

STAND. COM. REP. NO.

892

Honolulu, Hawaii

MAR 24 2011

RE: H.B. No. 423
H.D. 1
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Energy and Environment, to which was referred H.B. No. 423, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Carbon Bio-Engineers, Inc., or a partnership in which Carbon Bio-Engineers, Inc., is a general partner, with the establishment of cogeneration and related energy-production facilities at various locations in the State.

Your Committee received testimony in support of this measure from Dante Carpenter, Carbon Bio-Engineers, Inc. Your Committee received comments on this measure from Kalbert K. Young, Department of Budget and Finance.

Your Committee finds that this measure will ultimately help to reduce the State's dependence on fossil fuels, its need for increased landfill space, and costs associated with transportation and disposal of waste, including organic feedstock and tires. Your Committee recognizes that under the Internal Revenue Code there is a limitation on the amount of tax-exempt financing for industrial projects and that Carbon Bio-Engineers, Inc., may have to consult with a bond counsel firm to determine whether the project may qualify for the full amount of tax-exempt financing.

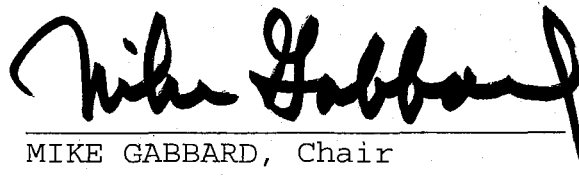


Your Committee has amended this measure by:

- (1) Inserting an authorization amount of \$40,000,000; and
- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 423, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 423, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy and
Environment,


MIKE GABBARD, Chair



