

Honolulu, Hawaii  
Feb 15, 2008

RE: H.B. No. 2914  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2008  
State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns,  
to which was referred H.B. No. 2914 entitled:

"A BILL FOR AN ACT RELATING TO SKILLED NURSING FACILITIES,"

begs leave to report as follows:

The purpose of this bill is to designate new or expanding skilled nursing facilities located outside of a state enterprise zone (EZ) as businesses eligible for EZ tax benefits.

A concerned individual supported the intent of this bill. The Department of Business, Economic Development, and Tourism and the Department of Taxation offered comments.

Upon reviewing testimony, your Committee has determined that applying the EZ program to businesses located outside of designated EZs would present technical difficulties. It would also fail to achieve the intended goal of the program, which is to move certain types of businesses into economically depressed areas of the state. However, your Committee also recognizes the importance of increasing the number and capacities of skilled nursing facilities as Hawaii's elderly population grows.



Upon further reflection, your Committee has amended this measure by:

- (1) Removing the language allowing skilled nursing facilities that are located outside of an EZ to qualify for EZ benefits;
- (2) Making a technical amendment to correct the reference to the definition of "skilled nursing facility" in federal law; and
- (3) Changing the effective date to July 1, 2034, to encourage further discussion.

Other technical, nonsubstantive amendments were made for clarity, consistency, and style.

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. 2914, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2914, H.D. 1.

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



KYLE T. YAMASHITA, Chair



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

<b>Bill/Resolution No.:</b> HB 2914	<b>Committee Referral:</b> HLT, EDB, FIN	<b>Date:</b> 2/12/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
<b>EDB Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. YAMASHITA, Kyle T. (C)	✓			
2. WAKAI, Glenn (VC)	✓			
3. BERG, Lyla B., Ph.D.	✓			
4. BROWER, Tom	✓			
5. CHANG, Jerry L.	✓			
6. HANOHANO, Faye P.	✓			
7. HERKES, Robert N.	✓			
8. MANAHAN, Joey	✓			
9. TSUJI, Clift	✓			
10. YAMANE, Ryan I.	✓			
11. CHING, Corinne W.L.				✓
12. MARUMOTO, Barbara C.		✓		
<b>TOTAL (12)</b>	10	1	0	1
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
<b>Vice Chair's or designee's signature:</b> _____				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office				