

Honolulu, Hawaii

FEB 14 2014

RE: S.B. No. 3027
S.D. 1

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

Madam:

Your Committees on Economic Development, Government Operations and Housing and Energy and Environment, to which was referred S.B. No. 3027 entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Allow the Energy Resources Coordinator and Governor to designate areas as energy zones; and
- (2) Provide a state business tax credit to qualifying businesses in energy zones.

Your Committees received testimony in support of this measure from Indigenous Consultants, LLC; and Kaiuli Energy. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; and Tax Foundation of Hawaii.

Your Committees find that the Hawaii Clean Energy Initiative looks to meet seventy percent of Hawaii's energy needs by 2030 through energy efficiency and renewable energy. By exercising more energy efficiency and better harnessing local energy supplies, the Hawaii Clean Energy Initiative strives to work with public and private organizations at the national, state, county, and grassroots levels to achieve several key objectives, including fostering and demonstrating innovation in the use of clean energy



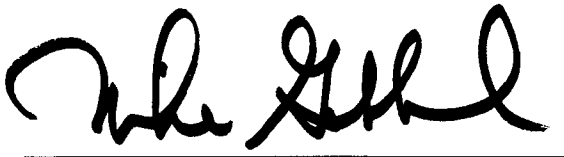
technologies, creative financing, and public policy to accelerate Hawaii's transition to clean energy.

Your Committees further find that for the Hawaii Clean Energy Initiative to optimize working relationships with private organizations toward its goals, there are certain areas in the State that need the particular attention of government to help attract private sector investment. These incentives will encourage the development, growth, and expansion of the private sector, a cornerstone of our society that the people of the State have grown to depend on for their health, safety, and welfare.

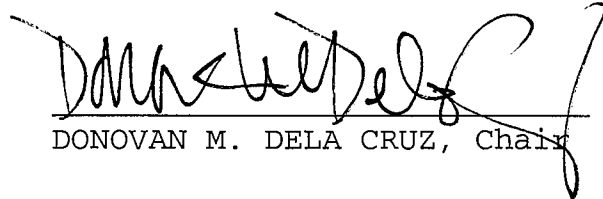
Your Committees have amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3027, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3027, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Economic
Development, Government
Operations and Housing and
Energy and Environment,



MIKE GABBARD, Chair




DONOVAN M. DELA CRUZ, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* SB 3027	Committee Referral: EGH/ENE, WAM	Date: 2/11/14		
<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 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
GABBARD, Mike (C)	X			
RUDERMAN, Russell E. (VC)	X			
CHUN OAKLAND, Suzanne	X			
IHARA, Jr., Les				X
SLOM, Sam				X
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes