

Honolulu, Hawaii

March 19, 2010

RE: S.B. No. 2144
S.D. 2
H.D. 1

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

Sir:

Your Committee on Economic Revitalization, Business, & Military Affairs, to which was referred S.B. No. 2144, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

begs leave to report as follows:

The purpose of this bill is to allow important state economic development programs to continue their work during the recession by:

- (1) In part I of the bill, transferring the television and film industry responsibilities of the Department of Business, Economic Development, and Tourism (DBEDT), to a Hawaii Film Office (Office) established within the Hawaii Tourism Authority (HTA), and authorizing the Office to administer the Motion Picture, Digital Media, and Film Production Income Tax Credit; and
- (2) In part II of the bill, requiring that moneys in the Hawaii Community-Based Economic Development Revolving Fund be used to fund the operational and staff costs of the Community-Based Economic Development Program and Enterprise Zone Program.



HTA supported the intent of this bill in part. DBEDT opposed this bill. Hawaii Film and Entertainment Board commented on this measure.

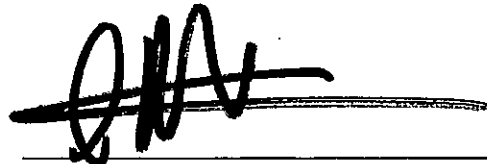
Your Committee finds that during the current economic crisis, policies that would place the State in a perilous fiscal position should not be pursued. Accordingly, your Committee has amended this bill by replacing the provisions of part I with the substance of H.B. No. 2984, H.D. 2, a bill that passed out of your Committee earlier this session.

As amended, part I extends the Tax Credit for Research Activities for an additional year, and repeals the remaining tax credits of Act 221, Session Laws of Hawaii 2001. In taking this fiscally responsible course your Committee notes that the Tax Credit for Research Activities has played a significant role in generating jobs and opportunities for start-up firms in the State's high technology industry and helps to ensure the health and well-being of an entire industry.

In addition, the effective date of this bill has been changed to July 1, 2020, to encourage further discussion and reflect the effective date of H.B. No. 2984, H.D. 2.

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. 2144, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2144, S.D. 2, 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,



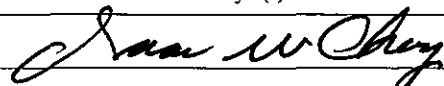
ANGUS L.K. MCKELVEY, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR 894-10

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

Bill/Resolution No.:	Committee Referral:	Date:		
SB 2144 SD2	EBM, FIN	3/18/10		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <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.				✓
4. EVANS, Cindy	✓			
5. MANAHAN, Joey				✓
6. TAKAI, K. Mark				✓
7. TOKIOKA, James Kunane	✓			
8. TSUJI, Clift	✓			
9. WAKAI, Glenn				✓
10. WOOLEY, Jessica	✓			
11. WARD, Gene	✓			
TOTAL (11)	7			4
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation.				
committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				