

STAND. COM. REP. NO. 447

Honolulu, Hawaii
Feb 18, 2011

RE: H.B. No. 782
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 Committee on Economic Revitalization & Business, to which was referred H.B. No. 782 entitled:

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM,"

begs leave to report as follows:

The purpose of this bill is to establish dedicated funding sources for the operations of the Department of Business, Economic Development, and Tourism (DBEDT) by:

- (1) Establishing the DBEDT Operation Special Fund (Special Fund) to be used for the operations of DBEDT;
- (2) Temporarily imposing a surcharge of \$20 to be added to various fees assessed by the Department of Commerce and Consumer Affairs (DCCA), Public Utilities Commission, Department of Labor and Industrial Relations, and Department of Taxation, and requiring that surcharge revenues be deposited into the Special Fund; and
- (3) Temporarily requiring \$2,000,000 from the Compliance Resolution Fund (Resolution Fund) to be deposited into the Special Fund on an annual basis.

DBEDT supported the intent of this bill. DCCA, Hawaii Insurers Council, Hawaiian Electric Company, Hawaii Electric Light

HB782 HD1 HSCR ERB HMS 2011-2222



Company, Inc., and Maui Electric Company, Ltd., opposed this measure. The Department of Budget and Finance submitted comments.

Your Committee notes that serious concerns were raised by DCCA and other testifiers with respect to the provisions contained in this measure, including whether a clear nexus exists between the surcharge imposed in this bill and the services provided by DBEDT. Testimony also indicated concerns regarding the establishment of the Special Fund and the impact that the annual transfer of \$2,000,000 from the Resolution Fund to the Special Fund would have on the Resolution Fund.

Your Committee will continue to work on this matter as this bill moves forward and respectfully requests your Committee on Finance to address the aforementioned issues and look into other alternative funding sources to assist DBEDT in implementing its programs and initiatives.

After further consideration, your Committee has amended this measure by:

- (1) Deleting the provision requiring \$2,000,000 from the Resolution Fund to be transferred on an annual basis to the Special Fund;
- (2) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 782, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 782, 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,



ANGUS L.K. MCKELVEY, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

Record of Votes of the Committee on Economic Revitalization & Business

Bill/Resolution No.: HB 782	Committee Referral: ERB, FIN	Date: 2/10/11		
<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)	9	2	0	0
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: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____ 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				