

STAND. COM. REP. NO. 1528

Honolulu, Hawaii

April 8, 2011

RE: S.B. No. 752  
S.D. 2  
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 Finance, to which was referred S.B. No. 752, S.D. 2, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to:

- (1) Expand the use of the Hawaii Community-based Economic Development (CBED) Revolving Fund to include the State's Enterprise Zone (EZ) funding while limiting use of the funds to:
  - (A) Operations of the CBED Technical and Financial Assistance program and the State's EZ program and certain personnel costs for both programs;
  - (B) Operating costs of the CBED Advisory Council; and
  - (C) Grants and loans under the Community-based Development Chapter;
- (2) Exempt grants provided under the CBED program from the Hawaii Public Procurement Code;

SB752 HD1 HSCR FIN HMS 2011-3539

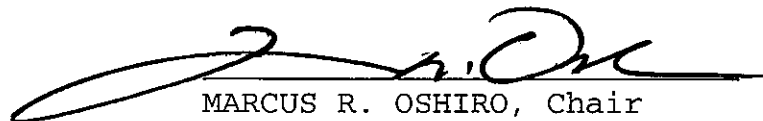


- (3) Clarify that moneys in the Hydrogen Investment Capital Special Fund shall be expended by the Hawaii Strategic Development Corporation;
- (4) Establish for four years only the Department of Business, Economic Development, and Tourism (DBEDT) Operation Special Fund (Fund) to support DBEDT operations;
- (5) Impose 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 (DLIR), and Department of Taxation, and requires that surcharge revenues be deposited into the Fund; and
- (6) Depositing into the General Fund all interest on moneys in the Fund and all funds remaining in the fund on June 30, 2015.

The National Association of Insurance and Financial Advisors, USAA, and a concerned individual testified in opposition to this bill. DLIR; Department of Budget and Finance; DCCA; State Procurement Office; DBEDT; Hawaii Strategic Development Corporation; Tax Foundation of Hawaii; The Chamber of Commerce of Hawaii; Hawaii Association of REALTORS; Hawaii Insurers Council; Property Casualty Insurers Association of America; State Farm Insurance Companies; Hawaiian Electric Company, Inc.; Hawaii Electric Light Company, Inc.; and Maui Electric Company, Ltd. offered comments.

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. 752, S.D. 2, H.D. 1, and recommends that it pass Third Reading.

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

  
MARCUS R. OSHIRO, Chair



