

Honolulu, Hawaii

Feb 10, 2006

RE: H.B. No. 3097

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committees on Transportation and Energy & Environmental Protection, to which was referred H.B. No. 3097 entitled:

"A BILL FOR AN ACT RELATING TO PETROLEUM STORAGE FACILITIES,"

beg leave to report as follows:

The purpose of this bill is to assist counties with populations of less than 500,000 to maintain adequate fuel supplies by:

- (1) Allowing special purpose revenue bonds (SPRBs) to be issued for constructing petroleum storage facilities in these counties; and
- (2) Establishing a tax credit for persons or entities who construct petroleum storage facilities within these counties.

Mid Pac Petroleum testified in support of this bill. The Department of Business, Economic Development, and Tourism and Aloha Petroleum, Ltd., supported the intent of this measure. The Department of Budget and Finance and the Western States Petroleum Association submitted comments.



Your Committees find that while Oahu has adequate facilities for petroleum storage, many neighbor island communities do not. At times, this has lead to an inadequate fuel supply for these areas, a situation that would be even more pronounced in times of disaster. While your Committees note that creating more storage facilities is only one part of a complex issue, this measure represents a good beginning to addressing an important problem and should be given further discussion.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3097 and recommend that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committees on Transportation  
and Energy & Environmental  
Protection,



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HERMINA MORITA, Chair



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JOSEPH M. SOUKI, Chair





