

Honolulu, Hawaii

Feb. 17, 2006

RE: S.B. No. 3188  
S.D. 1

Honorable Robert Bunda  
President of the Senate  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committees on Energy, Environment, and International Affairs and Water, Land, and Agriculture, to which was referred S.B. No. 3188 entitled:

"A BILL FOR AN ACT RELATING TO ENERGY MARKET COMPETITION AND CONSUMERS,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Provide a tax credit for an investment in the development of qualified fuel handling infrastructure facilities in any county except the City and County of Honolulu, if the investment is made in the twelve year period from January 1, 2007, through December 31, 2018; and
- (2) Provide each qualified fuel handling infrastructure facility a temporary waiver of all state wharfage rates and charges for petroleum fuels passing through pipelines, tanks, loading, unloading, or dispensing facilities, not to exceed thirty-six months from the start of actual fuel handling operations.

Your Committees received testimony from the Department of Business, Economic Development, and Tourism, Mid Pac Petroleum, and Aloha Petroleum, Ltd. in support of the intent of this measure. The Department of Transportation submitted testimony in support of the measure but, however, could not support the waiver

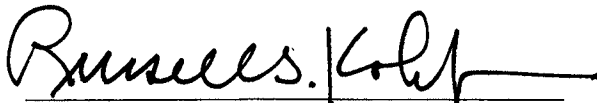


of wharfage fees for qualified fuel handling infrastructure facilities. The Department of Taxation, the Tax Foundation of Hawaii, and one individual provided comments. One individual submitted testimony in opposition to this measure.

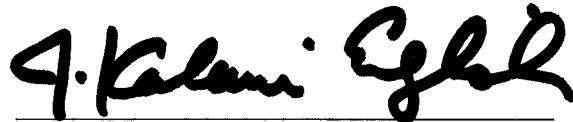
Your Committees amended this measure by making technical nonsubstantive changes for style, consistency, and clarity.

As affirmed by the records of votes of the members of your Committees on Energy, Environment, and International Affairs and Water, Land, and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3188, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3188, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Energy,  
Environment, and International  
Affairs and Water, Land, and  
Agriculture,



RUSSELL S. KOKUBUN, Chair




J. KALANI ENGLISH, Chair





The Senate  
 Twenty-Third Legislature  
 State of Hawaii

Record of Votes of the  
 Committee on Water, Land and Agriculture  
 (Bills and Resolutions)

Measure:* <b>SB 3188</b>	Committee Referral: <b>EIA/WLA/WAM</b>	Date: <b>2/15/06</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 to: <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	Ayes	Ayes(WR)	Nays	Excused
KOKUBUN, Russell S. (C)	✓			
HOOSER, Gary L. (VC)	✓			
ENGLISH, J. Kalani	✓			
FUKUNAGA, Carol				✓
HEMMINGS, Fred	✓			
TOTAL	<b>4</b>			<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:             Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Do not list more than one measure per Record of Votes.