

STAND. COM. REP. NO. 1076

Honolulu, Hawaii

March 20, 2009

RE: S.B. No. 242

S.D. 2

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 S.B. No. 242, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to assist businesses engaged in producing air conditioning from seawater air conditioning district cooling systems by including them within the definition of "qualified business" for the purposes of state enterprise zone laws.

This measure also exempts businesses engaged in producing air conditioning from seawater air conditioning district cooling systems from the payment of general excise taxes to the same extent of other qualified businesses under the enterprise zone law.

Honolulu Seawater Air Conditioning, LLC and the Hawaii Renewable Energy Alliance testified in support of the measure. The Department of Business, Economic Development, and Tourism and the Department of Taxation testified in opposition to the measure. The Tax Foundation of Hawaii submitted comments on the measure.

Your Committee finds that this measure could reduce our dependence on imported oil and generate construction spending and jobs. However, your Committee also notes the Department of Business, Economic Development, and Tourism's concerns that

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seawater air conditioning cooling systems do not fit within the traditional model of a business in an enterprise zone, and that these systems are site specific and thus not all of their installations may be located within one of the enterprise zones across the State. However, your Committee finds that these concerns and issues are within the purview of the subsequent committees.

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 S.B. No. 242, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

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

*Hermina Morita*

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HERMINA MORITA, Chair



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

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**Record of Votes of the Committee on Energy & Environmental Protection**

Bill/Resolution No.: <i>SB 242, SD2</i>	Committee Referral: <i>EEP, EBM, FIN</i>	Date: <i>3-17-09</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. MORITA, Hermina M. (C)	✓			
2. COFFMAN, Denny (VC)	✓			
3. CABANILLA, Rida				✓
4. CHANG, Jerry L.	✓			
5. CHONG, Pono	✓			
6. HAR, Sharon E.				✓
7. HERKES, Robert N.				✓
8. ITO, Ken	✓			
9. LEE, Chris	✓			
10. LUKE, Sylvia	✓			
11. SAGUM, Roland D., III	✓			
12. CHING, Corinne W.L.	✓			
13. THIELEN, Cynthia		✓		
<b>TOTAL (13)</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>3</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u>          <i>Denny Coffman</i>          </u>				
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