

STAND. COM. REP. NO

917

Honolulu, Hawaii

MAR 24 2011

RE: H.B. No. 1019
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 Committees on Energy and Environment and Agriculture, to which was referred H.B. No. 1019, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SUSTAINABILITY,"

beg leave to report as follows:

The purpose and intent of this measure is to redistribute a portion of the revenues from the State Environmental Response, Energy, and Food Security Tax, also known as the barrel tax, that is currently going to the General Fund to the Energy Security Special Fund and the Agricultural Development and Food Security Special Fund in order to align the use of that tax revenue with the original intended use of that revenue for energy self-sufficiency and sustainable agriculture, thereby increasing Hawaii's energy and food security.

Your Committees received testimony in support of this measure from Richard Lim, Department of Business, Economic Development, and Tourism; Russell Kokubun, Department of Agriculture; Jeffrey Ono, Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; Virginia S. Hinshaw, University of Hawai'i System; George Costa, Office of Economic Development, County of Kaua'i; Randall Kurohara, Department of Research and Development, County of Hawaii; The Nature Conservancy; Blue Planet Foundation; Pono Shim, Enterprise Honolulu; Jeffrey Overton, Group 70 International; Jeanne Skog, Economic Development Alliance of Hawai'i; Mark Duda, Hawaii Solar Energy Association; Warren Bollmeier, Hawaii Renewable Energy Alliance; Robert Harris, Sierra

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Club, Hawai'i Chapter; Shannon Wood, Windward Ahupua'a Alliance; Guy Kaniho, BioEnergy Hawaii, LLC; Richard McQuain, Hu Honua Bioenergy, LLC; Tim Mobley, Honua Power, LLC; Andrea Nandoskar, Green Earth Media; Joseph Saturnia, Island Pacific Energy LLC; William Maloney, Pacific West Energy LLC; Henry Jiao, Aloha E-Bikes; David Atkin, Parsons Brinckerhoff Inc.; Kekoa Kaluhiwa, First Wind; Shawn James Leavey, Moku Power, LLC; Jenna Long, Pacific Biodiesel, Inc.; Eric Knutzen, Green Energy Team LLC; Bill Brooks, Energy Specialists Hawai'i, Inc.; Kenton Eldridge, Aina Koa Pono; Michael Markrich, Rebuild Hawaii Consortium; Janice Palma-Glennie; Carolyn Knoll; Michael Hamnett; Betsy Cole; Eileen Ellis; Ben Discoe; Brian Bell; Dana Anderson; David A. Parish; Gerald A. Sumida; Duane and Sarah Preble; Jack Bennett; James Haley; Jane Yamashiro; Kate Miller; Kathy Shimata; Russell Castagnaro; Vince Kana'i Dodge; Nancy Davlantes; Michael Reed Gach; Anthony Aalto; Teri Skillman; Cynthia Lowry; Bob Yamamura; Phyllis Robinson; Kim Mullen; Joy Leilei Shih; Jill Sims; Damian Sempio; and Juanita Kawamoto Brown. Your Committees received testimony in opposition to this measure from Jeff Walsh, AES Hawaii, Inc.; and Gregory Swartz. Your Committees received comments on this measure from William Aila, Jr., Department of Land and Natural Resources; Tax Foundation of Hawaii; Hawaii Farm Bureau Federation; Paul Oshiro, Alexander & Baldwin, Inc.; and Eric Ching.

Your Committees find that the original intent of using the barrel tax revenues for energy self-sufficiency and sustainable agriculture should be effectuated and that doing so will increase Hawaii's energy and food security. Your Committees also believe that climate change is a factor that will eventually affect the State's energy and food security.

Accordingly, your Committees have amended this measure by:

- (1) Decreasing the portion of barrel tax revenues to be deposited into the Energy Security Special Fund from 45 cents to 44.75 cents per barrel;
- (2) Decreasing the portion of barrel tax revenues to be deposited into the Agricultural Development and Food Security Special Fund from 45 cents to 44.75 cents per barrel;
- (3) Requiring that 0.5 cent of barrel tax revenue per barrel be deposited into a special account of the General Fund to be expended by the Office of Planning for the



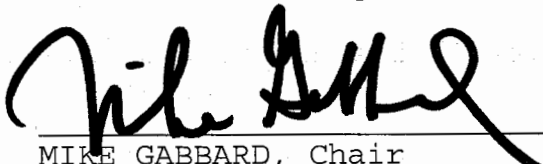
operations of the Climate Change Task Force established by Act 20, Special Session Laws of Hawaii 2009;

- (4) Adding language to extend the sunset date of the Climate Change Task Force to June 30, 2013;
- (5) Requiring the Climate Change Task Force to submit a preliminary report to the Legislature prior to the 2012 Regular Session and a final report prior to the 2013 Regular Session;
- (6) Changing the effective date to June 29, 2011;
- (7) Adding a provision to preserve the amendments made to section 243-3.5(a), Hawaii Revised Statutes, by this measure from repeal and reenactment of that section on June 30, 2015, pursuant to section 14 of Act 73, Session Laws of Hawaii 2010; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1019, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1019, 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
Committees on Energy and
Environment and Agriculture,

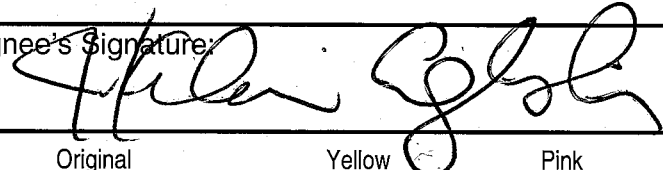

CLARENCE K. NISHIHARA, Chair


MIKE GABBARD, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1019 HD1	ENE / AGL, WAM	3/22/11		
<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 checked="" 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
GABBARD, Mike (C)	/			
ENGLISH, J. Kalani (VC)	/			
GREEN, M.D., Josh	/			/
IHARA, Jr., Les	/			/
SLOM, Sam				/
TOTAL	3			2
Recommendation:				
<input checked="" type="checkbox"/> Adopted				
<input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes

The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Agriculture
AGL

Bill / Resolution No.:* HB1019, HD1	Committee Referral: ENE/AGL, WAM	Date: 3-22-11
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The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
NISHIHARA, Clarence K. (C)	✓			
KAHELE, Gilbert (VC)	✓			
CHUN OAKLAND, Suzanne				✓
DELA CRUZ, Donovan M.		✓		
KOUCHI, Ronald D.	✓			
SHIMABUKURO, Maile				✓
TOKUDA, Jill N.				✓
WAKAI, Glenn		✓		
SLOM, Sam				✓
TOTAL	3	2		4

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:
Gilbert Kahele

Distribution: Original Yellow Pink Goldenrod
 File with Committee Report Clerk's Office Drafting Agency Committee File Copy

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