

STAND. COM. REP. NO.

1073

Honolulu, Hawaii

MAR 19 2007

RE: H.B. No. 871
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred H.B. No. 871, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SEAWATER AIR CONDITIONING DISTRICT COOLING SYSTEMS,"

begs leave to report as follows:

The purpose of this measure is to encourage the use of renewable energy to reduce Hawaii's dependence on fossil fuels.

The measure accomplishes this purpose by enabling Seawater Air Conditioning District Cooling Systems businesses to qualify under the State's enterprise zone program.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; the Department of Taxation; Honolulu Seawater Air Conditioning, LLC; the Hawaii Energy Policy Forum; the Hawaii Science and Technology Council; the Hawaii Renewable Energy Alliance; and the Environmental Center of the University of Hawaii at Manoa. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that by enabling businesses that produce air conditioning from a seawater air conditioning district cooling system to be eligible for the enterprise zone program will further the State's goal of reducing the use of fossil fuels and dependence on foreign oil. The enterprise zone program attracts

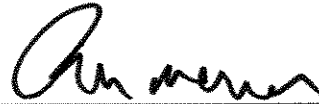


businesses such as this by providing tax incentives and bonds for relocation to the specified zone.

Your Committee amended this measure by changing the effective date from July 1, 2020, to July 1, 2025, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 871, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 871, H.D. 1, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,



RON MENOR, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:*	Committee Referral:	Date:
HB 871 HD1	ENE, EDT, WAM	3/15/07

The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
MENOR, Ron (C)	✓			
HOOSER, Gary L. (VC)	✓			
IHARA, Jr., Les				✓
KOKUBUN, Russell S.				✓
TRIMBLE, Gordon	✓			
TOTAL	3			2

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature:


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