

STAND. COM. REP. NO.

979

Honolulu, Hawaii

**MAR 22 2013**

RE: H.B. No. 473  
H.D. 1  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Economic Development, Government Operations and Housing, to which was referred H.B. No. 473, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY,"

begs leave to report as follows:

The purpose and intent of this measure is to make existing state business tax credits, general excise tax exemptions, and local incentives available to qualified Natural Energy Laboratory of Hawaii Authority research and technology park businesses and projects in the same enterprise zone.

Your Committee received testimony in support of this measure from the Natural Energy Laboratory of Hawaii Authority and one individual. Your Committee received comments on this measure from the Hawaii Strategic Development Corporation, High Technology Development Corporation, Tax Foundation of Hawaii, and one individual.

Prior to the hearing on this measure, your Committee made available for public review a proposed S.D. 1, which amends the measure by deleting its contents and replacing them with language that:

- (1) Requires the Natural Energy Laboratory of Hawaii Authority to enter into an inter-agency agreement, memorandum of agreement, or memorandum of understanding



with the Hawaii Strategic Development Corporation and High Technology Innovation Corporation;

- (2) Permits the Natural Energy Laboratory of Hawaii Authority to develop, enter into, and implement inter-agency agreements with the Department of Business, Economic Development, and Tourism without the need for a memorandum of agreement or memorandum of understanding; and
- (3) Requires certain terms to be included in any contract between the Natural Energy Laboratory of Hawaii Authority and any state agencies, offices, departments, or other administrative subdivisions.

Your Committee received comments on the proposed S.D. 1 from the Hawaii Strategic Development Corporation, High Technology Development Corporation, and Natural Energy Laboratory of Hawaii Authority.

Your Committee finds that it is important to encourage the growth of the technology sector in Hawaii. The proposed S.D. 1 will increase the collaboration between the Natural Energy Laboratory of Hawaii Authority and the Department of Business, Economic Development, and Tourism and promote the efficient use of available resources. Your Committee finds, however, that current statutes already allow for cooperation between state agencies. Also, the Natural Energy Laboratory of Hawaii Authority, Hawaii Strategic Development Corporation, and High Technology Development Corporation all currently have representation on each other's boards of directors.

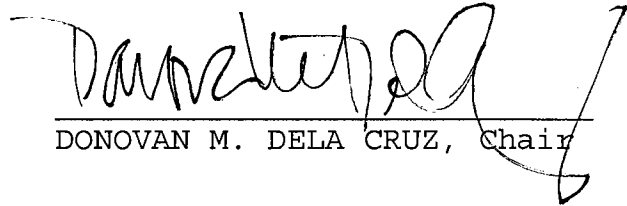
Therefore, your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Deleting the language that would have required the Natural Energy Laboratory of Hawaii Authority to enter into an inter-agency agreement, memorandum of agreement, or memorandum of understanding with the Hawaii Strategic Development Corporation and High Technology Innovation Corporation; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 473, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 473, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development, Government  
Operations and Housing,



DONOVAN M. DELA CRUZ, Chair



