

STAND. COM. REP. NO.

1392

Honolulu, Hawaii

APR 05 2013

RE: H.B. No. 70  
H.D. 2  
S.D. 2

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

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 70, H.D. 2, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to encourage economic growth and development in the State.

Specifically this measure:

- (1) Extends the sunset date of the High Technology Innovation Corporation from 2013 to 2018;
- (2) Changes the membership of the board of directors of the High Technology Innovation Corporation to nine voting members, including adding two board members from the private business sector, one to be appointed by the Speaker of the House of Representatives and one to be appointed by the President of the Senate;
- (3) Establishes the Executive Director and Chief Executive Officer of the High Technology Development Corporation as the chairperson of the board of directors of the High Technology Innovation Corporation;
- (4) Requires the board of directors of the High Technology Innovation Corporation to select its president;



- (5) Provides that the terms of the current board members of the High Technology Development Corporation shall expire upon enactment of the measure;
- (6) Establishes the Public-Private Partnership Authority as a public body corporate and politic and instrumentality and agency of the State to be placed within the Department of Business, Economic Development, and Tourism for administrative purposes;
- (7) Specifies the membership of the board of directors of the Public-Private Partnership Authority and requires the board to appoint an executive director;
- (8) Establishes the powers of the Public-Private Partnership Authority, and authorizes the Authority to develop plans and implement projects on behalf of other public agencies, including entering into cooperative agreements with public agencies or qualified private parties;
- (9) Authorizes the transfer of management rights of projects or properties from public agencies to the Public-Private Partnership Authority;
- (10) Requires the Public-Private Partnership Authority to submit an annual report to the Governor and the Legislature;
- (11) Requires revenues generated by or on behalf of the Public-Private Partnership Authority from public-private partnership projects and plans to be deposited into the general fund;
- (12) Following the adoption of administrative rules, requires the Public-Private Partnership Authority to initiate three pilot projects, specifically:
  - (A) A film production facility on state lands on the most populous island of a county with a population between one hundred thousand and one hundred seventy-five thousand;
  - (B) A main-street project on state lands in Wahiawa in the City and County of Honolulu; and



(C) One county-initiated project; and

- (13) Makes an appropriation of an unspecified amount from the general fund for the establishment and operation of the Public-Private Partnership Authority and funding of an unspecified number of staff positions.

Written comments in support of this measure were submitted by the High Technology Development Corporation, High Technology Innovation Corporation, Hawaii Strategic Development Corporation, and Masons Union Local 1 and 630.

Written comments in opposition to this measure were submitted by Tropical Orchid Farm, Inc., Unite Here Local 5, and twelve individuals.

Written comments on this measure were submitted by the Department of Business, Economic Development, and Tourism; Office of Hawaiian Affairs; Hawaii's Thousand Friends; and one individual.

Your Committee finds that the High Technology Innovation Corporation costs the State no money to operate, while providing the State with a means to facilitate growth in high-technology sectors and to receive tax deductible donations. Your Committee believes that the changes to the board of directors and leadership structure made by this measure will improve the operations of the Corporation.

Your Committee further finds that the establishment of the Public-Private Partnership Authority will facilitate cooperation between public and private entities to develop underutilized public resources. Your Committee further believes that the three pilot projects to be undertaken by the Authority will demonstrate the potential for these public-private partnerships to produce financial returns for the State. Furthermore, your Committee notes the concerns of the Office of Hawaiian Affairs and intends for the Public-Private Partnership Authority to comply with all constitutional and statutory requirements to remit a pro-rata portion of public land trust revenues to the Office of Hawaiian Affairs.

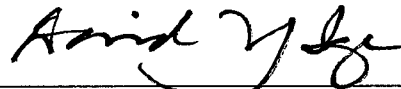
Your Committee has amended this measure by:



- (1) Clarifying that the definition of "project" includes certain actions relating to energy generation facilities;
- (2) Clarifying that the terms of all currently appointed members of the High Technology Innovation Corporation, board, not the High Technology Development Corporation, shall expire upon the effective date of this measure;
- (3) Changing the effective date of this measure to July 1, 2050, to facilitate further discussion; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 70, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 70, H.D. 2, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,




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DAVID Y. IGE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 70 HD2 SD1	EGH/TEC, WAM	3-28-13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani				✓
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.				✓
RUDERMAN, Russell E.			✓	
THIELEN, Laura H.			✓	
TOKUDA, Jill N.	✓			
SLOM, Sam		✓		
<b>TOTAL</b>	<b>8</b>	<b>1</b>	<b>2</b>	<b>2</b>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes