
A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that numerous small
2 business owners have been struggling with economic losses
3 because of rail construction in the State. The purpose of this
4 Act is to protect and support small business viability and
5 growth along transit corridors by providing financial assistance
6 to eligible small businesses that have experienced a loss of
7 business revenue from transit development.

8 SECTION 2. (a) There is established within the state
9 treasury a rail business interruption fund to provide financial
10 assistance to small businesses that:

- 11 (1) Abut or face a rail transit corridor; and
12 (2) Are able to produce relevant financial records
13 including but not limited to gross receipts, payroll
14 taxes, bank statements, or other financial
15 documentation, that demonstrate a loss of business
16 revenue of at least twenty-five per cent or greater or



1 substantial hardship directly related to the
2 construction of rail.

3 The fund shall be administered by the office of planning.

4 (b) The fund shall consist of the following sources of
5 revenue in equal amounts:

6 (1) No less than \$2,000,000 in the aggregate from
7 contractors involved in rail construction;

8 (2) No less than \$2,000,000 from any county of the State
9 with a population of over seven hundred thousand; and

10 (3) No less than \$2,000,000 from the general fund,
11 to provide financial assistance to eligible small businesses.

12 (c) The fund shall be used to provide financial assistance
13 to eligible small businesses to cover fixed operating expenses,
14 such as utility, insurance, rent or mortgage, payroll, and other
15 types of eligible documented business related expenses, as
16 determined by the office of planning or an independent
17 accounting firm under contract as set forth in subsection (d).

18 The total amount of financial assistance a small business may be
19 eligible for from the fund shall be the lesser amount of
20 \$25,000, or sixty per cent of annual business losses.



1 (d) The office of planning may contract with an
2 independent accounting firm to ascertain and confirm the losses
3 of an applicant small business and to assist in determining the
4 eligibility of a small business for financial assistance from
5 the fund.

6 (e) The office of planning shall require all rail transit
7 construction contractors to contribute to the fund. The office
8 of planning shall designate the method by which the
9 contributions from rail transit construction contractors shall
10 be calculated and collected.

11 (f) The office of planning may adopt rules in accordance
12 with chapter 91 for the purposes of this section.

13 (g) For the purposes of this section:

14 "Fund" means the rail business interruption fund.

15 "Small business" means a for profit business:

- 16 (1) With at least two years of continuous operation
17 history;
- 18 (2) With twenty-five or fewer employees; and
- 19 (3) That is in good standing with local, state, and
20 federal taxing and licensing authorities.



H.B. NO. 1588

1 SECTION 3. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$150,000 or so much
3 thereof as may be necessary for fiscal year 2016-2017 to be
4 deposited into the rail business interruption fund established
5 by this Act.

6 SECTION 4. There is appropriated out of the rail business
7 interruption fund the sum of \$150,000 or so much thereof as may
8 be necessary for fiscal year 2016-2017 to provide financial
9 assistance to eligible small businesses pursuant to this Act.

10 The sum appropriated shall be expended by the office of
11 planning for the purposes of this Act.

12 SECTION 5. On the date of the repeal of this Act, any
13 unencumbered balance remaining in the rail business interruption
14 fund shall lapse to the credit of the general fund.

15 SECTION 6. This Act shall take effect upon its approval;
16 provided that sections 3 and 4 shall take effect on July 1,
17 2016; provided further that this Act shall be repealed on July
18 1, 2019.

19

INTRODUCED BY:

JAN 15 2016



H.B. NO. 1588

Report Title:

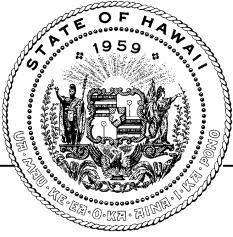
Rail Business Interruption Fund; Appropriation

Description:

Establishes a Rail Business Interruption Fund to help small businesses struggling with economic loss directly related to rail construction. Appropriates funds for the implementation of the Fund.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.





**OFFICE OF PLANNING
STATE OF HAWAII**

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-2846
Fax: (808) 587-2824
Web: <http://planning.hawaii.gov/>

DAVID Y. IGE
GOVERNOR

LEO R. ASUNCION
DIRECTOR
OFFICE OF PLANNING

Statement of
LEO R. ASUNCION
Director, Office of Planning
before the
**HOUSE COMMITTEE ON
ECONOMIC DEVELOPMENT AND BUSINESS**
Friday, February 12, 2016
10:30 AM
State Capitol, Conference Room 312

LATE

in consideration of
HB 1588
RELATING TO TRANSPORTATION.

Chair Kawakami, Vice Chair Kong, and Members of the House Committee on Economic Development and Business.

The Office of Planning (OP) respectfully opposes HB 1588. HB 1588 would establish a State rail business interruption fund to be administered by OP, which would collect and disburse funds to compensate small businesses with business losses due to rail construction.

While we are sympathetic to the concerns of businesses disrupted as a result of the rail project, we note that the City and County of Honolulu City Council, the City Administration, and the Honolulu Authority for Rapid Transit are actively pursuing plans and programs to address the needs of businesses affected by the rail project.

OP does not have the staff capacity or expertise to administer a business loss compensation program. We respectfully defer to the Department of Budget and Finance regarding the impacts of the establishing a rail business interruption fund and program on the State budget.

Thank you for the opportunity to testify on this measure.



From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 11, 2016 8:16 PM
To: edbtestimony
Cc: darakawa@lurf.org
Subject: Submitted testimony for HB1588 on Feb 12, 2016 10:30AM

HB1588

Submitted on: 2/11/2016

Testimony for EDB on Feb 12, 2016 10:30AM in Conference Room 312

Submitted By	Organization	Testifier Position	Present at Hearing
David Z. Arakawa	Land Use Research Foundation of Hawaii	Support	No

Comments: The Land Use Research Foundation of Hawaii SUPPORTS HB 1588, which proposes to establish a Rail Business Interruption Fund to help small businesses struggling with economic loss directly related to rail construction; and appropriates funds for the implementation of said Fund. LURF understands that numerous small business owners have been struggling with economic losses because of rail construction along the rail transit corridor in Honolulu. The stated purpose of this measure is to protect and support small business viability and growth along transit corridors by providing financial assistance to eligible small businesses that have experienced a loss of business revenue due to the rail transit construction and development. For the above reasons, LURF SUPPORTS HB 1588, and respectfully urges favorable consideration by this Committee. Thank you for the opportunity to provide comments in support of this matter.

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



LATE
Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the House Committee on Economic Development & Business
Friday, February 12, 2016 at 10:30 A.M.
Conference Room 312, State Capitol**

RE: HOUSE BILL 1588 RELATING TO TRANSPORTATION

Chair Kawakami, Vice Chair Kong, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 1588, which establishes a Rail Business Interruption Fund to help small businesses struggling with economic loss directly related to rail construction.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Many local businesses along the rail project alignment are currently being impacted by the construction activities directly associated with the rail project to the point where the economic viability of certain business establishments is being questioned. While HART and the city are working to provide some relief within federal guidelines, this assistance may not be adequate. We support any assistance to help these businesses being impacted by this large government project.

Thank you for the opportunity to testify.