

STAND. COM. REP. NO.

308

Honolulu, Hawaii

February 14, 2017

RE: H.B. No. 1034

H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 1034 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY-BASED ECONOMIC DEVELOPMENT TECHNICAL AND FINANCIAL ASSISTANCE PROGRAM,"

begs leave to report as follows:

The purpose of this measure is to improve the operations of the Hawaii community-based economic development technical and financial assistance program.

More specifically, this measure accomplishes this by:

- (1) Expanding the definition of "community-based organization" by deleting the requirement that the organization be membership-based;
- (2) Reducing the community-based economic development advisory council from twelve members to ten;
- (3) Deleting the requirement that a grant be used for community-based activities or a community-based enterprise "for a continuous period of at least five years";
- (4) Expanding community-based economic development grantee qualifications to include organizations providing



technical assistance to community based organizations;  
and

- (5) Updating the non-discrimination language with which grant recipients must comply.

Your Committee received written testimony in support of this measure from the Department of Business, Economic Development, and Tourism.

Your Committee notes that the definition of "community-based organization" in chapter 210D, Hawaii Revised Statutes, is currently limited to organizations that are "membership-based". However, your Committee finds that there are a number of nonprofit organizations active in community-based economic development that are not "membership-based" and therefore this qualification merits removal. Your Committee is aware that the community-based economic development advisory council has had difficulty meeting quorum requirements. Reducing the size of the Council will make it easier to schedule meetings and comply with quorum requirements. Your Committee believes that, as a practical matter, it is simply too difficult for grant applicants to show at the time of application that benefits of a community-based economic development grant will be realized for a continuous period of years. Therefore, your Committee finds that this requirement should be removed from the grant conditions. Finally, your Committee recognizes that technical assistance is an important component of supporting community-based organizations. Thus, expanding grant conditions and qualifications to include organizations providing technical assistance to community-based organizations will help to promote the success and viability of these organizations.

Your Committee has amended the bill by:

- (1) Making technical nonsubstantive changes for clarity and style; and
- (2) Changing the effective date to July 1, 2038, to facilitate further discussion on the 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. 1034, as amended herein, and recommends that



it pass Second Reading in the form attached hereto as H.B. No. 1034, H.D. 1, and be referred to your Committee on Finance.

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

  
MARK M. NAKASHIMA, Chair



