

Honolulu, Hawaii

Feb 26, 2010

RE: H.B. No. 1926
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1926, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM,"

begs leave to report as follows:

The purpose of this bill is to ensure that the Department of Business, Economic Development, and Tourism (DBEDT) has adequate funding to continue to provide services and programs promoting economic development by:

- (1) Establishing a special fund for the operation of DBEDT;
- (2) Imposing a surcharge on certain business- and commerce-related fees that will be paid by businesses benefiting from the activities of DBEDT which is to be paid into the special fund; and
- (3) Requiring the surcharge revenues and \$2,000,000 of the moneys in the Compliance Resolution Fund to be deposited into the special fund each year.

The provisions of this bill would be in effect from July 1, 2010, through June 30, 2015.

The Department of Commerce and Consumer Affairs; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc.; and



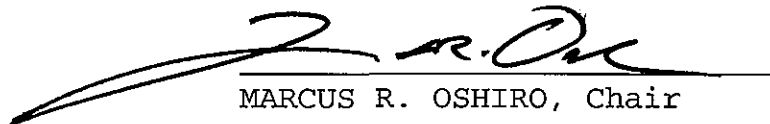
Maui Electric Company, Ltd., testified in opposition to this bill. The Department of Budget and Finance, The Chamber of Commerce of Hawaii, and Tax Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1926, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1926, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



