

STAND. COM. REP. NO. 1156

Honolulu, Hawaii

March 24, 2009

RE: S.B. No. 1299  
S.D. 1  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Sir:

Your Committee on Economic Revitalization, Business, & Military Affairs, to which was referred S.B. No. 1299, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ADVANCED FLIGHT SIMULATOR TRAINING, "

begs leave to report as follows:

The purpose of this bill is to encourage the growth of a flight training industry in Hawaii by making businesses engaged in advanced flight simulator training for pilots, dispatchers, mechanics, or air traffic controllers, eligible for tax and other regulatory benefits under the State Enterprise Zones law.

The University of Hawaii, Global Aeronautics LLC, and a concerned individual supported this bill. The Department of Taxation opposed this bill. The Office of Aerospace Development and Tax Foundation of Hawaii commented.

Hawaii's unique mid-Pacific location makes Hawaii an ideal location for international aircraft pilot training, an industry with significant potential for growth in light of the increasing demand for airplane pilots projected for the Asia-Pacific region in coming years. In addition, flight simulator training would fit well within Hawaii's plans to diversify its economy, by establishing a new technology-based industry that would provide between 100 and 200 new, well-paid jobs in the Kapolei area,

SB1299 HD1 HSCR EBM HMS 2009-3117



enhancing the UH's ability to establish a four-year airline management baccalaureate program for the Asia-Pacific community within its Travel Industry Management program, and providing Hawaii airlines with a local training resource.

Questions were raised as to why mechanics are included in the list of persons that may receive flight simulator training that qualifies for enterprise zone benefits. Your Committee respectfully requests the Committee on Finance, to which this bill is next referred, to investigate the matter.

To encourage further discussion, your Committee has amended this bill by changing its effective date to July 1, 2112. A technical, nonsubstantive amendment was also made for clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1299, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1299, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Revitalization, Business, &  
Military Affairs,



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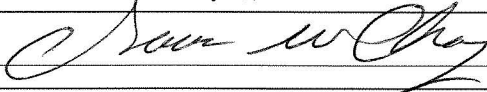
ANGUS L.K. MCKELVEY, Chair



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

HSCR 1156

**Record of Votes of the Committee on Economic Revitalization, Business, & Military Affairs**

<b>Bill/Resolution No.:</b> SB1299	<b>Committee Referral:</b> SDI EBM, FIN	<b>Date:</b> 3/17/09		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EBM Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. CHOY, Isaac W. (VC)	✓			
3. BERG, Lyla B.				X
4. EVANS, Cindy	✓			
5. MANAHAN, Joey				X
<del>6. TAKAI, K. Mark</del>				
7. TOKIOKA, James Kunane	✓			
8. TSUJI, Clift	✓			
9. WAKAI, Glenn	✓			
10. WOOLEY, Jessica	✓			
11. WARD, Gene	✓			
TOTAL (11)	8			2
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
<b>Vice Chair's or designee's signature:</b> _____ <div style="text-align: center; font-size: 1.5em; font-family: cursive;">  </div>				
<b>Distribution:</b> Original (White) – Committee            Duplicate (Yellow) – Chief Clerk's Office            Duplicate (Pink) – HMSO				