

Honolulu, Hawaii

FEB 17 2012

RE: S.B. No. 2792
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committees on Hawaiian Affairs and Water, Land, and Housing and Energy and Environment, to which was referred S.B. No. 2792 entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY REVENUE,"

beg leave to report as follows:

The purpose and intent of this measure is to support programs funded through the Native Hawaiian rehabilitation fund by allocating to the fund a portion of geothermal royalties and revenue from public land dispositions to renewable energy producers.

Your Committees received testimony in support of this measure from the Department of Hawaiian Homelands, Sovereign Councils of the Hawaiian Homelands Assembly, and six individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, and County of Hawaii Planning Department.

Your Committees find that funding to advance the purposes of the Hawaiian Homes Commission Act, 1920, as amended, has declined sharply. Programs affected by this decline in funding include higher education scholarships, financial literacy training and counseling, agricultural and pastoral technical assistance, and grants for Hawaiian homestead communities. The benefits of the transfer of payments proposed in this measure outweigh the negative impacts, if any, on existing programs or agencies.



Your Committees have amended this measure by:

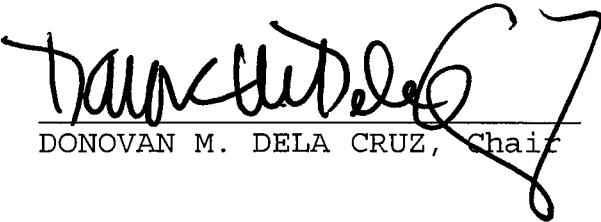
- (1) Limiting the deposit of only those geothermal royalties collected by the State pursuant to sections 182-7 and 182-18, Hawaii Revised Statutes, from mining leases executed after July 1, 2012, into the Native Hawaiian rehabilitation fund;
- (2) Substituting the reference to a "renewable energy producer" in section 171-95, Hawaii Revised Statutes, with "nongeothermal renewable energy producer", which exempts revenue from a public land disposition to a geothermal renewable energy producer from payment to the Department of Hawaiian Home Lands;
- (3) Leaving unspecified the percentage share of revenue from a disposition to a nongeothermal renewable energy producer to be paid to the Department of Hawaiian Home Lands, rather than requiring the Department of Hawaiian Home Lands' share to be thirty percent;
- (4) Leaving unspecified the percentage share of geothermal resources royalties to be paid to a county in which geothermal resource mining occurs, rather than requiring the county's percentage share to be not less than twenty percent;
- (5) Changing the Department of Hawaiian Home Lands' share of royalties from geothermal resources from twenty percent to an unspecified percentage of all royalties, and conditioning receipt of those royalties on the receipt of an unspecified percentage of all state royalties by the county in which the mining operations are situated;
- (6) Leaving unspecified the rate of payment to the State for the use of geothermal resources, rather than requiring the rate to be no less than twelve percent of the gross amount or value of the geothermal resources produced under the lease;
- (7) Clarifying that the measure does not diminish the Office of Hawaiian Affairs' pro rata portion of the public trust lands; 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 Hawaiian Affairs and Water, Land, and Housing and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2792, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2792, S.D. 1, and be referred to the Committee on Ways and Means.

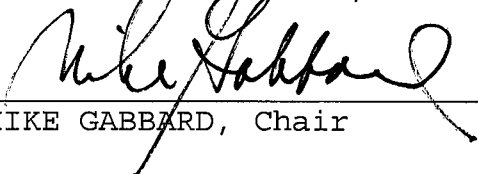
Respectfully submitted on behalf of the members of the Committees on Hawaiian Affairs and Water, Land, and Housing and Energy and Environment,



DONOVAN M. DELA CRUZ, Chair



BRICKWOOD GALUTERIA, Chair




MIKE GABBARD, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

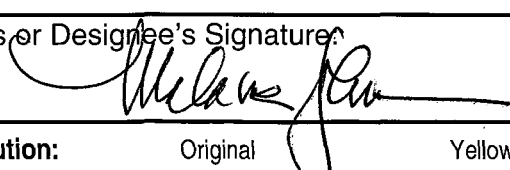
Record of Votes
Committee on Hawaiian Affairs
HWN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2792	HWN/WLH/ENB ^{WAMA}	2/15/12		
<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
GALUTERIA, Brickwood (C)	✓			
RYAN, Pohai (VC)	✓			
ENGLISH, J. Kalani	✓			
HEE, Clayton				X
KAHELE, Gilbert				X
KIDANI, Michelle N.	✓			
SOLOMON, Malama				X
SLOM, Sam				
TOTAL	5			3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes

The Senate
 Twenty-Sixth Legislature
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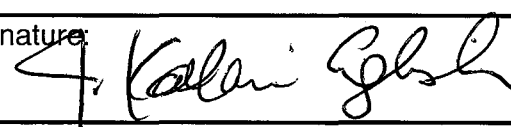
Record of Votes
Committee on Water, Land and Housing
WLH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2792	HWN WLH ENE, WAM	2-15-12		
<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
DELA CRUZ, Donovan M. (C)	✓			
SOLOMON, Malama (VC)	✓			
FUKUNAGA, Carol				✓
RYAN, Pohai	✓			
SHIMABUKURO, Maile	✓			
TOKUDA, Jill N.				✓
SLOM, Sam				✓
TOTAL	4			3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

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Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* SB 2792	Committee Referral: HWN/WLH/ENE, WAM	Date: 15 Feb 2012		
<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
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