

STAND. COM. REP. NO.

293

Honolulu, Hawaii

February 18, 2015

RE: H.B. No. 1329
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 1329 entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR ASSISTING AN INDUSTRIAL ENTERPRISE,"

begs leave to report as follows:

The purpose of this measure is to diversify Hawaii's economy by developing a motor sports industry in the State. Specifically, this measure authorizes the issuance of special purpose revenue bonds to assist Paradise Ohana Automotive Training & Education, LLC in the:

- (1) Planning, design, and construction of an automotive training and education facility in Hawaii;
- (2) Planning, design, and construction of a manufacturing and industrial facility in West Oahu;
- (3) Development of an educational facility in West Oahu; and
- (4) Planning and construction of a motorsports center.

Paradise Ohana Centers LLC and numerous concerned individuals testified in support of this measure. The Attorney General provided comments.

HB1329 HD1 HSCR EDB HMS 2015-1801



Motorsports, including racing, is a growing major worldwide industry. The development of a motorsports industry and planned motorsports center will not only provide a venue for Hawaii's sports racing fans and motorsports enthusiasts, but it is expected to have a positive economic benefit for the State. As there is a synergistic relationship between the motorsports industry and numerous businesses associated with the automotive industry, the potential for the creation of manufacturing and industrial jobs and high tech and innovative automotive businesses in Hawaii through the development of a motorsports center is high. In addition, the clustering of similar businesses around these centers can have the same positive economic impact of hundreds of millions of dollars, much like what is happening in other states that have developed such facilities. With the boom in racing and other motorsports currently occurring in Asia, Hawaii stands to gain from the development of this industry.

Your Committee finds that the provision of special purpose revenue bonds authorized in this measure for the development of a motorsports center and associated educational, training, industrial, and manufacturing facilities has tremendous economic potential, would support the general welfare of the State, and is a first step in developing a world class motorsports center and industry in Hawaii.

While your Committee notes the legal concerns regarding the issuance of the special purpose revenue bonds in this measure raised by the Attorney General, this measure deserves further consideration.

Your Committee has amended this measure by changing its effective date to February 19, 2025, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1329, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1329, H.D. 1, and be referred to the Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business,



DEREK S.K. KAWAKAMI, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HSCR 293

Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: HB 1329	Committee Referral: EDB, FIN	Date: 10 FEB 15		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. KAWAKAMI, Derek S.K. (C)	✓			
2. KONG, Sam Satoru (VC)	✓			
3. BROWER, Tom	✓			
4. CACHOLA, Romy M.	✓			
5. CHOY, Isaac W.	✓			
6. ITO, Ken				✓
7. OHNO, Takashi	✓			
8. ONISHI, Richard H.K.	✓			
9. TOKIOKA, James Kunane	✓			
10. TSUJI, Clift	✓			
11. WOODSON, Justin H.	✓			
12. MATSUMOTO, Lauren Kealohilani	✓			
13. WARD, Gene	✓			
TOTAL (13)	12			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 10pt;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u>Samuel S. King</u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				