

Honolulu, Hawaii

**Feb 10**, 2006

RE: H.B. No. 3118

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns,  
to which was referred H.B. No. 3118 entitled:

"A BILL FOR AN ACT RELATING TO CORPORATIONS,"

begs leave to report as follows:

The purpose of this bill is to allow the establishment of corporations structured to recognize as corporate interests, the interests of employees and of the public in areas such as the environment, by allowing businesses to incorporate as a responsible business corporation. This bill also provides incentives to incorporate in this form by exempting these corporations from corporate taxes.

The Democratic Party of Maui County, Inner Ocean Publishing, and a concerned individual testified in support of this bill. The Department of Commerce and Consumer Affairs offered comments.

Your Committee notes that in its present form, the bill would take effect upon approval. However, in its testimony the Department of Commerce and Consumer Affairs expressed that additional administrative provisions as well as time are needed to implement the provisions of this bill. Your Committee respectfully requests the Committee on Consumer Protection & Commerce to examine these concerns.



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. 3118 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

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

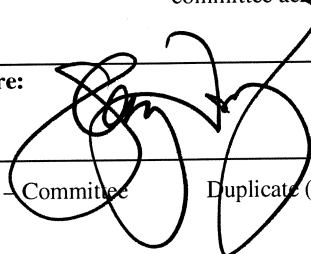
  
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JUN RIKI KARAMATSU, Chair



State of Hawaii  
House of Representatives  
The Twenty-third Legislature

HS CR 213-06

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

| <b>Bill/Resolution No.:</b> HB 3118  | <b>Date:</b> Feb. 9, 2006   |           |      |         |
|--|---|-----------|------|---------|
| <b>Committee Referral:</b> EDB/CPC/FIN   | <input type="checkbox"/> The committee is reconsidering its previous decision on the measure. |           |      |         |
| <b>The recommendation is to:</b> <input checked="" type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Recommit |   |           |      |         |
| EDB Members  | Ayes  | Ayes (WR) | Nays | Excused |
| 1. KARAMATSU, Jon Riki (C)   | ✓   |           |      |         |
| 2. WAKAI, Glenn (VC)   | ✓   |           |      |         |
| 3. ABINSAY, Felipe P., Jr.   | ✓   |           |      |         |
| 4. CHANG, Jerry L.   |   |           |      | ✓       |
| 5. HERKES, Robert N.   |   |           |      | ✓       |
| 6. MAGAOAY, Michael Y.   | ✓   |           |      |         |
| 7. TSUJI, Clift  | ✓   |           |      |         |
| 8. YAMASHITA, Kyle T.  |   |           |      | ✓       |
| 9. CHING, Corinne W.L.   | ✓   |           |      |         |
| 10. MARUMOTO, Barbara C.   | ✓   |           |      |         |
|  |   |           |      |         |
|  |   |           |      |         |
|  |   |           |      |         |
|  |   |           |      |         |
|  |   |           |      |         |
| <b>TOTAL</b>   | 7   | 0         | 0    | 3       |
| <b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted   |   |           |      |         |
| If joint referral, _____ did not support recommendation.<br><small>committee acronym(s)</small>  |   |           |      |         |
| <b>Vice Chair's or designee's signature:</b> <div style="text-align: center; font-size: 24pt; font-weight: bold;">  </div>  |   |           |      |         |
| <b>Distribution:</b> Original (White) - Committee Duplicate (Yellow) - Clerk's Office  |   |           |      |         |