

STAND. COM. REP. NO. 1071

Honolulu, Hawaii

March 20, 2009

RE: S.B. No. 1248
S.D. 1
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 Committees on Economic Revitalization, Business, & Military Affairs and Agriculture, to which was referred S.B. No. 1248, S.D. 1, entitled:

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

beg leave to report as follows:

The purpose of this bill is to help agricultural and manufacturing businesses in the State Enterprise Zones Program (Program) survive and grow during these difficult economic times by:

- (1) Allowing limited liability companies to qualify for the Program;
- (2) Allowing the receipts, sales, and employees of a business's establishments in all enterprise zones located within a single county to count toward qualification requirements;
- (3) Extending Program tax credits for seven additional years for qualified businesses engaged in manufacturing tangible personal property, or producing or processing agricultural products; and

SB1248 HD1 HSCR EBM-AGR HMS 2009-3235



- (4) Extending the general excise tax exemption to a contractor's gross proceeds for construction in an enterprise zone for a business approved to enroll in the Program.

The County of Hawaii Department of Research and Development, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, DataHouse Consulting, Inc., Island Princess, Hawaii Aquaculture Association, Oils of Aloha, Hawaii Agriculture Research Center, and Tradewinds Forest Products testified in support of this bill. The Department of Taxation opposed this measure. The Department of Business, Economic Development, and Tourism, Department of Agriculture, Hawaii Crop Improvement Association, and Tax Foundation of Hawaii offered comments.

Your Committees have amended this bill by:

- (1) Deleting references to genetically-engineered products, including genetically-engineered agricultural products from the Program;
- (2) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for consistency and style.

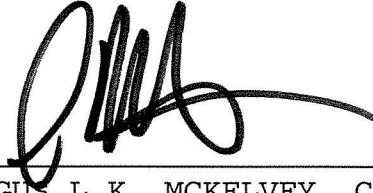
As affirmed by the records of votes of the members of your Committees on Economic Revitalization, Business, & Military Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1248, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1248, S.D. 1, H.D. 1, and be referred to the Committee on Energy & Environmental Protection.



Respectfully submitted on
behalf of the members of the
Committees on Economic
Revitalization, Business, &
Military Affairs and
Agriculture,



CLIFT TSUJI, Chair



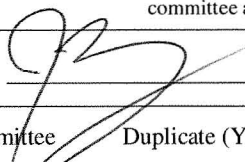
ANGUS L.K. MCKELVEY, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR101

Record of Votes of the Committee on Agriculture

Bill/Resolution No.: SB 1248 SDI		Committee Referral: EBM/AGR, EEP, FIN		Date: March 17, 2008
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <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)				
AGR Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	✓			
2. WOOLEY, Jessica (VC)	✓			
3. BERG, Lyla B.	✓			
4. CHOY, Isaac W.	✓			
5. EVANS, Cindy	✓			
6. MANAHAN, Joey	✓			
7. McKELVEY, Angus L.K.	✓			
8. TAKAI, K. Mark				
9. TOKIOKA, James Kunane	✓			
10. WAKAI, Glenn	✓			
11. MARUMOTO, Barbara C.				✓
TOTAL (11)	9	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				