

HOUSE OF REPRESENTATIVES
THE TWENTY-SIXTH LEGISLATURE
REGULAR SESSION OF 2012

COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS

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NOTICE OF HEARING

DATE: Thursday, March 15, 2012
TIME: 9:45 a.m.
PLACE: Conference Room 312
 State Capitol
 415 South Beretania Street

A G E N D A

If testimony was submitted on Tuesday's agenda (March 13, 2012) and still pertains to the following agenda, there is no need to resubmit.

[SB 2226, SD2](#)
[\(SSCR2630\)](#)
[Status](#)
Proposed HD1

RELATING TO TAXATION.
~~Amends Hawaii tax laws to implement the streamlined sales and use tax agreement; takes effect when the State becomes a party to the streamlined sales and use tax agreement. Creates a committee to oversee the department of taxation's implementation and administration of, and compliance with the streamlined sales and use tax agreement, to take effect on approval. (SD2)~~
Unless preempted by federal law, requires the collection of use taxes by sellers of tangible personal property who enter into agreements under which a person in the State refers potential purchasers to the seller, including by an internet link or web site, or performs related services in the State on behalf of the seller. Effective July 1, 2012.

ERB, FIN

[SB 2238, SD1](#)
[\(SSCR2605\)](#)
[Status](#)

RELATING TO TAXATION.
Repeals Act 155, Session Laws of Hawaii 2010, which requires all businesses with excise tax exemptions to register to do business in Hawaii, file their tax returns in a timely manner, and expressly claim their entitlement, and creates a personal trust liability for businesses that use the general excise tax as the basis for increasing their prices and ensures that those funds are paid to the State for the benefit of consumers and businesses. (SD1)

ERB, FIN



[SB 2947, SD2](#)
[\(SSCR2608\)](#)
[Status](#)
Proposed HD1

RELATING TO TAXATION.

ERB, FIN

~~Requires state agencies or the department of taxation to prepare reports relating to authorized tax credits or exemptions that have a purpose related to economic development. Requires the department of taxation to post the reports on its website. Appropriates unspecified funds. (SD2)~~

Establishes monetary awards for whistleblowers for a Department of Taxation administrative or judicial action. Authorizes the Director of Taxation to appoint an administrative appeals officer. Prohibits certain penalties from being added to tax underpayments on which certain other penalties are already imposed. Requires all advertisements and solicitations for transient accommodations to display the registration identification number or the website address containing the registration identification number.

[SB 2739, SD2](#)
[\(SSCR2607\)](#)
[Status](#)
Proposed HD1

RELATING TO THE SMALL BUSINESS REGULATORY REVIEW BOARD.

ERB, FIN

~~Authorizes the department of business, economic development, and tourism to establish fees pursuant to chapter 91, Hawaii Revised Statutes, to be charged to each agency submitting rules to the small business regulatory review board as part of the agency submission process; requires the fees to be used for the expenses of the board; requires each agency to notify the board on an annual basis of any rules that affect small business to be amended or repealed to reflect a statutory amendment or repeal. Effective 7/1/2050. (SD2)~~

Authorizes the small business regulatory review board to require an agency to conduct another public hearing on a rule change when the rulemaking agency declines to make changes requested at the first hearing and the agency's small business statement, submitted after the hearing, indicates inconsistency with its earlier determination or does not address the public's concerns.

[SB 2030, SD2](#)
[\(SSCR2712\)](#)
[Status](#)

RELATING TO PROCUREMENT.

ERB, FIN

Allows the chief procurement officer or head of a purchasing agency to expand the scope of work in a bid for a listed subcontractor, with certain conditions, after bid opening. Effective 07/01/50. (SD2)

[SB 2457, SD2](#)
[\(SSCR2615\)](#)
[Status](#)
Proposed HD1

RELATING TO PROCUREMENT.

ERB, FIN

~~Imposes time limits on rendering administrative and judicial review decisions; limits protests to those that are a minimum percentage of the contract value; requires posting of a protest bond, to be forfeited if the protesting party does not prevail. Effective 07/01/50. (SD2)~~

Imposes time limits on administrative and judicial review decisions. Limits protests to those that are a minimum percentage of the contract value. Requires posting of a protest bond, to be forfeited if the protesting party does not prevail. Temporarily authorizes the governor or a county mayor to exempt a procurement from protest concerning the procurement and administrative review of a non responsible offeror determination. Requires, as a condition of the exemption, that bids and proposals, but not trade secrets or other proprietary data, be released for public inspection. Effective July 1, 2012.



[SB 2780, SD1](#)
[\(SSCR2744\)](#)
[Status](#)

RELATING TO THE DEPARTMENT OF ACCOUNTING AND
GENERAL SERVICES

ERB, FIN

Appropriate moneys for the information technology transformation initiative in fiscal year 2012-2013; authorizes issuance of general obligation bonds for planning, design, and requirements necessary to develop and implement an integrated financial and human resource management system for the State. (SD1)

[SB 2235, SD2](#)
[\(SSCR2633\)](#)
[Status](#)

RELATING TO COMMUNICATIONS TECHNOLOGY.

ERB, FIN

~~Promotes enhanced communication infrastructure for Hawaii residents by incorporating recommendations of the Hawaii broadband task force in the Hawaii state plan; requires the department of business, economic development, and tourism to submit an annual status report to the governor and legislature. (SD2)~~

Proposed HD1

Requires the State and counties to approve, approve with modification, or disapprove all broadband related permits within forty-five business days. Provides that if no action is taken, the application will be deemed approved on the forty-sixth business day. Sunsets on June 30, 2017. (HB2325 HD2)

[SB 2236](#)
[\(SSCR2531\)](#)
[Status](#)

RELATING TO INFORMATION TECHNOLOGY.

ERB, FIN

~~Clarifies that the information technology steering committee shall consist of thirteen members: four members to be selected by the senate president, four members to be selected by the speaker of the house of representatives, and four members to be selected by the chief information officer, with the chief information officer to serve as the chair.~~

Proposed HD1

Authorizes the issuance of special purpose revenue bonds to assist Clearcom, Inc., or a partnership headed by Clearcom, Inc., with planning, permitting, designing, constructing, equipping, and operating broadband infrastructure throughout the State. Effective July 1, 2112.



[SB 2941, SD2](#)
[\(SSCR2635\)](#)
[Status](#)

Proposed HD1

RELATING TO HIGH TECHNOLOGY.

ERB, FIN

~~Defines "qualified high technology business" to mean a business employing or owning capital or property, or maintaining an office, in this State; provided that more than fifty per cent of its total business activities are qualified research and more than fifty per cent of its qualified research is in this State; adds reporting requirements to measure the effectiveness of the tax credit for research activities; establishes a fine for failure to file the survey information in the reporting requirements; includes federal and state income tax returns and documents related to deductions for tax credits for research activities to be filed as part of the survey; extends the tax credit through 2016; applies to tax years beginning after 12/31/2011. Effective 7/1/2050. (SD2)~~

Defines "qualified high technology business" to mean a business employing or owning capital or property, or maintaining an office, in this State; provided that more than fifty per cent of its total business activities are qualified research and more than fifty per cent of its qualified research is in this State; adds reporting requirements to measure the effectiveness of the tax credit for research activities; establishes a fine for failure to file the survey information in the reporting requirements; includes federal and state income tax returns and documents related to deductions for tax credits for research activities to be filed as part of the survey; extends the tax credit through 2016; applies to tax years beginning after 12/31/2011. Effective 7/1/2050.



[SB 2111, SD2](#)
[\(SSCR2688\)](#)
[Status](#)
Proposed HD1

RELATING TO FILM AND DIGITAL MEDIA INDUSTRY
DEVELOPMENT.

ERB, FIN

~~Establishes the Hawaii film and digital media special fund; repeals part IX, chapter 201, Hawaii Revised Statutes, relating to Hawaii television and film development (part II); amends the motion picture, digital media, and film production income tax credit to add an additional credit for an unspecified per cent of the qualified production costs paid to legal residents of this State and to Hawaii vendors and Hawaii suppliers; amends the total tax credit cap to an unspecified amount; requires annual report; increases requirements for hiring of legal residents of this State; applies to qualified expenditures incurred on or after July 1, 2012, and before January 1, 2027 (part III); establishes a motion picture, digital media, and film production infrastructure tax credit of fifty per cent of qualified infrastructure costs; requires qualified expenditure of at least \$10,000,000; increases requirements for hiring of legal residents of this State; requires the credit to be repaid through an annual payment to the State equal to fifteen per cent of the qualified infrastructure project's taxable income until the credit has been repaid; provides for a 100 per cent recapture of the tax credit if the facilities are no longer used for a qualified activity; requires annual report; applies to taxable years beginning after June 30, 2012 (part IV); appropriates funds for additional resource and staffing support to assist state agencies in collecting and reporting annually on estimates of the full-time equivalent positions for legal Hawaii residents by each production receiving tax credits; effective July 1, 2050; repeals on January 1, 2027. (SD2)~~

Authorizes the Director of Business, Economic Development, and Tourism to issue revenue bonds for qualified media infrastructure projects. Creates a special fund for disbursement of funds. Requires matching funds and post-audits. Extends the motion picture, digital media, and film production tax credit to January 1, 2025 from January 1, 2016. Raises the qualified production tax credit ceiling to \$ from \$8,000,000. Separates the calculation of the credit amount based on wages and salaries from the credit amount based on other qualified production costs. Provides different credit amounts based on residence within the counties for the wages and salaries paid to all cast, crew, and musicians of the qualified production, plus an additional unspecified per cent credit amount on wages and salaries of cast, crew, and musicians who are state residents.

DECISION MAKING TO FOLLOW

Persons wishing to offer comments should submit testimony at least 24 hours prior to the hearing with a transmittal cover indicating:

- Testifier's name with position/title and organization;
- The Committee the comments are directed to;
- The date and time of the hearing;
- Measure number; and
- The number of copies the Committee is requesting.

While every effort will be made to copy, organize, and collate all testimony received, materials received on the day of the hearing or improperly identified or directed to the incorrect office, may be distributed to the Committee after the hearing.

Submit testimony in ONE of the following ways:

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PAPER: 3 copies (including an original) to Room 404 in the State Capitol;
FAX: For comments less than 5 pages in length, transmit to 586-8479 (for Oahu) or 1-800-535-3859 (for Neighbor Islanders without a computer to submit testimony through e-mail or the Web);
EMAIL: For comments less than 5 pages in length, transmit to ERBtestimony@capitol.hawaii.gov; or
WEB: For comments less than 10MB in size, transmit from <http://www.capitol.hawaii.gov/submittestimony.aspx>.

If during the course of the hearing it appears that there will not be sufficient time to allow everyone to be heard, the chairperson reserves the right to limit the remaining testifiers to three minutes. This three minute policy will be enforced to ensure fairness and adequate consideration to all bills.

Testimony submitted will be placed on the Legislative Web site after the hearing adjourns. This public posting of testimony on the Web site should be considered when including personal information in your testimony.

If you require special assistance or auxiliary aids and/or services to participate in the House public hearing process (i.e., sign or foreign language interpreter or wheelchair accessibility), please contact the Committee Clerk at 586-6498 or email your request for an interpreter to HouseInterpreter@Capitol.hawaii.gov at least 24 hours prior to the hearing for arrangements. Prompt requests submitted help to ensure the availability of qualified individuals and appropriate accommodations.

Selected meetings are broadcast live. Check the current legislative broadcast schedule on the "Capitol TV" Web site at www.capitoltv.org OR call 536-2100.

Rep. Angus L.K. McKelvey
Chair

