

Honolulu, Hawaii

April 5, 2012

RE: S.B. No. 745  
S.D. 2  
H.D. 2

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 745, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SEAWATER AIR CONDITIONING,"

begs leave to report as follows:

The purpose of this measure is to reduce Hawaii's reliance on fossil fuels and support alternative energy systems by including the production of air conditioning from a seawater air conditioning district cooling system within the definition of "eligible business activity" under the State's Enterprise Zone program. This bill also stipulates that gross proceeds received by a contractor in connection with the construction of a seawater air conditioning district cooling system shall not be exempt from the general excise tax.

Honolulu Seawater Air Conditioning, LLC, and an individual supported the measure.

Your Committee has amended this measure by:

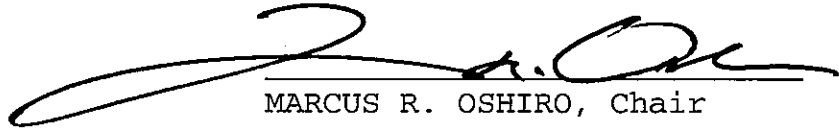
- (1) Deleting the contents of this measure and replacing same with provisions that extend the lapsing date of the special purpose revenue bonds to assist Honolulu Seawater Air Conditioning, LLC, pursuant to Act 165, Session Laws of Hawaii 2007, to build a seawater air conditioning district cooling system on Oahu; and



- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 745, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 745, S.D. 2, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,



MARCUS R. OSHIRO, Chair



