

STAND. COM. REP. NO.

**3295**

Honolulu, Hawaii

**APR 04 2014**

RE: H.B. No. 1950  
H.D. 2  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 1950, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to allow seawater air conditioning district cooling systems to benefit from the State's enterprise zones program by including the production of air conditioning from a seawater air conditioning cooling system within the definition of "eligible business activity."

Your Committee received written comments in support of this measure from Honolulu Seawater Air Conditioning, Ulu pono Initiative, The Chamber of Commerce of Hawaii, and one individual. Written comments in opposition to the measure were received from the Department of Business, Economic Development, and Tourism. The Department of Taxation and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that the purpose of the State's enterprise zones program, in part, is to stimulate business in areas that would result in neighborhood revitalization. Your Committee believes that the inclusion of seawater air conditioning district cooling systems within the enterprise zones program has the potential to generate millions of dollars in construction project spending and create significant long-term employment. Your Committee further believes that this measure will encourage

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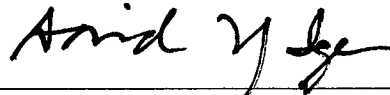


the development and use of energy efficient technologies and, thus, help to reduce the State's dependence on fossil fuels.

Your Committee has amended this measure by changing the effective date from July 1, 2030, to July 1, 2050, to facilitate further discussion on the 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 H.B. No. 1950, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1950, H.D. 2, S.D. 1.

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



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DAVID Y. TGE, Chair



