

Honolulu, Hawaii

MAR 06 2015

RE: S.B. No. 1001
S.D. 2

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1001, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MANUFACTURING,"

begs leave to report as follows:

The purpose and intent of this measure is to assist manufacturing companies based in the State.

More specifically, this measure:

- (1) Establishes the Hawaii manufacturing capital program to provide loans to Hawaii-based manufacturing companies to encourage certain manufacturing activities, including the purchase of new manufacturing equipment and the implementation of training programs;
- (2) Establishes the Hawaii manufacturing capital revolving fund to provide a funding source for the Hawaii manufacturing capital program; and
- (3) Appropriates funds for the establishment and operation of the Hawaii manufacturing capital program.

Your Committee received written comments in support of this measure from the High Technology Development Corporation, The Chamber of Commerce of Hawaii, Hawaii Food Industry Association, Oceanit, and one individual. Your Committee received written



comments on this measure from the Department of Budget and Finance, K. Yamada Distributors, and Meadow Gold Dairies.

Your Committee notes that the original version of this measure, S.B. No. 1001, established a grant program, rather than a loan program, to assist manufacturing companies based in the State. Your Committee believes that a grant program would be of greater assistance to Hawaii-based manufacturing companies and would allow for greater control and oversight over the funds distributed.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and replacing them with the original contents of S.B. No. 1001;
- (2) Further amending the original content of S.B. No. 1001, by deleting the \$1,000,000 appropriation amount and leaving the amount unspecified; and
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

Your Committee requests that the High Technology Development Corporation study national and local models that require repayment or local reinvestment from grantees. Your Committee also requests that the High Technology Development Corporation consider providing unemployment contribution vouchers, instead of cash; provided that these vouchers are intended to be redeemable for unemployment contributions for employees of manufacturing companies.

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 S.B. No. 1001, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1001, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

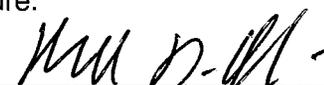


JILL N. TOKUDA, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB1001 SD1	EDT, WAM	3/3/15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.	✓			
SLOM, Sam	✓			
TOTAL	11	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">  </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes