

STAND. COM. REP. NO.

352

Honolulu, Hawaii

Feb 17, 2011

RE: H.B. No. 1019

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

Sir:

Your Committees on Energy & Environmental Protection and
Agriculture, to which was referred H.B. No. 1019 entitled:

"A BILL FOR AN ACT RELATING TO SUSTAINABILITY,"

beg 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, Department of Taxation,
University of Hawaii System, Kauai County Farm Bureau, Economic
Development Alliance of Hawaii, Hawaii Business Roundtable, Blue
Planet Foundation, Hawaii Solar Energy Association, Island Pacific
Energy LLC, Rising Sun Solar+Electric, Sierra Club-Hawaii Chapter,
Hawaii Farm Bureau Federation, RevoluSun LLC, Enterprise Honolulu,
Lumen Solar LLC, and several concerned individuals testified in

HB1019 HSCR EEP-AGR HMS 2011-2069



support of this bill. The Nature Conservancy of Hawaii and Windward Ahupua'a Alliance supported the intent of this measure and proposed amendments. The Tax Foundation of Hawaii provided comments.

As the most geographically isolated state in the country, Hawaii is dangerously dependent on imports for basic food and energy. It has been estimated that we rely on imports for about 85 percent of our food and 95 percent of our energy needs. This dependency is economically and environmentally unsustainable, and undertaking the important task of energy and food security requires a long-term commitment and investment of substantial financial resources.

Recognizing this, the Legislature enacted Act 73 during the Regular Session of 2010, which increased the per-barrel tax on petroleum products sold by distributors. Revenues generated from this tax were intended to support critical investments in clean energy and local agricultural production to reduce the State's dependence on imported fossil fuels and food products. Unfortunately, not all of the revenues generated were allocated for this purpose.

Your Committees find that it is in the best interests of Hawaii's people to develop the capacity to become energy and food self-sufficient and that the reallocation of barrel tax revenues to the Energy Security Special Fund and Agricultural Development and Food Security Special Fund will help achieve this goal.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1019 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Energy &
Environmental Protection and
Agriculture,



CLIFT TSUJI, Chair



HERMINA MORITA, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

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Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: HB 1019	Committee Referral: EEP/AGR, FIN	Date: 2-09-2011		
<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 T.R.				✓
4. CARROLL, Mele				✓
5. CHANG, Jerry L.	✓			
6. CHONG, Pono				✓
7. HAR, Sharon E.				✓
8. HERKES, Robert N.	✓			
9. ITO, Ken	✓			
10. NAKASHIMA, Mark M.	✓			
11. RIVIERE, Gil	✓			
12. THIELEN, Cynthia	✓			
TOTAL (12)	8	0	0	4
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>Hermina Morita</i></u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

State of Hawaii
House of Representatives
The Twenty-sixth Legislature

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Record of Votes of the Committee on Agriculture

Bill/Resolution No.: HB 1019	Committee Referral: EEP/AGR, FIN	Date: 2/9/11		
<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)				
AGR Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	X			
2. HASHEM, Mark J. (VC)	X			
3. AWANA, Karen L.	X			
4. BROWER, Tom	X			M X
5. CHOY, Isaac W.	X			
6. EVANS, Cindy	X			
7. McKELVEY, Angus L.K.		X		
8. NISHIMOTO, Scott Y.	X			
9. TOKIOKA, James Kunane	X			
10. MARUMOTO, Barbara C.		X		
11. RIVIERE, Gil	X			
TOTAL (11)	9	2	0	0
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature:				
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