STAND. COM. REP. NO. 3652

Honolulu, Hawaii

APR 0 6 2018

RE: H.B. No. 2659
       H.D. 1
       S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

    Your Committee on Ways and Means, to which was referred H.B.
No. 2659, H.D. 1, 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 establish a
five-year Kapolei jobs initiative pilot program that provides a
tax credit for businesses that establish themselves or open new
locations in the Kapolei region.

    Your Committee received written comments in support of this
measure from the Department of Business, Economic Development, and
Tourism; Associa; Chamber of Commerce Hawaii; Coral Crater LLC;
Hawaii Construction Alliance; Hunt Companies; James Campbell
Company LLC; Kapolei Chamber of Commerce; Kapolei Commons; Makaha
Mangoes; National Kidney Foundation of Hawaii; Oahu County
Committee on Legislative Priorities of the Democratic Party of
Hawaii; Pacific Resource Partnership; Palehua Townhouse
Association; Queen's Health Systems; Urgent Care Hawaii; Waianae
High School; and nine individuals.

    Your Committee received written comments on this measure from
the Department of Taxation and Tax Foundation of Hawaii.

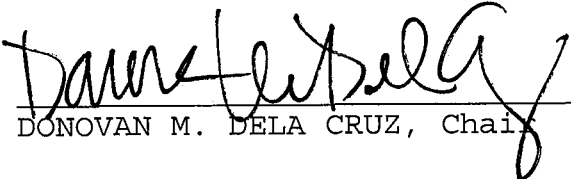HB2659 SD2 SSCR LRB 18-2384.doc

Your Committee finds that job growth in the Kapolei region 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 has amended this measure by:

(1) Deleting the provisions that establish the Kapolei jobs initiative pilot program and converting all relevant tax credit language relating to that program into the new section of Hawaii Revised Statutes establishing a Kapolei jobs initiative tax credit;

(2) Amending the definition of "qualified business" to specify that, among other requirements, a qualified business shall provide a gross annual salary of $73,000 or more to each of at least half of its employees at the establishment in the designated geographic area; and

(3) Making technical nonsubstantive changes 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. 2659, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2659, H.D. 1, S.D. 2.
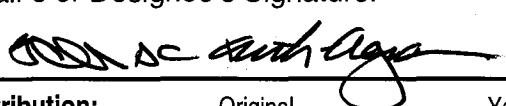
Respectfully submitted on behalf of the members of the Committee on Ways and Means,

DONOVAN M. DELA CRUZ, Chair

The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
HB2659 HD1 SD1	ETT/LBR, WAM	4/4/18

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to: _____

The Recommendation is:

☐ Pass, unamended
2312

☒ Pass, with amendments
2311

☐ Hold
2310

☐ Recommit
2313

Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
GALUTERIA, Brickwood	X			
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.	X			
RIVIERE, Gil				X
SHIMABUKURO, Maile S.L.				X
WAKAI, Glenn	X			
TOTAL	9			2

Recommendation:

☒ Adopted   ☐ Not Adopted

Chair's or Designee's Signature:

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       File with Committee Report   Clerk's Office   Drafting Agency   Committee File Copy

*Only <u>one</u> measure per Record of Votes