

STAND. COM. REP. NO.

3413

Honolulu, Hawaii
APR 04 2014

RE: H.B. No. 2312
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. 2312, H.D. 2, 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 provide resources to protect the environment and to promote renewable energy technology and its use in the State.

Specifically, the measure:

- (1) Reestablishes the energy systems development special fund, which was repealed on July 30, 2013;
- (2) Increases the amount of the environmental response, energy, and food security tax, also known as the barrel tax, to be deposited into the environmental response revolving fund; and
- (3) Extends the repeal of the various allocations of the environmental response, energy, and food security tax from June 30, 2015, to June 30, 2030.

Your Committee received written comments in support of this measure from the Public Utilities Commission, the Department of Budget and Finance, the Department of Business, Economic

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Development, and Tourism, Hawaii Natural Energy Institute of the University of Hawaii at Manoa, Hawaii Green Growth, Renewable Energy Action Coalition of Hawaii, The Nature Conservancy, Hawaii Energy Policy Forum, and Big Island Invasive Species Committee. The Department of Health and the Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that reestablishing the energy systems development special fund will provide a mechanism to fund renewable energy priorities of the State, thus helping the State accomplish its goal of increased energy self-sufficiency and diversified renewable energy production.

Your Committee also finds that a portion of revenues collected from the environmental response, energy, and food security tax, levied on each barrel of crude oil imported into the State, is deposited into the environmental response revolving fund, which supports oil spill responses and environmental remediation. Your Committee further finds that the fund balance is now dangerously low due to reduced consumption of crude oil, while the demand for hazard evaluations and responses has increased in recent years due to events such as the Honolulu Harbor molasses spill.

Accordingly, your Committee believes that increasing the amount of the environmental response, energy, and food security tax to be deposited into the environmental response revolving fund is necessary to protect the State and its residents and visitors from oil pollution and similar hazards.

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. 2312, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

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



DAVID Y. IGE Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB2312 HD2 SD1	ENE, WAM	3-28-14		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input 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	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam			✓	
	11	0	1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
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*Only one measure per Record of Votes