
A BILL FOR AN ACT

RELATING TO ENERGY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that photovoltaic energy
2 devices provide a clean, efficient source of energy for
3 residences. Because of Hawaii's dependence of imported fossil
4 fuels, the state is particularly vulnerable to the risks of
5 energy shortages. However, Hawaii also benefits from an
6 abundance of solar power potential, and the use of such energy
7 should be aggressively encouraged and pursued.

8 SECTION 2. Chapter 196, Hawaii Revised Statutes, is
9 amended by adding a new section to be appropriately designated
10 and to read as follows:

11 "§196- Photovoltaic energy devices required for new
12 residential construction. (a) Beginning January 1, 2010,
13 photovoltaic energy devices shall be installed in the
14 construction of every new residential single-family residence,
15 condominium, and townhouse, except when:

16 (1) Installation is impracticable due to building design
17 or location of the building; or

18 (2) Installation is cost prohibitive;



1 as determined by the county building code authority upon a
2 letter submitted by the homeowner from an architect or engineer
3 licensed under chapter 464 to the effect that paragraph (1) or
4 (2) is applicable and the reasons therefore.

5 (b) Installation of photovoltaic energy devices shall be
6 in accordance with Hawaiian Electric Company's 100-point
7 installation inspection or a comparable quality assurance
8 standard.

9 (c) The director of business, economic development, and
10 tourism shall adopt rules pursuant to chapter 91 necessary for
11 purposes of this section."

12 SECTION 3. Section 235-12.5, Hawaii Revised Statutes, is
13 amended by amending subsection (a) to read as follows:

14 **"§235-12.5 Renewable energy technologies; income tax**
15 **credit.** (a) When the requirements of subsection (c) are met,
16 each individual or corporate taxpayer that files an individual
17 or corporate net income tax return for a taxable year may claim
18 a tax credit under this section against the Hawaii state
19 individual or corporate net income tax. The tax credit may be
20 claimed for every eligible renewable energy technology system
21 that is installed and placed in service in the State by a
22 taxpayer during the taxable year. This credit shall be



1 available for systems installed and placed in service in the
2 State after June 30, 2003. The tax credit may be claimed as
3 follows:

4 (1) Solar thermal energy systems for:

5 (A) Single-family residential property: thirty-five
6 per cent of the actual cost or \$2,250, whichever
7 is less;

8 (B) Multi-family residential property: thirty-five
9 per cent of the actual cost or \$350 per unit,
10 whichever is less; and

11 (C) Commercial property: thirty-five per cent of the
12 actual cost or \$250,000, whichever is less;

13 (2) Wind-powered energy systems for:

14 (A) Single-family residential property: twenty per
15 cent of the actual cost or \$1,500, whichever is
16 less;

17 (B) Multi-family residential property: twenty per
18 cent of the actual cost or \$200 per unit,
19 whichever is less; and

20 (C) Commercial property: twenty per cent of the
21 actual cost or \$500,000, whichever is less; and

22 (3) Photovoltaic energy systems for:



- 1 (A) Single-family residential property: [~~thirty-~~
2 ~~five~~] seventy-five per cent of the actual cost or
3 ~~[\$5,000]~~ \$12,500, whichever is less;
- 4 (B) Multi-family residential property: [~~thirty-five~~
5 ~~seventy-five~~] seventy-five per cent of the actual cost or
6 ~~[\$350]~~ \$1,000 per unit, whichever is less; and
- 7 (C) Commercial property: [~~thirty-five~~] seventy-five
8 per cent of the actual cost or ~~[\$500,000]~~
9 \$1,000,000, whichever is less;

10 provided that multiple owners of a single system shall be
11 entitled to a single tax credit; and provided further that the
12 tax credit shall be apportioned between the owners in proportion
13 to their contribution to the cost of the system.

14 In the case of a partnership, S corporation, estate, or
15 trust, the tax credit allowable is for every eligible renewable
16 energy technology system that is installed and placed in service
17 in the State by the entity. The cost upon which the tax credit
18 is computed shall be determined at the entity level.

19 Distribution and share of credit shall be determined pursuant to
20 section 235-110.7(a)."

21 SECTION 4. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.

1 SECTION 5. This Act shall take effect on July 1, 2008, and
 2 shall be repealed when twenty per cent of the households in the
 3 state have installed photovoltaic energy systems. For purposes
 4 of repeal, each unit of a multi-family residential unit shall
 5 count as a household and a commercial property shall count as a
 6 household.

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Report Title:

Solar energy

Description:

Increases incentives to photovoltaic energy systems.

