

STAND. COM. REP. NO.

2782

Honolulu, Hawaii

MAR 02 2012

RE: S.B. No. 2792

S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2792, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to provide an additional revenue stream for the native Hawaiian rehabilitation fund by requiring geothermal royalties collected by the State from mining leases executed after July 1, 2012, and revenues from the disposition of state lands to nongeothermal renewable energy producers made after July 1, 2012, to be deposited into the fund.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Mokuuni O Oahu, Waianae Kai Homestead Community Association, Sovereign Councils of the Hawaiian Homelands Assembly, Nanakuli Hawaiian Homestead, and Kewalo Hawaiian Homestead Community Association.

Your Committee finds that the decline of sugarcane production in the State and the change in management of these lands has resulted in a significant decline in deposits to the native Hawaiian rehabilitation fund. The allocation of funds required by this measure to the native Hawaiian rehabilitation fund will provide a needed revenue stream for the fund to continue existing programs that benefit native Hawaiians, native Hawaiian families, and Hawaiian homestead communities.

SB2792 SD2 SSCR LRB 12-1879.doc

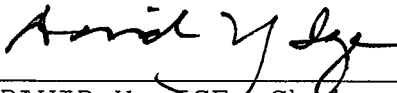


Your Committee has amended this measure by:

- (1) Providing that fifteen per cent of geothermal royalties collected by the State pursuant to section 182-7 and 182-18, Hawaii Revised Statutes, from mining leases executed after July 1, 2012, shall be deposited into the native Hawaiian rehabilitation fund;
- (2) Providing that thirty per cent of all revenues collected by the State from the disposition of state lands to nongeothermal renewable energy producers made after July 1, 2012, pursuant to section 171-95, Hawaii Revised Statutes, shall be deposited into the native Hawaiian rehabilitation fund;
- (3) Decreasing the allocation to the counties of all royalties received by the State from geothermal resources from thirty per cent to twenty-five per cent;
- (4) Providing that the payment of royalties to the State for the utilization of geothermal resources shall be no less than twelve per cent of the gross amount or value of the geothermal resources produced under the lease; and
- (5) Making technical nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2792, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2792, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
DAVID Y. IGE, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2792, SD1	HWN/WLH/ENE, WAM	2/28/12		
<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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
FUKUNAGA, Carol	✓			
KIM, Donna Mercado	✓			
KAHELE, Gilbert	✓			
KOUCHI, Ronald D.				✓
RYAN, Pohai	✓			
TOKUDA, Jill N.	✓			
WAKAI, Glenn	✓			
SLOM, Sam		✓		
<b>TOTAL</b>	12	1	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes