Makaha Resort tax credit and allowing any new tax credit for revitalization of the Leeward Coast to begin with a clean slate; and

HB1277 HD1 HSCR EDB HMS 2007-2009



(2) Changing the effective date to July 1, 2034, to encourage further discussion of the bill.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1277, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1277, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Economic Development & Business Concerns,

KYLE T. YAMASHITA, Chair

State of Hawaii House of Representatives The Twenty-fourth Legislature



Record of Votes of the Committee on Economic Development & Business Concerns

Bill/Resolution No.: HB 1277	Date:	Date: February 8, 2007			
Committee Referral: EDB, FIN		☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to: Pass, unamended	Pass, with amendments				
☐ Hold	Pass, with amendments, for recommittal for further consideration				
EDB Members	Ayes	Ayes (WR)	Nays	Excused	
1. YAMASHITA, Kyle T. (C)	V /				
2. WAKAI, Glenn (VC)					
3. BERG, Lyla B., Ph.D.				\checkmark	
4. BROWER, Tom	V_				
5. CHANG, Jerry L.	V ,				
6. HANOHANO, Faye P.	V				
7. HERKES, Robert N.					
8. MANAHAN, Joey					
9. TSUJI, Clift	V/				
10. YAMANE, Ryan I.	V/				
11. CHING, Corinne W.L.	V				
12. MARUMOTO, Barbara C.				***************************************	
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TOTAL	<i>\</i> \	4	φ		
The recommendation is: Adopted Not Adopted If joint referral, did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Commettee Duplicate (Yellow) – Clerk's Office					