

Honolulu, Hawaii  
**February 10**, 2015

RE: H.B. No. 1328

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 1328 entitled:

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT, AND TOURISM,"

begs leave to report as follows:

The purpose of this measure is to diversify Hawaii's economy. Specifically, this bill requires the Department of Business, Economic Development, and Tourism to study and analyze the feasibility of establishing a motorsports industry and developing a motorsports center in Hawaii.

Paradise Ohana Centers LLC and numerous concerned individuals testified in support of this measure. The Department of Business, Economic Development, and Tourism provided comments.

Motorsports, including racing, is a growing major worldwide industry. While numerous racing fans and motorsports enthusiasts reside in Hawaii, there currently is a lack of a full-fledged, operating motorsports center in the State, particularly on the island of Oahu. While Kauai, Maui, and the Island of Hawaii all have racing facilities, the closure of Hawaii Raceway Park and Kalaeloa Raceway Park has left Oahu without a dedicated venue at which motorsports and racing enthusiasts can perform and enjoy their hobby. Without this alternative, some motorsports enthusiasts have taken to illegal street racing - an activity that creates a public safety issue.



The development of a motorsports industry and planned motorsports center will not only provide a venue for Hawaii's sports racing fans and motorsports enthusiasts, but it is expected to have a positive economic benefit for the State. In numerous other states, a positive economic impact of hundreds of millions of dollars was realized after the development of a motorsports facility. With the boom in racing and other motorsports currently occurring in Asia, Hawaii stands to gain from the development of this industry. A feasibility study on establishing and developing a motorsports industry and motorsports center in Hawaii will help the State and motorsports proponents to best determine how to proceed in this matter.

Your Committee notes that the Department of Business, Economic Development, and Tourism has testified that the cost for conducting a feasibility study would be approximately \$100,000. This financial cost needs to be given further consideration as this measure proceeds through the legislative process. Your Committee further notes that H.B. No. 1329, introduced during the Regular Session of 2015, proposes to authorize the issuance of Special Purpose Revenue Bonds for assistance in the development and establishment of a motorsports industry and facility in Hawaii and is another legislative vehicle that may be considered to achieve a similar goal as this measure.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1328 and recommends that it pass Second Reading and be referred to the Committee on Transportation.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development & Business,



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DEREK S.K. KAWAKAMI, Chair



