

STAND. COM. REP. NO.

1092

Honolulu, Hawaii

March 2 2007

RE: H.B. No. 1923  
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 1923, 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 build some flexibility into the State Enterprise Zone Program (Program) to recognize the unique circumstances of agricultural businesses and allow more of these businesses to survive and prosper under the Program by:

- (1) Allowing agricultural businesses whose operations are affected by a "force majeure event," i.e., a damaging natural disaster beyond their control, to remain eligible for tax incentives under the Program;
- (2) Extending the seven-year Program benefit period for the time that a business' operations are affected by a force majeure event;
- (3) Providing businesses that are unable to meet the required increases in the number of annual full-time employees under the Program, the alternative of meeting annual gross revenue requirements; and
- (4) Including leased employees and employees under a joint employer relationship within the definition of "full-time employee."

HB1923 HD2 HSCR FIN HMS 2007-2770




The Department of Business, Economic Development, and Tourism, Office of Planning, Department of Agriculture, Maui County Farm Bureau, and Hawaii Aquaculture Association testified in support of this bill. The Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 H.B. No. 1923, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1923, H.D. 2.

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



MARCUS R. OSHIRO, Chair



State of Hawaii  
House of Representatives  
The Twenty-fourth Legislature

HSCR 1092

**Record of Votes of the Committee on Finance**

<b>Bill/Resolution No.:</b> <span style="font-size: 1.5em; font-family: cursive;">HB 1923 HD1</span>	<b>Date:</b> <span style="font-size: 1.5em; font-family: cursive;">2/27/07</span>			
<b>Committee Referral:</b> <span style="font-size: 1.5em; font-family: cursive;">EDB/AGR, FIN</span>	<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.			
<b>The recommendation is to:</b> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 45%;"> <input type="checkbox"/> Pass, unamended   <input type="checkbox"/> Hold         </div> <div style="width: 45%;"> <input checked="" type="checkbox"/> Pass, with amendments  <input type="checkbox"/> Pass, with amendments, for recommittal for further consideration         </div> </div>				
<b>FIN Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. OSHIRO, Marcus R. (C)	✓			
2. LEE, Marilyn B. (VC)	✓			
3. BELATTI, Della Au	✓			
4. BROWER, Tom	✓			
5. CARROLL, Mele	✓			
6. CHONG, Pono	✓			
7. HANOHANO, Faye P.	✓			
8. HAR, Sharon E.	✓			
9. MAGAOAY, Michael Y.	✓			
10. MANAHAN, Joey	✓			
11. MIZUNO, John	✓			
12. NAKASONE, Bob	✓			
13. RHOADS, Karl	✓			
14. SAGUM, Roland D., III	✓			
15. TOKIOKA, James Kunane	✓			
16. AWANA, Karen Leinani	✓			
17. MEYER, Colleen Rose		X		
18. WARD, Gene, Ph.D.	✓			
<b>TOTAL</b>	17	1	0	0
<b>The recommendation is:</b> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Adopted  <input type="checkbox"/> Not Adopted         </div> <div style="width: 45%;">           If joint referral, _____ did not support recommendation.  <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div> <div style="font-size: 1.5em; font-family: cursive; margin-top: 5px;">manuf 3. Lee</div> </div> </div>				
<b>Vice Chair's or designee's signature:</b>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – HMSO    Duplicate (Pink) – Clerk's Office				