STAND. COM. REP. NO. 552

Honolulu, Hawaii **Fr. 920**, 2009 RE: H.B. No. 994 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. 994 entitled:

"A BILL FOR AN ACT RELATING TO TOURISM,"

begs leave to report as follows:

The purpose of this bill is to increase tourism revenues by creating a new tourist attraction and to encourage the growth of the technology sector of Hawaii's economy by appropriating funds to apply for a spaceport license from the Federal Aviation Administration (FAA).

Rocektplane Global, Inc., Hokkaido Aerospace Science & Technology Incubation Center, and two individuals testified in support of this bill. The Department of Business, Economic Development, and Tourism (DBEDT) and a concerned individual commented on this measure.

Hawaii, as well as that of the rest of the nation, is experiencing one of the worst periods of financial decline in decades. Since tourism is the chief generator of revenue and employment in this State, developing new forms of tourism may be a way of expanding this market. As space tourism has the potential for being a billion dollar industry, the development of this industry could give Hawaii's economy a needed boost in the near future.



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However, your Committee understands that Hawaii's economic downturn has resulted in serious budget concerns. Your Committee respectfully requests the Committee on Finance to review the costs of developing a space tourism industry which would initially begin with the application for a spaceport license from the FAA and the benefits that the State would realize from this development. Your Committee also respectfully requests the Committee on Finance to review whether funds are currently available in DBEDT's budget that could be used to achieve the intent of this measure. Accordingly, your Committee has amended this bill by changing the appropriation amount to an unspecified sum to encourage further discussion.

Your Committee has also amended this bill by:

- (1) Changing its effective date to July 1, 2112, 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 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. 994, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 994, H.D. 1, and be referred to the Committee on Finance.

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

MCKELVEY, Chair



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State of Hawaii House of Representatives The Twenty-fifth Legislature

Record of Votes of the Committee on Economic Revitalization, Business, & Military Affairs

Bill/Resolution No.:CommitteeHB994EB	ttee Referral: Date: $2/17/09$			
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Image: Pass, unamended (as is) Image: Pass, with amendments (HD) Image: Hold Image: Pass short form bill with HD to recommit for future public hearing (recommit)				
EBM Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)				
2. CHOY, Isaac W. (VC)	~			
2 DEDC Lula D	-			
3. BERG, Lyla B.				
4. EVANS, Cindy				~
5. MANAHAN, Joey	~			
6. TAKAI, K. Mark				
7. TOKIOKA, James Kunane			Contraction of the second	
7. TOKTOKA, Janes Kunane	V			
8. TSUJI, Clift	V			
9. WAKAI, Glenn	~			
10. WOOLEY, Jessica	r			
11. WARD, Gene				
TOTAL (11)	9			
The recommendation is: Image: Adopted life Image: Not Adopted life If joint referral,				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				