

Honolulu, Hawaii

FEB 20 2015

RE: S.B. No. 1001
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Economic Development and Technology, to which was referred S.B. No. 1001 entitled:

"A BILL FOR AN ACT RELATING TO MANUFACTURING,"

begs leave to report as follows:

The purpose and intent of this measure is to establish and appropriate funds for the manufacturing development program, through which the High Technology Development Corporation shall distribute grants to Hawaii manufacturers for various activities.

Your Committee received testimony in support of this measure from the Chamber of Commerce Hawaii; High Technology Development Corporation; Hawaii Food Industry Association; K. Yamada Distributors, Inc.; and one individual.

Your Committee finds that there is a disparity between Oahu and the neighbor islands concerning opportunities that exist for business expansion, energy efficiency training and development, and general maintenance of highly complex manufacturing equipment. The lack of available resources and overuse of obsolete equipment have contributed to significantly barring market competitiveness of Hawaii businesses and foreign investment interest in the State.

Your Committee further finds that it is incumbent on the State to ease the financial burdens facing particular businesses and to ensure the long-term financial and economic sustainability of the State.



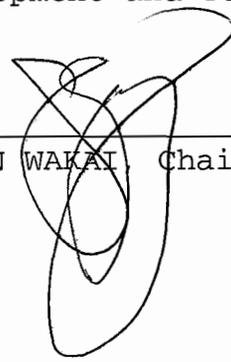
Your Committee has amended this measure by:

- (1) Deleting all language referencing the establishment of a grant program and appropriations therefor;
- (2) Establishing the Hawaii manufacturing capital program, which provides loans to Hawaii-based companies that encourage certain manufacturing-related activities, including studying or planning the implementation of a new manufacturing facility;
- (3) Capping each loan that may be received by a company under the program at twenty percent of costs, up to \$100,000 in any given year;
- (4) Establishing the Hawaii manufacturing revolving fund, to be funded by repayments of loans and interest and to be used to administer the Hawaii manufacturing capital program;
- (5) Requiring the High Technology Development Corporation to report to the Legislature businesses receiving loans under the program, types of business sectors provided with loans, the amount of each loan provided, and information relating to the economic and labor impact of the businesses provided with loans;
- (6) Establishing terms and conditions under which loans shall be made under the program; and
- (7) Appropriating funds for the establishment and operation of the program.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1001, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1001, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Technology,



GLENN WAKAI Chair



