Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii  

Sir:  

Your Committee on Intrastate Commerce, to which was referred H.B. No. 1124 entitled:  

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS,"  

begs leave to report as follows:  

The purpose of this measure is to establish the operating budget for the fiscal biennium beginning July 1, 2019, and ending June 30, 2021, for the cable television program of the Department of Commerce and Consumer Affairs.  

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs.  

Your Committee finds that the cable television currently has an unencumbered cash balance of $9,272,177 available to it for its operating budget, while its actual base operating budget is $2,609,370 per fiscal year.  

Your Committee has amended this measure by:  

(1) Removing the appropriation of $7,920,000 in trust funds for each fiscal year of the biennium for the cable television program;
(2) Inserting a statutory provision into the Hawaii Revised Statutes that sets the annual fee assessed on cable operators at 4.5 percent of the income received from subscribers for cable services rendered during the preceding calendar year;

(3) Authorizing the Director of Commerce and Consumer Affairs to reduce the fee if the amount exceeds the amount necessary to administer chapter 440G, Hawaii Revised Statutes, and establishing criteria to determine the amount of the fee; and

(4) Making technical nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that the Department of Commerce and Consumer Affairs has indicated that it would approach the Legislature with a request to use the trust funds under its jurisdiction should the Department need to access the funds.

As affirmed by the record of votes of the members of your Committee on Intrastate Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1124, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1124, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Intrastate Commerce,

TAKASHI OHNO, Chair
The committee is reconsidering its previous decision on the measure. The recommendation is to:
- ☑ Pass, unamended (as is)
- ☑ Pass, with amendments (HD)
- ☐ Hold
- ☐ Pass short form bill with HD to recommit for future public hearing (recommit)

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<tr>
<th>IAC Members</th>
<th>Ayes</th>
<th>Ayes (WR)</th>
<th>Nays</th>
<th>Excused</th>
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<tbody>
<tr>
<td>1. OHNO, Takashi (C)</td>
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<td>2. KOBAYASHI, Dale T. (VC)</td>
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<td>3. GATES, Cedric Asuega</td>
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<td>4. KONG, Sam Satoru</td>
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<td>5. NISHIMOTO, Scott Y.</td>
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<td>6. TAKAYAMA, Gregg</td>
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<td>7. McDERMOTT, Bob</td>
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The recommendation is: ☑ Adopted  ☐ Not Adopted
If joint referral, _______ did not support recommendation.

Vice Chair's or designee's signature: 

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