

Honolulu, Hawaii

MAR 06 2009

RE: S.B. No. 242  
S.D. 2

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 242, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to exempt businesses in a state enterprise zone that produce air conditioning from seawater from the general excise tax.

Specifically, this measure:

- (1) Includes companies that produce air conditioning from a seawater air conditioning district cooling system as a "qualified business" in a state enterprise zone; and
- (2) Pursuant to the enterprise zone law, exempts qualified businesses that produce air conditioning from a seawater air conditioning district cooling system from the payment of general excise taxes.

Your Committee received one written comment on this measure. The written comment may be reviewed on the Legislature's website.

Your Committee finds that the construction and operation of the proposed downtown Honolulu seawater air conditioning district cooling system project has the potential to create many jobs and result in increased spending in the local economy. In addition to these economic benefits, this project is expected to reduce the



amount of electricity used for air conditioning by downtown businesses and residents and reduce the quantity of fuel imported into the State to generate electricity. This is predicted to create significant cost savings for Hawaii's economy. This measure will assist the downtown Honolulu seawater air conditioning project to achieve these objectives and to acquire tax incentives in a state enterprise zone.

Your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2050, to facilitate further discussion on this measure; and
- (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. 242, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 242, S.D. 2.

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




DONNA MERCADO KIM, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

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

Bill / Resolution No.:* <b>SB 242, SDI</b>	Committee Referral: <b>ENE, WAM</b>	Date: <b>MAR 2, 2009</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
KIM, Donna Mercado (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
FUKUNAGA, Carol	/			
GALUTERIA, Brickwood	/			
HEE, Clayton				/
HOOSER, Gary L.	/			
KIDANI, Michelle N.	/			
KOKUBUN, Russell S.				/
TOKUDA, Jill N.	/			
HEMMINGS, Fred	/			
<b>TOTAL</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>2</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