

HB473 SD1

Requires NELHA to enter into an inter-agency agreement, memorandum of agreement, or memorandum of understanding with the Hawaii strategic development corporation and high technology development corporation. Allows NELHA to enter into inter-agency agreements with DBEDT without a memorandum of agreement or memorandum of understanding. Specifies terms that are required in any contract between NELHA and state agencies. (Proposed SD1)



NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

An Authority of the State of Hawaii attached to the Department of Business, Economic Development & Tourism

Statement of

Gregory P. Barbour
Executive Director

Natural Energy Laboratory of Hawaii Authority

before the

**SENATE COMMITTEE ON ECONOMIC DEVELOPMENT,
GOVERNMENT OPERATIONS AND HOUSING**

Wednesday, March 20, 2013

2:50 pm

State Capitol, Conference Room 016

in consideration of

HB 473 H.D. 1 Proposed S.D 1
RELATING TO THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

The Natural Energy Laboratory of Hawaii Authority (NELHA) is pleased to comment on H.B. 473 H.D. 1 Proposed S.D. 1 which amends Chapter 227D to require NELHA to enter into inter-agency agreements with the High Technology Development Corporation and the Hawaii Strategic Development Corporation and work closely with the Department of Business, Economic Development and Tourism.

We have worked very closely with these agencies over the years to grow Hawaii's economy especially in the area of renewable energy and ocean science technology parks which is central to our mission. Approximately 10 years ago, the Legislature adjusted the composition

of the Board of Directors of the three agencies by requiring that members of these Boards attend meetings of each agency. In addition, the Director of DBEDT is a member of each of these Boards. Given the importance of growing the technology sector of our economy the intent of this action was to increase the collaboration between these agencies and ensure our programs are properly aligned to avoid a duplication of services. Growth of the technology sector remains a high priority still today in the State of Hawaii's overall economic development strategy. This arrangement has led to closer cooperation among the Boards, Executive Directors and staff of these agencies towards growing the technology sector.

It is important to note that the language in HB 473 H.D. 1 which would make the businesses at NELHA eligible for consideration of Enterprise Zone credits is also very important us. We respectfully request that this language be strongly considered as well.

Thank you for the opportunity to offer these comments.

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SUBJECT: MISCELLANEOUS, Natural energy laboratory of Hawaii authority

BILL NUMBER: HB 473, HD-1

INTRODUCED BY: House Committee on Finance

BRIEF SUMMARY: Adds a new section to HRS chapter 209E to provide that a qualified business operating within a research and technology park, established pursuant to HRS chapter 227D and located in an enterprise zone, shall be eligible for the same benefits under HRS sections 209E-10, 209E-11, and 209E-12.

Adds a new section to HRS chapter 227D to provide that all activities of the natural energy laboratory of Hawaii authority conducted within an enterprise zone established pursuant to HRS chapter 209E, shall be entitled to the same benefits under sections 209E-10, 209E-11, and 209E-12.

EFFECTIVE DATE: July 1, 2030

STAFF COMMENTS: This measure proposes to extend enterprise zone benefits to the natural energy laboratory of Hawaii authority and any qualified business operating within a research and technology park established by the authority. In an enterprise zone, businesses are attracted and encouraged to relocate to the zone through tax incentives, bonds, and other appropriate measures. Businesses located in an enterprise zone may claim a credit against taxes paid for a period of seven years and also allows the sale of items sold by such businesses to be exempt from the general excise tax.

While it appears that it is the intent of the legislature to assist a select industry, it should be remembered that singling out any business or industry for preferential treatment merely confers preferences for those businesses at the expense of all other taxpayers. Concurrent efforts must be made to improve Hawaii's business climate to enhance the economic prospects for all businesses.

Instead of singling out certain areas of the state for preferential treatment, an across-the-board tax relief for all businesses in Hawaii should be considered. For example, the consultant to the 2007 Tax Review Commission suggested that all business-to-business transactions be exempt from the general excise tax as a means of reducing not only the cost of doing business in Hawaii, but the overall cost of living.

Lawmakers need to stop and think when it comes to proposals like this. By "giving away the store" while not reducing the cost of government or the size of government, all other taxpayers including lawmakers' constituents, will be asked to make up the lost revenues by paying higher taxes while continuing to labor under the draconian business climate for which Hawaii has become known.

Digested 3/18/13

Dane Wicker

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 17, 2013 4:15 PM
To: EGHTestimony
Cc: surferg@aloha.net
Subject: *Submitted testimony for HB473 on Mar 20, 2013 14:50PM*

HB473

Submitted on: 3/17/2013

Testimony for EGH on Mar 20, 2013 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Cleon Bailey	Individual	Support	No

Comments:

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Dane Wicker

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 17, 2013 1:45 PM
To: EGHTestimony
Cc: gb@nelha.org
Subject: Submitted testimony for HB473 on Mar 20, 2013 14:50PM

HB473

Submitted on: 3/17/2013

Testimony for EGH on Mar 20, 2013 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Gregory Barbour	Individual	Comments Only	Yes

Comments: Please note. I will be attending. Thanks. gb

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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