

STAND. COM. REP. NO.

1000

Honolulu, Hawaii

MAR 27 2009

RE: H.B. No. 553
H.D. 2
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committees on Economic Development and Technology and Health, to which was referred H.B. No. 553, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO MEDICAL ENTERPRISE ZONES,"

beg leave to report as follows:

The purpose of this measure is to encourage the establishment of modern medical and research facilities within the State by establishing a Medical Enterprise Zone Program to initially consist of a pilot medical enterprise zone in West Maui.

Testimony in support of this measure was submitted by Hawaii Association for Justice and West Maui Improvement Foundation Inc. Testimony in opposition of this measure was submitted by the Department of Taxation and the Department of Business, Economic Development, and Tourism. Comments on this measure were submitted by the City and County of Honolulu Department of Planning and Permitting. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that our State, especially in rural areas similar to West Maui, would benefit greatly from the establishment of modern medical facilities for health care and research that would attract highly skilled medical professionals to work in Hawaii. Your Committees also find that limiting the potential investment and subsequent tax credits and tax exemptions to a medical enterprise zone pilot project in West Maui will minimize any potential negative financial impact on the State,



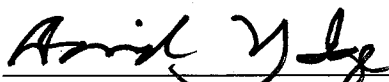
while at the same time allowing the State to evaluate the medical enterprise zone's performance and attractiveness.

Your Committees have amended this measure by:


- (1) Designating the Director of Business, Economic Development, and Tourism, rather than the Director of Health, as the entity to which the governing body of the County of Maui shall transmit a description of the proposed location of the pilot program in West Maui;
- (2) Directing the Director of Business, Economic Development, and Tourism, rather than the Director of Health, to designate the proposed area in West Maui as a medical enterprise zone for a period of seven years;
- (3) Changing the effective date to December 31, 2050, and applying it to taxable years beginning after December 31, 2050, to promote further discussion;
- (4) Changing the repeal date to January 1, 2017; and
- (5) Making technical, nonsubstantive amendments for the purpose of clarity.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 553, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 553, 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
Health,



DAVID Y. ISE, 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.:* HB553, HD2	Committee Referral: EDT/HTH, WAM	Date: 3-20-09
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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	4	-	-	1

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature:


Distribution:
 Original Yellow Pink Goldenrod
 File with Committee Report Clerk's Office Drafting Agency Committee File Copy

*Only one measure per Record of Votes

The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Health
HTH

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 553 HD 2	EDT / HTH, WAM	3/20/09 3/16/09		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
GREEN, M.D., Josh (VC)	✓			
BAKER, Rosalyn H.	✓			
ESPERO, Will	✓			
NISHIHARA, Clarence K.	✓			
HEMMINGS, Fred				✓
TOTAL	5	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes