



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

LINDA LINGLE
GOVERNOR
THEODORE E. LIU
DIRECTOR
MARK K. ANDERSON
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
THEODORE E. LIU
Director

Department of Business, Economic Development, and Tourism
before the

HOUSE COMMITTEE ON ENERGY AND ENVIRONMENTAL PROTECTION

Thursday, February 12, 2009
9:00 A.M.
State Capitol, Conference Room 325

in consideration of
HB 1682, HD1
RELATING TO STATE ENTERPRISE ZONES.

Bill No. 1682

Support Y N

Date 2/10/09

Time 3:11 p

Cat AF AS AX B C

Type 1 2 WI

Chair Morita, Vice-Chair Coffman and Committee members:

This bill extends EZ tax credits and exemptions for businesses engaged in the manufacturing of tangible personal property or in the producing or processing of agricultural products, for an additional seven years. It also allows the receipts, sales, and employees of a business's establishments in all enterprise zones located within the same county to count towards qualification requirements and allows renewable energy producers to qualify for the EZ program. The Department appreciates the intent of this measure; however, given the current fiscal difficulties, we oppose its enactment at this time.

Thank you for the opportunity to offer these comments.

LINDA LINGLE
Governor



SANDRA LEE KUNIMOTO
Chairperson, Board of Agriculture

DUANE OKAMOTO
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 Fax: (808) 973-9613

TESTIMONY OF SANDRA LEE KUNIMOTO
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON
ENERGY & ENVIRONMENTAL PROTECTION
THURSDAY, FEBRUARY 12, 2009
9:00 AM
CONFERENCE ROOM 325

HOUSE BILL NO. 1682, HD1
RELATING TO STATE ENTERPRISE ZONES

Bill No. 1682

Support Y N

Date 2/11/09

Time 10:52a

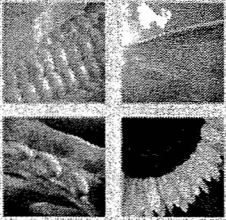
Cat AF AS AX B C

Type 1 2 WI

Chairperson Morita and Members of the Committee:

Thank you for the opportunity to comment on House Bill No. 1682, HD1. The purpose of this bill is to improve the state enterprise zone program by allowing limited liability companies to be included under the definitions of "qualified businesses" and "service businesses", by extending the enterprise zone tax credits and exemptions for businesses engaged in the manufacturing of tangible personal property or in the producing or processing of agricultural products for an additional seven years, and by allowing the receipts, sales and employees of a business's establishments in all enterprise zones located within the same county to count towards qualification requirements.

The HDOA acknowledges the merit of this measure as we believe that agriculture producers would benefit from an extension of enterprise zone tax credits and neighborhood revitalization programs that create agricultural jobs. However, we caution that an extension of tax credits and exemptions in this difficult economic period may be detrimental to the state.



Hawaii Crop Improvement Association

Growing the Future of Worldwide Agriculture in Hawaii

Bill No. 1682

Testimony By: Alicia Maluafiti
HB 1682hd1, Relating to State Enterprise Zones
House EEP Committee
Thursday, Feb.12, 2009
Room 325, 9:00 am

Support N

Date 2/11/09

Time 11:20a

Cat AF AS AX C

Type 1 2 WI

**HCIA 2008-2009
Board of Directors**

President
Adolph Helm

Vice President
Fred Perlak

Treasurer
John Anderson

Secretary
Ailka Napier

Directors At Large

Mike Austin
Ray Foster
David Gilliland
Cindy Goldstein
Laurie Goodwin
Kirby Kester
Paul Koehler
Leslie Poland
Martha Smith
Mark Stoutemyer
Jill Suga

Past President
Sarah Sivan

Executive Director
Alicia Maluafiti

Position: Strong Support

Chair Morita and Members of the House EEP Committee:

My name is Alicia Maluafiti, Executive Director of the Hawaii Crop Improvement Association. The Hawaii Crop Improvement Association (HCIA) is a nonprofit trade association representing the agricultural seed industry in Hawaii. Now the state's largest agricultural commodity, the seed industry contributes to the economic health and diversity of the islands by providing high quality jobs in rural communities, keeping important agricultural lands in agricultural use, and serving as responsible stewards of Hawaii's natural resources.

Although HCIA member companies do not participate in EZ tax credits and exemptions, we strongly believe that agriculture enterprise zones, the proposed extensions of the credits to include manufacturers and processors of agricultural products, and inclusion of renewable energy production are of benefit to other qualified agribusinesses.

Measures such as this support the nurturing and growth of Hawaii's agriculture industry.

Thank you for the opportunity to testify.

91-1012 Kahi'uka Street
Ewa Beach, HI 96706
Tel: (808) 224-3648
director@hciaonline.com
www.hciaonline.com