

STAND. COM. REP. NO. 1284

Honolulu, Hawaii

March 27, 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 Committee on Energy & Environmental Protection, to which was referred S.B. No. 1248, S.D. 1, 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 assist agricultural and manufacturing businesses in the State Enterprise Zones Program (Program) survive and grow in a responsible manner during this difficult fiscal climate 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



- (4) Removing the research, development, sale, or production of genetically-engineered medical, agricultural, and maritime biotechnology products as an eligible business activity.

The Hawaii County Department of Research and Development supported this bill. The Hawaiian Electric Company, Maui Electric Company, and Hawaii Electric Light Company supported this measure with amendments. The Department of Taxation, Department of Business, Economic Development, & Tourism, and Hawaii Crop Improvement Association opposed this bill. The Department of Agriculture and Tax Foundation of Hawaii provided comments.

Your Committee received testimony suggesting revisions to include other renewable energy sources in addition to wind energy for the production of electric power, and to restore the research, development, sale, or production of genetically-engineered agricultural, medical, and maritime biotechnology products, as eligible business activities within Enterprise Zones.

Your Committee finds that the focus and essence of these revisions, as well as their implications, are outside the purview of the subject matter covered by this Committee. Currently, wind energy facilities are a permitted use of land in an agricultural district based on their compatibility with agricultural activities, however, your Committee is hesitant to include other renewable energy technologies without further analysis of their impact. As with the deletion of genetically-engineered agricultural, medical, and maritime biotechnology products, your Committee respectfully defers to the subsequent Committee to address the possibility of these revisions as this measure moves through the legislative process.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1248, S.D. 1, H.D. 1, and recommends that it be referred to the Committee on Finance.



Respectfully submitted on  
behalf of the members of the  
Committee on Energy &  
Environmental Protection,

*Hermina Morita*

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HERMINA MORITA, Chair



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: <b>SB 1248, SD1, HD1</b>	Committee Referral: <b>EBM/AGR, EEP, FIN</b>	Date: <b>3-24-09</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input 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)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. MORITA, Hermina M. (C)	✓			
2. COFFMAN, Denny (VC)	✓			
3. CABANILLA, Rida	✓			
4. CHANG, Jerry L.	✓			
5. CHONG, Pono	✓			
6. HAR, Sharon E.	✓			
7. HERKES, Robert N.	✓			
8. ITO, Ken	✓			
9. LEE, Chris	✓			
10. LUKE, Sylvia	✓			
11. SAGUM, Roland D., III	✓			
12. CHING, Corinne W.L.	✓			
13. THIELEN, Cynthia	✓			
TOTAL (13)	13	0	0	0
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: <u><i>Denny Coffman</i></u>				
<b>Distribution:</b> Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				