

STAND. COM. REP. NO. 82

Honolulu, Hawaii

Feb 9, 2009

RE: H.B. No. 553  
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 Economic Revitalization, Business, &  
Military Affairs, to which was referred H.B. No. 553 entitled:

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

begs leave to report as follows:

The purpose of this bill is to encourage the establishment of modern medical and medical research facilities within the state by establishing a medical enterprise zone program initially consisting of a pilot medical enterprise zone in west Maui.

Classic Resorts Limited, West Maui Improvement Foundation, Lahainaluna High School Health Occupations Students of America, Newport Hospital Corporation, Lahaina-Honolua Senior Citizens Club, Trilogy Excursions, Lokelani Construction, and numerous concerned individuals submitted testimony in support of this measure. The Department of Health opposed the bill. Department of Taxation, Tax Foundation of Hawaii, and several concerned individuals commented on this measure.

Your Committee finds that our state, especially its rural areas, would benefit from the establishment of modern medical facilities for health care and research that would attract highly skilled medical professionals to work in Hawaii. Limiting potential investments in a medical enterprise zone to a pilot project in west Maui will minimize the impact on the State while allowing the State to evaluate the zone's performance.

HB553 HD1 HSCR EBM HMS 2009-1736



In addition, the project offers the Department of Business, Economic Development, and Tourism an opportunity to examine the existing Enterprise Zone Program and consider whether a reform of its benchmarks is needed to make them more appropriate and applicable to medical, alternative energy, and other desirable research and technology businesses.

Your Committee has amended this bill by replacing the Department of Health with the Department of Business, Economic Development, and Tourism, which has expertise in administering the existing Enterprise Zone Program. To allow further discussion of this bill, its effective date has been changed to July 1, 2112.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 553, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 553, H.D. 1, and be referred to the Committee on Health.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Revitalization, Business, &  
Military Affairs,



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ANGUS L.K. MCKELVEY, Chair



