

Honolulu, Hawaii

FEB 7, 2011

RE: H.B. No. 105
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committees on Economic Revitalization & Business and International Affairs, to which was referred H.B. No. 105 entitled:

"A BILL FOR AN ACT RELATING TO OUT-OF-STATE OFFICES,"

beg leave to report as follows:

The purpose of this bill is to improve the effectiveness and efficiency of the out-of-state operations of the Department of Business, Economic Development, and Tourism (DBEDT) by:

- (1) Requiring the Auditor to conduct a management and financial audit of DBEDT's out-of-state offices at least once every two years; and
- (2) Repealing provisions that allow DBEDT's out-of-state offices to be exempted from laws relating to audit and accounting, and to compensation.

DBEDT supported the intent of this bill.

During the public hearing on this measure, concerns were raised regarding the costs associated with recurring audits and a suggestion was made to reduce the frequency of the audits to once every three years. Your Committees respectfully request your Committee on Legislative Management to consider this particular issue when deliberating over this measure.



In addition, your Committees note that DBEDT indicated that it leases the property it needs for its out-of-state operations.

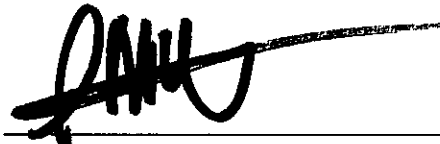
Therefore, your Committees have amended this measure by repealing the provision that allows DBEDT's out-of-state offices to be exempted from Section 171, Hawaii Revised Statutes, relating to real property acquisition. Other technical, nonsubstantive amendments have been made for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization & Business and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 105, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 105, H.D. 1, and be referred to the Committee on Legislative Management.

Respectfully submitted on
behalf of the members of the
Committees on Economic
Revitalization & Business and
International Affairs,



KAREN L. AWANA, Chair



ANGUS L.K. MCKELVEY, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HSCR 53

Record of Votes of the Committee on Economic Revitalization & Business

Bill/Resolution No.: HB 105	Committee Referral: ERB/INT, LMG, FIN	Date: 2/1/11		
<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)				
ERB Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. CHOY, Isaac W. (VC)	✓			
3. AWANA, Karen L.	✓			
4. BROWER, Tom	✓			
5. EVANS, Cindy	✓			
6. HASHEM, Mark J.	✓			
7. NISHIMOTO, Scott Y.	✓			
8. TOKIOKA, James Kunane	✓			
9. TSUJI, Clift	✓			
10. MARUMOTO, Barbara C.				✓
11. PINE, Kymberly Marcos	✓			
TOTAL (11)	10	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 8pt;">committee acronym(s)</div>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

