

STAND. COM. REP. NO.

574

Honolulu, Hawaii

February 15, 2013

RE: H.B. No. 451  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 451 entitled:

"A BILL FOR AN ACT RELATING TO FOSSIL FUELS,"

begs leave to report as follows:

The purpose of this measure is to ensure a fair market for fossil fuel energy sources sold by a distributor to a retailer. This measure will level the playing field by taxing fossil fuels at the same rate by extending the environmental response, energy, and food security tax currently levied on petroleum products to include gaseous fossil fuel products sold by a distributor to a retailer or end user of fossil fuels other than a refiner.

The Hawaii Natural Energy Institute at the University of Hawaii at Manoa; Sierra Club, Hawaii Chapter; and a couple of individuals testified in support of this measure. HAWAII GAS testified in opposition of this measure. The Department of Business, Economic Development, and Tourism; Department of Taxation; Tax Foundation of Hawaii; and the Blue Planet Foundation provided comments on this measure.

Your Committee has amended this measure by:

- (1) Expanding the fossil fuel sources subject to the environmental response, energy, and food security tax to include solid fossil fuels;

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- (2) Changing its effective date to January 1, 2100, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 451, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 451, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Energy &  
Environmental Protection,



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CHRIS LEE, Chair



