

STAND. COM. REP. NO.

2856

Honolulu, Hawaii

FEB 29 2008

RE: S.B. No. 2932  
S.D. 3

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

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2932, S.D. 2, 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.

Comments on this measure were submitted by the Department of Taxation, the Department of Business, Economic Development, and Tourism, and the Tax Foundation of Hawaii. Testimony opposed to this measure was submitted by the Department of Health.

Your Committee finds that it is critical to support energy resources conservation and environmental protection and to reduce the State's dependence on imported fossil fuels. Your Committee finds that increasing the amount of the environmental response tax collected on each barrel of petroleum product sold in the State would be an effective means of generating revenue to fund programs that work toward these objectives.

Your Committee notes that the percentage of the per barrel tax collected and reserved to address drinking water concerns is presently unspecified in the underlying law. Your Committee recommends that, during subsequent discussions in the appropriate subject matter committees, those committees are requested to

SB2932 SD3 SSCR LRB 08-2465-1.doc



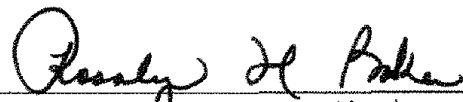
consider and recommend an appropriate percentage to be withheld to address drinking water concerns and provide Department of Health direction as to how those concerns should be addressed. In addition, those committees are requested to consider and recommend an amount to be reserved for other items including energy conservation, alternative energy development, and global warming initiatives.

Your Committee has amended this measure by:

- (1) Adding the Ramseyer provision: "New statutory material is underscored."
- (2) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2932, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2932, S.D. 3.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Fourth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB2932, SD2</b>	Committee Referral: <b>ENE, GDT, WAM</b>	Date: <b>2/27/08</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: <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
BAKER, Rosalyn H. (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani				/
FUKUNAGA, Carol	/			
HOOSER, Gary L.	/			
INOUYE, Lorraine R.	/			
KIM, Donna Mercado	/			
MENOR, Ron	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred			/	
WHALEN, Paul			/	
<b>TOTAL</b>	<b>9</b>	<b>0</b>	<b>2</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes