

STAND. COM. REP. NO.

1091

Honolulu, Hawaii

MAR 24 2017

RE: H.B. No. 943

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred H.B. No. 943 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 establish a seven-year Kapolei jobs initiative pilot program to provide tax incentives for businesses that establish themselves or open new locations in the Kapolei region.

Your Committee received testimony in support of this measure from the Chamber of Commerce Hawaii; Kapolei Chamber of Commerce; Land Use Research Foundation; Hawaii Laborers-Employers Cooperation and Education Trust; Hawaii Construction Alliance; Avalon Development Company LLC; Colliers International; Hunt Development Group, LLC; James Campbell Company LLC; MK Kapolei Commons LLC; MyGoCenter; Pat Lee & Associates, LLC; and twelve individuals. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; and Tax Foundation of Hawaii.

Your Committee finds that job growth in the Kapolei region on Oahu is a matter of community and state concern that affects employers and employees alike as households continue to outgrow the number of employment opportunities in the region. Your Committee further finds that the state enterprise zone program is



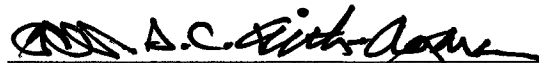
restrictive, and participation in the program has been relatively low, particularly in the Leeward enterprise zone. This measure seeks to encourage greater economic growth and development in the Kapolei region.

Your Committee has amended this measure by:

- (1) Limiting the Kapolei jobs initiative pilot program to five years;
- (2) Increasing the minimum gross annual salary amount that a business must provide to at least half of its employees in order to participate in the initiative to \$44,000;
- (3) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (4) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 943, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 943, S.D. 1, and be referred to your Committees on Ways and Means and Economic Development, Tourism, and Technology.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



GILBERT S.C. KEITH-AGARAN, Chair



