
A BILL FOR AN ACT

RELATING TO THE INTERISLAND HIGH-VOLTAGE ELECTRIC TRANSMISSION
CABLE SYSTEM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Act 165, Session
2 Laws of Hawaii 2012, authorized the public utilities commission
3 to establish a regulatory structure for the installation and
4 implementation of an interisland high-voltage electric
5 transmission cable system, or undersea cable. However, there
6 are significant community concerns associated with the
7 development of an undersea cable. The legislature therefore
8 concludes that the authorization given to the public utilities
9 commission related to the undersea cable was premature. The
10 legislature further finds that there should be a stronger focus
11 on viable energy alternatives that are more feasible for the
12 State's ratepayers, rather than development of an interisland
13 undersea cable.

14 Accordingly, the purpose of this Act is to remove the
15 authorization granted to the public utilities commission
16 regarding the regulatory structure for the installation and



1 implementation of an interisland high-voltage electric
2 transmission cable system by repealing chapter 269, part VIII,
3 Hawaii Revised Statutes, and making conforming amendments.

4 SECTION 2. Section 235-7, Hawaii Revised Statutes, is
5 amended by amending subsection (a) to read as follows:

6 "(a) There shall be excluded from gross income, adjusted
7 gross income, and taxable income:

- 8 (1) Income not subject to taxation by the State under the
9 Constitution and laws of the United States;
- 10 (2) Rights, benefits, and other income exempted from
11 taxation by section 88-91, having to do with the state
12 retirement system, and the rights, benefits, and other
13 income, comparable to the rights, benefits, and other
14 income exempted by section 88-91, under any other
15 public retirement system;
- 16 (3) Any compensation received in the form of a pension for
17 past services;
- 18 (4) Compensation paid to a patient affected with Hansen's
19 disease employed by the State or the United States in
20 any hospital, settlement, or place for the treatment
21 of Hansen's disease;



- 1 (5) Except as otherwise expressly provided, payments made
2 by the United States or this State, under an act of
3 Congress or a law of this State, which by express
4 provision or administrative regulation or
5 interpretation are exempt from both the normal and
6 surtaxes of the United States, even though not so
7 exempted by the Internal Revenue Code itself;
- 8 (6) Any income expressly exempted or excluded from the
9 measure of the tax imposed by this chapter by any
10 other law of the State, it being the intent of this
11 chapter not to repeal or supersede any express
12 exemption or exclusion;
- 13 (7) Income received by each member of the reserve
14 components of the Army, Navy, Air Force, Marine Corps,
15 or Coast Guard of the United States of America, and
16 the Hawaii National Guard as compensation for
17 performance of duty, equivalent to pay received for
18 forty-eight drills (equivalent of twelve weekends) and
19 fifteen days of annual duty, at an:



- 1 (A) E-1 pay grade after eight years of service;
2 provided that this subparagraph shall apply to
3 taxable years beginning after December 31, 2004;
- 4 (B) E-2 pay grade after eight years of service;
5 provided that this subparagraph shall apply to
6 taxable years beginning after December 31, 2005;
- 7 (C) E-3 pay grade after eight years of service;
8 provided that this subparagraph shall apply to
9 taxable years beginning after December 31, 2006;
- 10 (D) E-4 pay grade after eight years of service;
11 provided that this subparagraph shall apply to
12 taxable years beginning after December 31, 2007;
13 and
- 14 (E) E-5 pay grade after eight years of service;
15 provided that this subparagraph shall apply to
16 taxable years beginning after December 31, 2008;
- 17 (8) Income derived from the operation of ships or aircraft
18 if the income is exempt under the Internal Revenue
19 Code pursuant to the provisions of an income tax
20 treaty or agreement entered into by and between the
21 United States and a foreign country; provided that the



- 1 tax laws of the local governments of that country
2 reciprocally exempt from the application of all of
3 their net income taxes, the income derived from the
4 operation of ships or aircraft that are documented or
5 registered under the laws of the United States;
- 6 (9) The value of legal services provided by a legal
7 service plan to a taxpayer, the taxpayer's spouse, and
8 the taxpayer's dependents;
- 9 (10) Amounts paid, directly or indirectly, by a legal
10 service plan to a taxpayer as payment or reimbursement
11 for the provision of legal services to the taxpayer,
12 the taxpayer's spouse, and the taxpayer's dependents;
- 13 (11) Contributions by an employer to a legal service plan
14 for compensation (through insurance or otherwise) to
15 the employer's employees for the costs of legal
16 services incurred by the employer's employees, their
17 spouses, and their dependents;
- 18 (12) Amounts received in the form of a monthly surcharge by
19 a utility acting on behalf of an affected utility
20 under section 269-16.3; provided that amounts retained



1 by the acting utility for collection or other costs
2 shall not be included in this exemption; and

3 ~~[(13) Amounts received in the form of a cable surcharge by~~
4 ~~an electric utility company acting on behalf of a~~
5 ~~certified cable company under section 269-134,~~
6 ~~provided that any amounts retained by that electric~~
7 ~~utility company for collection or other costs shall~~
8 ~~not be included in this exemption; and~~

9 ~~-(14)]~~ (13) One hundred per cent of the gain realized by a
10 fee simple owner from the sale of a leased fee
11 interest in units within a condominium project,
12 cooperative project, or planned unit development to
13 the association of owners under chapter 514A or 514B,
14 or the residential cooperative corporation of the
15 leasehold units.

16 For purposes of this paragraph:

17 "Fee simple owner" shall have the same meaning as
18 provided under section 516-1; provided that it shall
19 include legal and equitable owners;



1 "Legal and equitable owner", and "leased fee
2 interest" shall have the same meanings as provided
3 under section 516-1; and

4 "Condominium project" and "cooperative project"
5 shall have the same meanings as provided under section
6 514C-1."

7 SECTION 3. Section 269-30, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "§269-30 Finances; public utility fee. (a) Sections 607-
10 5 to 607-9 shall apply to the public utilities commission and
11 each commissioner, as well as to the supreme and circuit courts,
12 and all costs and fees paid or collected pursuant to this
13 section shall be deposited with the director of finance to the
14 credit of the public utilities commission special fund
15 established under section 269-33.

16 (b) There also shall be paid to the public utilities
17 commission in each of the months of July and December of each
18 year, by each public utility subject to investigation by the
19 public utilities commission, a fee equal to one-fourth of one
20 per cent of the gross income from the public utility's business
21 during the preceding year, or the sum of \$30, whichever is



1 greater. This fee shall be deposited with the director of
2 finance to the credit of the public utilities commission special
3 fund.

4 (c) Each public utility paying a fee under subsection (b)
5 may impose a surcharge to recover the amount paid above one-
6 eighth of one per cent of gross income. The surcharge imposed
7 shall not be subject to the notice, hearing, and approval
8 requirements of this chapter; provided that the surcharge may be
9 imposed by the utility only after thirty days' notice to the
10 public utilities commission. Unless ordered by the public
11 utilities commission, the surcharge shall be imposed only until
12 the conclusion of the public utility's next rate case; provided
13 that the surcharge shall be subject to refund with interest at
14 the public utility's authorized rate of return on rate base if
15 the utility collects more money from the surcharge than actually
16 paid due to the increase in the fee to one-fourth of one per
17 cent.

18 (d) Notwithstanding any provision of this chapter to the
19 contrary, the public utilities commission may, upon the filing
20 of a petition by a public utility, credit a public utility for



1 amounts paid under subsection (b) toward amounts the public
2 utility owes in one call center fees under section 269E-6(f).

3 ~~[(c) Amounts received in the form of a cable surcharge by~~
4 ~~an electric utility company acting on behalf of a certified~~
5 ~~cable company under section 269 134 shall not be deemed gross~~
6 ~~income for that electric utility company for purposes of this~~
7 ~~section; provided that any amounts retained by that electric~~
8 ~~utility company for collection or other costs shall not be~~
9 ~~included in this exemption.] "~~

10 SECTION 4. Section 239-5.6, Hawaii Revised Statutes, is
11 repealed.

12 ~~["~~§239 5.6~~ Cable surcharge amounts exempt. Amounts~~
13 ~~received in the form of a cable surcharge by an electric utility~~
14 ~~company acting on behalf of a certified cable company under~~
15 ~~section 269 134 shall not be deemed gross income of that~~
16 ~~electric utility company for purposes of this chapter; provided~~
17 ~~that any amounts retained by that electric utility company for~~
18 ~~collection or other costs shall not be included in this~~
19 ~~exemption."]~~

20 SECTION 5. Section 240-1.6, Hawaii Revised Statutes, is
21 repealed.



1 ~~["§240-1.6] Cable surcharge amounts exempt. Amounts~~
2 ~~received in the form of a cable surcharge by an electric utility~~
3 ~~company acting on behalf of an affected certified cable company~~
4 ~~under section 269-134 shall not be deemed gross receipts for~~
5 ~~that electric utility company for purposes of this chapter,~~
6 ~~provided that any amounts retained by that electric utility~~
7 ~~company for collection or other costs shall not be included in~~
8 ~~this exemption."]~~

9 SECTION 6. Chapter 269, part VIII, Hawaii Revised
10 Statutes, is repealed.

11 SECTION 7. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 8. This Act shall take effect on January 1, 2112.



Report Title:

Public Utilities Commission; Interisland Transmission System

Description:

Removes the authorization granted to the public utilities commission to establish a regulatory structure for the installation and implementation of an interisland high-voltage electric transmission cable system. (HB1468 HD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

