

STAND. COM. REP. NO.

601

Honolulu, Hawaii

MAR 04 2011

RE: S.B. No. 722  
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 722, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE ENVIRONMENTAL RESPONSE, ENERGY, AND FOOD SECURITY TAX,"

begs leave to report as follows:

The purpose and intent of this measure is to improve Hawaii's energy self-sufficiency and by redistributing the portion of the state environmental response, energy, and food security tax that is currently going to the general fund to the energy security special fund, the agricultural development and food security special fund, and the special account of the general fund used for the operations of the Climate Change Task Force.

Your Committee received written comments in support of this measure from Richard C. Lim, Interim Director, Department of Business and Economic Development & Tourism; Sylvia Yuen, Interim Dean and Director of the College of Tropical Agriculture and Human Resources, University of Hawaii; The Nature Conservancy; Pono Shim, President and Chief Executive Officer, Enterprise Honolulu, Oahu Economic Development Board; Gwen Yamamoto Lau, Hawaii Community Reinvestment Corporation; William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; Russell S. Kokubun, Chairperson, Department of Agriculture, Board of Agriculture; Robert D. Harris, Director, Sierra Club, Hawai'i Chapter; Jeff Mikulina, Executive Director, Blue Planet Foundation; and two individuals.



Your Committee received testimony in opposition to this measure from Kalbert Young, Director, Department of Budget and Finance.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the original intended use of the state environmental response, energy, and food security tax was for energy self-sufficiency and sustainable agriculture to increase Hawaii's energy and food security. Your Committee further finds that this measure better fulfills the original intent of the tax and makes the State more secure.

Your Committee has amended this measure by:

- (1) Changing the amount of the state environmental response, energy, and food security tax to an unspecified amount per each barrel of petroleum product;
- (2) Changing all allocations from the state environmental response, energy, and food security tax to unspecified amounts;
- (3) Adding a new section to extend of the sunset date of the Climate Change Task Force to an unspecified date;
- (4) 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
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

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. 722, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 722, S.D. 2.



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

*David Y. Ige*

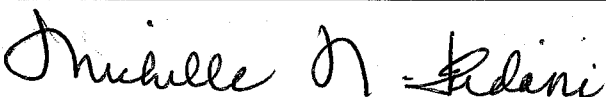
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DAVID Y. IGE, Chair



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 722, SD1	ENE/AGL, WAM	2-25-11		
<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 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>	6	6	1	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes