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HOUSE OF REPRESENTATIVES THE THIRTIETH LEGISLATURE **REGULAR SESSION OF 2019**

MAR 11

COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

Rep. Angus L.K. McKelvey, Chair

Rep. Lisa Kitagawa, Vice Chair SERGEANT-AT-ARMS

HOUSE OF

Rep. Stacelynn K.M. Eli

Rep. Sean QuinlaREPRESENTATIVES

Rep. Linda Ichiyama

Rep. Kyle T. Yamashita

Rep. Aaron Ling Johanson

Rep. Lauren Matsumoto

AMENDED NOTICE OF HEARING

DATE:

Wednesday, March 13, 2019

TIME:

10:00 a.m.

PLACE:

Conference Room 309

State Capitol

415 South Beretania Street

AMENDED AGENDA

The following measure(s) has been DELETED from the agenda: SB989, SB1291

SB 301, SD1 (SSCR669)

RELATING TO TAXATION OF REAL ESTATE INVESTMENT

EDB, CPC, FIN

TRUSTS.

<u>Status</u>

Disallows dividends paid deduction for real estate investment trusts. Applies to taxable years beginning after 12/31/2019. Effective

7/1/2050. (SD1)

SB 365, SD2 (SSCR865)

RELATING TO ECONOMIC DEVELOPMENT.

EDB, LHE, FIN

Status

Requires and appropriates funds for the department of business, economic development, and tourism to develop annual regional economic plans for each county to identify regional economic priorities and industry clusters and jobs within those priorities and clusters. Requires the workforce development council to develop, based on the findings of the regional economic plans, K-16 pathways and programs in each public school and public charter school that prepare students to fill the priority jobs identified in the regional economic plans. Requires participating schools to communicate opportunities to enroll in K-16 pathways, receive industry certifications, and place students in qualified internship programs to prepare students for jobs identified by regional economic plans as

priorities in each geographical area. (SD2)

RELATING TO INTOXICATING LIQUOR.

EDB, CPC, FIN

SB 773, SD1 (SSCR823) <u>Status</u>

Allows a class 18 small craft producer pub licensee to manufacture not more than 125,000 barrels of malt beverages on the licensee's premises during the license year. Clarifies that a class 14 brewpub licensee or class 18 small craft producer pub licensee may conduct certain activities at satellite locations other than the licensee's primary manufacturing premises under certain conditions. Clarifies the definition of "growler". Allows direct shipment of all forms of liquor, rather than just wine, by certain licensees. (SD1)

Hearing EDB 03-13-19.docx



SB 1006, SD2 RELATING TO INTOXICATING LIQUOR. EDB, JUD, FIN (SSCR872) Includes certain spirits-based beverages in the definition of cooler beverage. Repeals definition of draft beer. Applies the same tax rate Status to all beer. Effective 7/1/2050. (SD2) SB 1348, SD1 RELATING TO THE SMALL BUSINESS REGULATORY REVIEW EDB, JUD (SSCR1015) BOARD. <u>Status</u> Clarifies the intent of the small business regulatory review board's powers when reviewing state and county administrative rules and ordinances that impact small business. (SD1) SB 219, SD1 RELATING TO ENTERPRISE TECHNOLOGY SERVICES. EDB, FIN (SSCR1101) Requires the chief information officer, in conjunction with the **Status** information technology steering committee, to review, refresh, and submit to the state information technology strategic plan every 4 years. Effective 7/1/2050. (SD1) RELATING TO SHIP REPAIR INDUSTRY. SB 972, SD1 EDB, FIN (SSCR898) Establishes the ship repair industry tax credit for non-profit entities to Status offset costs incurred to construct and put into service a purpose-built floating drydock at Pearl Harbor for use by the United States Navy. Applies to taxable years beginning after 12/31/2019. Effective 7/1/2050. (SD1) SB 985, SD1 RELATING TO THE ISSUANCE OF SPECIAL PURPOSE EDB, FIN (SSCR747) REVENUE BONDS TO ASSIST PEARL HARBOR FLOATING DRYDOCK, LLC. Status Authorizes the issuance of special purpose revenue bonds to assist Pearl Harbor Floating Drydock, LLC, for the construction of a purpose-built floating drydock at Pearl Harbor to service submarines and surface ships. Effective 7/1/2050. (SB985 SD1) SB 989, SD2 RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC EDB, FIN (SSCR1046) DEVELOPMENT, AND TOURISM. Status Appropriates funds for operating expenses of the Department of Business, Economic Development, and Tourism. Effective 7/1/2050. (SD2) SB 990, SD2 RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT EDB, FIN (SSCR871) CORPORATION. Requires the Department of Business, Economic Development, and Status Tourism (DBEDT) to engage a consulting firm to conduct a study to evaluate policies and organizational changes needed within DBEDT that will enable the State to successfully execute a technology-based economic development strategy. Appropriates funds for DBEDT to engage the consulting firm to conduct the study. Effective 7/1/2050.

Hearing EDB 03-13-19.docx

(SD2)

SB 995, SD2 RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT EDB, FIN CORPORATION. (SSCR946) Status Requires the Hawaii Technology Development Corporation to adopt rules to require businesses that receive a technology research and development grant award to return the award if the business relocates its principal place of business within 5 years of receiving the grant. Makes an appropriation into and out of the research and development special fund for HTDC's research and development program. Effective 7/1/2050. (SD2) RELATING TO GOVERNMENT DATA. SB 1001, SD2 EDB, FIN Establishes a chief data officer and data set task force, within the office (SSCR726) of enterprise technology services, to develop, implement, and manage <u>Status</u> statewide data set policies, procedures, and standards. Effective 7/1/2050. (SD2) SB 1291, SD1 RELATING TO THE ALTERNATIVE ENERGY RESEARCH AND EDB, FIN (SSCR697) **DEVELOPMENT FUND. Status** Appropriates funds into and out of the alternative energy research and development revolving fund for the Hawaii Technology Development Corporation to provide grants. Effective 7/1/2050. (SD1) SB 965, SD1 RELATING TO TAXATION. EDB, FIN (SSCR746) Increases the state tax credit for research activities to an unspecified Status portion of the allowable federal tax credit. Requires businesses to remain in Hawaii for 5 years after receiving the tax credit. Amends

DECISION MAKING TO FOLLOW

Persons wishing to offer comments should submit testimony at least <u>24 hours</u> prior to the hearing. Testimony should indicate:

qualifying tax years. Effective 7/1/2050. (SD1)

- Testifier's name with position/title and organization;
- The Committee(s) to which the comments are directed;
- The date and time of the hearing; and
- · Measure number.

While every effort will be made to incorporate all testimony received, materials received on the day of the hearing or improperly identified or directed, may be distributed to the Committee after the hearing.

Submit testimony in ONE of the following ways:

PAPER: 12 copies (including an original) to Room 310 in the State Capitol;

FAX: For testimony less than 5 pages in length, transmit to 808-586-8544 (Oahu) or 1-800-535-3859 (for Neighbor

Islander without a computer to submit testimony through e-mail or the Web); or

WEB: For testimony less than 20MB in size, transmit from http://www.capitol.hawaii.gov/submittestimony.aspx.

Hearing EDB 03-13-19.docx

Testimony submitted will be placed on the legislative website. This public posting of testimony on the website should be considered when including personal information in your testimony.

If you require special assistance or auxiliary aids and/or services to participate in the House public hearing process (i.e., sign or foreign language interpreter or wheelchair accessibility), please contact the Committee Clerk at 586-8540 or email your request for an interpreter to HouseInterpreter@Capitol.hawaii.gov at least 24 hours prior to the hearing for arrangements. Prompt requests submitted help to ensure the availability of qualified individuals and appropriate accommodations.

Rep. Angus L.K. McKelvey

Chair