Honolulu, Hawaii

April 9, 2009

RE: S.B. No. 1248

S.D. 1 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1248, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO STATE ENTERPRISE ZONES,"

begs leave to report as follows:

The purpose of this bill is to improve the State Enterprise Zone (EZ) Program by, among other things:

- (1) Inserting limited liability companies under the definition of "qualified business" and "service business";
- (2) Allowing the receipts, sales, and employees of a business's establishments in all enterprise zones located within a single county to count toward qualification requirements; and
- (3) Extending EZ Program tax incentives for seven additional years for qualified businesses engaged in manufacturing tangible personal property, or producing or processing agricultural products.

The Department of Taxation, Department of Business, Economic Development, and Tourism, and Hawaii Crop Improvement Association opposed this bill. The Department of Agriculture, Tax Foundation of Hawaii, Hawaiian Electric Company and its subsidiaries Maui

SB1248 HD1 HSCR FIN HMS 2009-3723



Electric Company and Hawaii Electric Light Company, and a concerned individual submitted comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1248, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on behalf of the members of the Committee on Finance,

MARCUS R. OSHIRO, Chair

State of Hawaii House of Representatives The Twenty-fifth Legislature

Record of Votes of the Committee on Finance

6B 1248, SDI, HDI EBM/AGR, EEP, FIM April 8, 2009				
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	V			
2. LEE, Marilyn B. (VC)	V			
3. AQUINO, Henry J.C.				
4. AWANA, Karen Leinani	~			
5. BROWER, Tom				
6. CHOY, Isaac W.				
7. COFFMAN, Denny				
8. HAR, Sharon E.				
9. KEITH-AGARAN, Gilbert S.C.				<u> </u>
10. LEE, Chris				
11. NISHIMOTO, Scott Y.				
12. SAGUM, Roland D., III	<u></u>			
13. TOKIOKA, James Kunane				
14. WOOLEY, Jessica	2.00			\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\
15. YAMASHITA, Kyle T.				
16. PINE, Kymberly Marcos				
17. WARD, Gene			137911678	
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TOTAL (17)	14		0	3
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				