

Honolulu, Hawaii

MAR 19 2010

RE: H.B. No. 1926
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committees on Economic Development and Technology and
Commerce and Consumer Protection, to which was referred H.B.
No. 1926, H.D. 2, entitled:

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

beg leave to report as follows:

The purpose of this measure is to:

- (1) Establish a Department of Business, Economic
Development, and Tourism operation special fund for the
operations of the Department;
- (2) Impose a surcharge on certain business- and commerce-
related fees to be deposited into the special fund; and
- (3) Require the surcharge revenues and \$2,000,000 from the
compliance resolution fund of the Department of Commerce
and Consumer Affairs to be deposited into the special
fund.

Testimony in opposition to this measure was submitted by the
Department of Commerce and Consumer Affairs; Hawaiian Electric
Company, Inc.; General Contractors Association of Hawaii; American
Council of Life Insurers; Hawai'i Association of REALTORS; Maui
Chamber of Commerce; Marriott Maui Ocean Club Resort; Maui
Vacation Properties; Recycled Bikes and Boards and four



individuals. Comments for this measure were submitted by the Department of Budget and Finance, The Chamber of Commerce of Hawaii, Tax Foundation of Hawaii, and Integrated Economic Solutions, LLC.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees have heard a number of concerns regarding this measure, ranging from revenue impacts, the inequity of a fixed surcharge on fees that vary greatly in amount, and the lack of a nexus between the type of fee and the work of the Department of Business, Economic Development, and Tourism.

Your Committees have replaced the language in this measure with language from S.B. No. 2144, S.D. 2, and S.B. No. 2145, S.D. 1, which were previously heard and approved by your Committees. As amended, this measure:

- (1) Transfers the television and film industry activities and responsibilities and special fund under the Department of Business, Economic Development, and Tourism to the Hawaii Tourism Authority and establishes the Hawaii Film Office under the authority; authorizes the Hawaii Film Office to administer the tax credits under section 235-17, Hawaii Revised Statutes; and deletes unnecessary provisions (Part I);
- (2) Amends the Hawaii Community-Based Economic Development Revolving Fund uses to require that moneys in the revolving fund be used to fund the Community-Based Economic Development Program and Enterprise Zone Program operational and staff costs (Part II);
- (3) Transfers the Small Business Regulatory Review Board from the Department of Business, Economic Development, and Tourism to the Department of Commerce and Consumer Affairs; authorizes the Board to employ and set the salary of a small business advocate; and authorizes the expenses of the Board to be funded from the Compliance Resolution Fund, while allowing the Department flexibility in implementing this provision (Part III); and




- (4) Changes the effective date from July 1, 2020, to July 1, 2010.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1926, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1926, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Economic
Development and Technology and
Commerce and Consumer
Protection,



ROSALYN H. BAKER, Chair



CAROL FUKUNAGA, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Economic Development and Technology
EDT

Bill / Resolution No.:* HB 1926 HD 2	Committee Referral: EDT/CPN, WAM	Date: 15 3-16-2010
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The committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	✓			
BAKER, Rosalyn H. (VC)	✓			
HEE, Clayton				✓
IGE, David Y.				✓
SLOM, Sam		✓		
TOTAL	2	1	-	2

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:
Rosalyn H. Baker

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*Only one measure per Record of Votes

The Senate
 Twenty-Fifth Legislature
 State of Hawaii

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* HB 1926 HD2	Committee Referral: EDT/CPN, WAM	Date: ^{15 A.M.} 3-16-10
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The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
IGE, David Y. (VC)				✓
ESPERO, Will	✓			
GREEN, M.D., Josh	✓			
IHARA, Jr., Les	✓			
SAKAMOTO, Norman				✓
HEMMINGS, Fred				✓
TOTAL	4	0	0	3

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: 

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