

STAND. COM. REP. NO.

104

Honolulu, Hawaii

Feb 9, 2009

RE: H.B. No. 1271
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1271 entitled:

"A BILL FOR AN ACT RELATING TO GOVERNMENT,"

begs leave to report as follows:

The purpose of this bill is to advance Hawaii's energy and food security initiatives by:

- (1) Establishing the Hawaii Energy and Food Security Authority (Authority) to address Hawaii's energy independence and food sustainability needs;
- (2) Making the executive director of the Authority the state Energy Resources Coordinator;
- (3) Eliminating the Agribusiness Development Corporation and state Program for Energy Planning and Conservation;
- (4) Renaming the Environmental Response Tax to the Environmental Response and Energy and Food Security Tax (Security Tax) to accommodate its greater scope of use under this bill; and
- (5) Increasing the tax per barrel of oil under the Security Tax, and allocating a portion of the tax for energy and food security uses.

HB1271 HD1 HSCR EEP HMS 2009-1870



The Hanalei Watershed Hui and a concerned individual testified in support of this bill. The Sierra Club, Hawaii Chapter and Blue Planet Foundation supported the intent of this measure. The Department of Business, Economic Development, and Tourism, Department of Agriculture, Department of Taxation, Agribusiness Development Corporation, Hawaii Crop Improvement Association, Hawaii Agriculture Research Center, and several concerned individuals opposed this bill. Tax Foundation of Hawaii provided comments.

While this bill takes bold steps to address Hawaii's energy and food security issues, its provisions may supplant or disrupt the existing functions of state agencies anticipating the receipt of federal funds for activities aimed at achieving the very goals of this bill. In light of this, your Committee finds that a more analytical and methodical approach to examining the structure, function, and effectiveness of existing programs and resources in the objective of energy and food security is the more prudent step to move forward.


Accordingly, your Committee has amended this bill by replacing its entire contents with provisions that:

- (1) Allocate the additional amount collected on the increased Security Tax as follows:
 - (A) 2.5 cents of the tax on each barrel to be deposited into the Energy Systems Development Special Fund; and
 - (B) An unspecified amount of the tax on each barrel to be used as provided by law;
- (2) Establish a Hawaii Energy and Food Security Task Force (Task Force) to plan, coordinate, and address energy and food security issues, and to report to the Legislature its findings and recommendations, including proposed legislation;
- (3) Appropriate funds from the Security Tax moneys deposited into the Energy Systems Development Special Fund, for the purposes of the Task Force; and
- (4) Change the effective date to July 1, 2009.



As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1271, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1271, H.D. 1, and be referred to the Committee on Agriculture.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



HERMINA MORITA, Chair



