

STAND. COM. REP. NO.

2032

Honolulu, Hawaii

FEB 04 2008

RE: S.B. No. 2932
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 2932 entitled:

"A BILL FOR AN ACT RELATING TO ENVIRONMENTAL RESPONSE TAX,"

begs leave to report as follows:

The purpose of this measure is to increase the state environmental response tax on petroleum in order to increase funding available for energy conservation, alternative energy development, global warming initiatives, and other programs pursuant to section 128D, Hawaii Revised Statutes.

Testimony in support of this measure was received from H2 Technologies, Inc.; the Natural Energy Laboratory of Hawaii Authority; and the Sierra Club, Hawai'i Chapter. The Department of Health and Aloha Petroleum, Ltd., submitted testimony in opposition. The Department of Business, Economic Development, and Tourism; Department of Taxation; and Tax Foundation of Hawaii submitted comments.

Your Committee finds that while the State's energy program is currently fairly stable and resilient, the resources that have sustained the program are coming to an end and new sources of funding must be identified and pursued.

In this regard, while the Hawaii Clean Energy Initiative, a newly created federal partnership with the State of Hawaii, may bring new sources of funding to energy initiatives in the State, the partnership will require state matching funds. Your Committee

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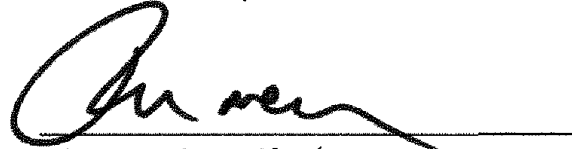


emphasizes that a comprehensive approach is necessary to the successful implementation of the Hawaii Clean Energy Initiative and to ensure the State's energy security. This measure is one of several important funding options presently under consideration by the Legislature and your Committee believes that it merits further exploration.

Your Committee has amended this measure by changing its effective date to July 1, 2050, for the purpose of furthering 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 S.B. No. 2932, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2932, 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,

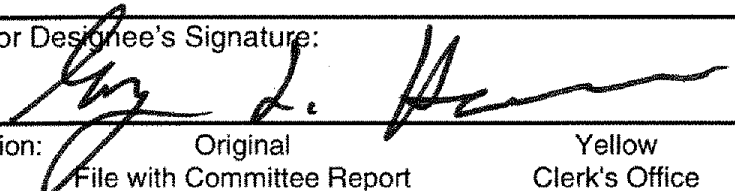


RON MENOR, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* SB 2932	Committee Referral: ENE, EDT, WAM	Date: 1/31/08		
<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
MENOR, Ron (C)	✓			
HOOSER, Gary L. (VC)	✓			
IHARA, Jr., Les	✓			
KOKUBUN, Russell S.				✓
TRIMBLE, Gordon			✓	
TOTAL	3		1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency				

*Only one measure per Record of Votes