STAND. COM. REP. NO. 474

Honolulu, Hawaii FC56, 2009 RE: H.B. No. 1682

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 Energy & Environmental Protection, to which was referred H.B. No. 1682, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to improve the state enterprise zone program.

Specifically, this measure:

- Includes limited liability companies in the definitions of "qualified business" and "service business";
- (2) Allows the receipts, sales, and number of employees of all of a business firm's establishments within enterprise zones in the same county to be consolidated to determine whether a business firm is designated as a qualified business for purposes of the enterprise zone law, chapter 209E, Hawaii Revised Statutes; and
- (3) Extends the period for qualified businesses to receive state income tax credits and general excise tax exemptions an additional seven years.

Your Committee received testimony in support of this measure from Hawaiian Electric Company and its subsidiaries; Honolulu Seawater Air Conditioning, LLC; and Hawaii Crop Improvement

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Association. The Department of Business, Economic Development, and Tourism and Department of Taxation offered testimony in opposition to the measure, and the Board of Agriculture submitted comments.

Your Committee finds that the state enterprise zone program has had positive results in revitalizing certain communities within the State and further believes that, in these uncertain economic times, it is all the more urgent to continue to provide the regulatory flexibility and tax incentives to qualified businesses in the enterprise zone program.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1682, H.D. 1, and recommends that it be referred to the Committee on Finance.

> Respectfully submitted on behalf of the members of the Committee on Energy & Environmental Protection,

Namina Juniter

HERMINA MORITA, Chair



HS4R 474

State of Hawaii House of Representatives The Twenty-fifth Legislature

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.:	Committee Referral:		Date:	
HB 1602, HD1		FIN	2.12.09	
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)				
EEP Members	Ayes	Ayes (WF	t) Nays	Excused
1. MORITA, Hermina M. (C)				
2. COFFMAN, Denny (VC)				
3. CABANILLA, Rida				
	-			
4. CHANG, Jerry L.	V			
5. CHONG, Pono				
6. HAR, Sharon E.	V			
7. HERKES, Robert N.	V			
7. MERKES, ROBERTN.		and the second second		
8. ITO, Ken	V			
9. LEE, Chris				V
10. LUKE, Sylvia				
11 SACUM Delend D. III	. /			
11. SAGUM, Roland D., III				
12. CHING, Corinne W.L.				1/
				-
13. THIELEN, Cynthia	, <u>/</u>			
TOTAL (13)		0	0	2
The recommendation is: I Adopted I Not Adopted If joint referral,				
Vice Chair's or designee's signature: Coffina				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				