

SB 1248



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

LINDA LINGLE
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THEODORE E. LIU
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Statement of
THEODORE E. LIU
Director
Department of Business, Economic Development, and Tourism
before the

SENATE COMMITTEE ON WAYS AND MEANS

Monday, March 2, 2009
9:30 AM
State Capitol, Conference Room 211

in consideration of
SB 1248
RELATING TO STATE ENTERPRISE ZONES.

Chair Kim, Vice-Chair Tsutsui 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. 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.



Continuation of Statement of
LYANNE M. KIMURA
Chief Financial Officer
DataHouse Consulting, Inc.

Before the
Senate Ways and Means Committee
In consideration of
Senate Bill No. 1248
RELATING TO STATE ENTERPRISE ZONES

Consequently, I would oppose both Section 3 of HB1743 and Section 5 of HB1742 since one would end the enterprise zone program and the other would eliminate all benefits to qualifying businesses. Both sections of these bills would no longer provide qualifying enterprise zone businesses with the incentive to keep its existing work force, allow businesses to increase its work force and create new jobs.

In summary, **HB1682 HD1** and **SB1248** relating to State Enterprise Zones allows agriculture producers, manufacturers, and wholesalers to renew their participation in the Enterprise Zone program for another seven years. Please consider adding the category "information technology design and production" to those available for program renewal. Furthermore, please remove **Section 3 of HB1743** and **Section 5 of HB1742** pertaining to the enterprise zone program. By removing these sections, you will provide qualifying businesses with the opportunity and incentive to grow and create more jobs.

Thank you for your consideration and the opportunity to offer these comments.

Sincerely,

Lyanne M. Kimura
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DataHouse



Statement of
LYANNE M. KIMURA
Chief Financial Officer
DataHouse Consulting, Inc.

Before the
Senate Ways and Means Committee

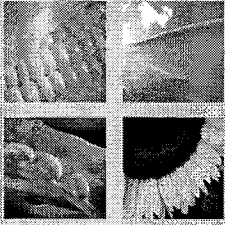
Monday, March 2, 2009
9:30 A.M.
State Capitol, Conference Room 211

In consideration of
Senate Bill No. 1248
RELATING TO STATE ENTERPRISE ZONES

Chair Kim, Vice-Chair Tsutsui and Members of the Committee:

As Chief Financial Officer of DataHouse Consulting, Inc, I would like to express my support of HB 1682 HD1 and SB1248 with the inclusion of Information Technology as a program eligible for renewal. Our Company participated in the State Enterprise Zones program from February 2002 through January 2009. We are engaged in the development (from analysis through implementation) of unique computer software and database applications and enhancements (material modification of third-party software) for sale or license. These activities require highly educated and skilled software developers, project managers, analysts, and testers, which provide opportunities for many talented Hawaii people to remain or move back to Hawaii.

From February 2002 to December 2008, our employee count increased from 43 to 62 full-time employees for Enterprise Zone purposes. This meant 19 new jobs and a 44% increase in our work force. Over that time, we have also employed many student interns that are pursuing careers in information technology. Benefits from the State Enterprise Zone program allowed us to grow faster than we might have without the program benefits. Including information technology design and production in the categories eligible for program renewal would allow us the opportunity to continue to grow in these challenging economic times.



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Growing the Future of Worldwide Agriculture in Hawaii

Testimony By: Alicia Maluafiti
SB 1248, Relating to State Enterprise Zones
Senate WAM Committee
Monday, March 2, 2009
Room 211, 9:30 am

Position: Strong Support

Chair Mercado Kim, and Members of the Senate WAM 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, and the proposed extensions of the credits to include manufacturers and processors of agricultural products 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.