

Honolulu, Hawaii
March 8, 2011

RE: H.B. No. 1019
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1019 entitled:

"A BILL FOR AN ACT RELATING TO SUSTAINABILITY,"

begs leave to report as follows:

The purpose of this bill is to ensure Hawaii's energy and food security by increasing the allocated amounts for energy and food security from the environmental response, energy, and food security tax, more commonly known as the barrel tax.

Specifically, this measure increases the amount of the barrel tax deposited into:

- (1) The Energy Security Special Fund from 15 cents to 45 cents of the tax on each barrel; and
- (2) The Agricultural Development and Food Security Special Fund from 15 cents to 45 cents of the tax on each barrel.

The Department of Business, Economic Development, and Tourism, Department of Agriculture, Hawaii Farm Bureau Federation, Enterprise Honolulu, Oahu Economic Development Board, Sierra Club-Hawaii Chapter, Hawaii BioEnergy Producers Cooperative, and several concerned individuals testified in support of this bill. The University of Hawaii System, Blue Planet Foundation, Tax



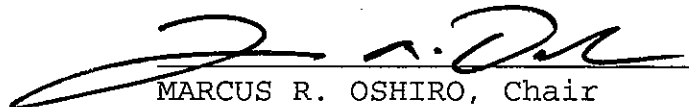
Foundation of Hawaii, Windward Ahupuaa Alliance, and The Nature Conservancy of Hawaii provided comments.

Your Committee has amended this bill by:

- (1) Changing its effective date to July 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1019, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1019, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



