

STAND. COM. REP. NO. 1614

Honolulu, Hawaii

Apr: 19, 2009

RE: S.B. No. 294
S.D. 2
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 Finance, to which was referred S.B. No. 294, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO STATE DEPARTMENTS,"

begs leave to report as follows:

The purpose of this bill is to clarify the role of the Department of Business, Economic Development, and Tourism (DBEDT) with respect to making recommendations to other state departments, and making those recommendations and actions subject to legislative oversight.

Your Committee conducted a public hearing on a proposed draft. The purpose of the proposed draft is to reorganize certain state executive branch departments to reflect the provisions of the General Appropriations Act of 2009.

Several concerned individuals supported the proposed draft. DBEDT, the Creative Industries Division of DBEDT, Department of Commerce and Consumer Affairs (DCCA), Aloha Tower Development Corporation, and Windward Ahupuaa Alliance opposed the proposed draft. The Department of Land and Natural Resources (DLNR), Department of Agriculture (DOA), Tourism Liaison of DBEDT, Hawaii Housing Finance and Development Corporation (HHFDC), Hawaii Foreign-Trade Zone of DBEDT, Office of Planning of DBEDT, Research and Economic Analysis Division of DBEDT, High Technology Development Corporation, Hawaii Community Development Authority,

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Hawaii Farm Bureau Federation, Land Use Research Foundation of Hawaii, Hawaii Ship Agents Association, and several concerned individuals provided comments on the proposed draft.

Your Committee has amended this bill by replacing its contents with the contents of the proposed draft and further amending the proposed draft by:

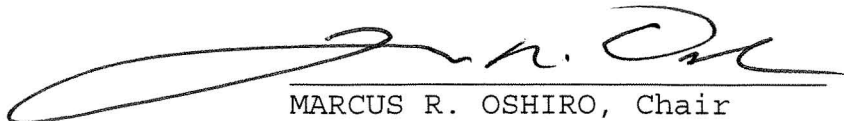
- (1) Removing provisions providing for the transfer of:
 - (A) The Research and Economic Analysis Division from DBEDT to DCCA;
 - (B) The Creative Industries Division from DBEDT to the Foundation on Culture and the Arts;
 - (C) The Small Business Regulatory Review Board from DBEDT to DCCA;
 - (D) HHFDC from DBEDT to the Department of Human Services;
 - (E) The Land Use Commission from DBEDT to DLNR;
 - (F) The Hawaii Community Development Authority from DBEDT to DLNR;
 - (G) The Aloha Tower Development Corporation from DBEDT to the Department of Transportation (DOT);
 - (H) The High Technology Development Corporation and High Technology Innovation Corporation from DBEDT to DCCA;
 - (I) The Foreign-Trade Zone Program from DBEDT to DOT;
 - (J) The Office of Planning from DBEDT to DLNR;
 - (K) The State Health Planning and Development Program from the State Health Planning and Development Agency to the Department of Health proper; and
 - (L) The Measurement Standards Program from DOA to DCCA;



- (2) Transferring the Natural Energy Laboratory of Hawaii Authority to the Department of Accounting and General Services instead of to the University of Hawaii;
- (3) Adding an appropriation to provide for seven positions for and otherwise support the Hawaii Clean Energy Initiative;
- (4) Including the contents of H.B. No. 279, H.D. 2, S.D. 1, which:
 - (A) Establishes a renewable energy branch in DBEDT;
 - (B) Strengthens laws supporting energy diversification, long-term provision of dependable energy services, and use of diverse energy technologies; and
 - (C) Appropriates unspecified amounts for the energy security special fund and to support seven full-time temporary positions within DBEDT;
- (5) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (6) 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 S.B. No. 294, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 294, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

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



MARCUS R. OSHIRO, Chair



