

STAND. COM. REP. NO.

188

Honolulu, Hawaii

FEB 12 2021

RE: S.B. No. 946

S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 946 entitled:

"A BILL FOR AN ACT RELATING TO COMMERCIAL PROPERTY RENT RELIEF,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish a Commercial Rent Relief Grant Program; and
- (2) Require that the Commercial Rent Relief Grant Program be given priority for moneys received through federal funding.

Your Committee received testimony in support of this measure from the Hawai'i Lodging & Tourism Association; Chamber of Commerce Hawaii; Maui Chamber of Commerce; Hawai'i Farm Bureau; Hawai'i Association of REALTORS; Retail Merchants of Hawaii; Hawaii Food Industry Association; Island Business Management, LLC; Ale Stake, LLC, dba Village Bottle and Tasting Room; Suzuki Properties, LLC; Retail Entertainment Concepts, Inc., dba Jungle Fun Island; Fun Factory, Inc.; ABC Stores; Eggs'n Things Hawaii, Inc., dba Eggs'n Things; Global Village; MW Group, Ltd.; Building Owners and Managers Association of Hawaii; HawaiiUSA Federal Credit Union; Joe's Grill Express; WUB Network Hawai'i - Okinawan Chamber of Commerce; and one individual.



Your Committee finds that, as a result of the coronavirus disease 2019 (COVID-19) pandemic and stagnation of the tourism economy, it is estimated that more than one thousand four hundred local businesses have closed their doors permanently, with another two thousand suspending their operations at least temporarily. Commercial rent remains one of the largest fixed costs for a business, and without the ability to take on more debt or additional governmental support, the expenses being absorbed by both lessors and lessees will result in additional closures, further damaging this sector of the economy. The program established by this enabling measure will serve as an essential catalyst for businesses and landlords to work together through the assistance of federal funds.

Your Committee notes this measure, as currently drafted, appropriates \$180,000,000 from the general fund, to be deposited into the emergency and budget reserve fund (also known as the "rainy day fund") for the purposes of funding the grant program contemplated by this measure. Due to the effect the COVID-19 pandemic has had on the State's budget and general fund, your Committee recognizes this measure requires federal funds to be available to reimburse the State's general fund and appropriately establish and operate this proposed grant program. Your Committee finds that your Committee on Ways and Means is best suited to consider these funding aspects, and requests your Committee on Ways and Means to consider whether federal funds are anticipated to come to the State for this purpose, and if so, to make this grant program a priority to support struggling local businesses.

Your Committee has amended this measure by:

- (1) Inserting an unspecified dollar amount to be appropriated out of the general revenues of the State of Hawaii and deposited into the emergency and budget reserve fund;
- (2) Inserting an unspecified dollar amount to be appropriated out of the emergency and budget reserve fund for grants under the Commercial Rent Relief Grant Program; and



- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 946, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 946, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce and  
Consumer Protection,




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ROSALYN H. BAKER, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <b>SB 946</b>	Committee Referral: <b>CPN, WAM</b>	Date: <b>2-9-2024</b>		
<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
BAKER, Rosalyn H. (C)	/			
CHANG, Stanley (VC)	/			
MISALUCHA, Bennette E.	/			
NISHIHARA, Clarence K.	/			
RIVIERE, Gil	/			
SAN BUENAVENTURA, Joy A.	/			
FEVELLA, Kurt	/			
<b>TOTAL</b>	<b>7</b>	—	—	—
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes