

STAND. COM. REP. NO. 953

Honolulu, Hawaii
March 20, 2015

RE: S.B. No. 1295
S.D. 1
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which
was referred S.B. No. 1295, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE NATURAL ENERGY LABORATORY
OF HAWAII AUTHORITY,"

begs leave to report as follows:

The purpose of this measure is to improve government
operations and efficiency, as well as Hawaii's economy, by:

- (1) Allowing the Department of Business, Economic
Development, and Tourism (DBEDT) to enter into inter-
agency agreements with the Natural Energy Laboratory of
Hawaii Authority (NELHA) without entering into a
memorandum of agreement or memorandum of understanding;
and
- (2) Incentivize the research, development, and
commercialization of renewable energy technology in
Hawaii by allowing business activities relating to
energy produced by ocean thermal energy conversion,
solar, or hydrogen and to technologies, including
hydrogen research and development, to qualify a business
for incentives under the State Enterprise Zone Program.



NELHA and a concerned individual testified in support of this measure. DBEDT supported the intent of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee finds that it is important to promote efficiency in government. Providing state agencies with a framework for coordinating resources and eliminating waste is an important step toward saving money that can be more productively used elsewhere.

Your Committee also finds that research, development, and commercialization of renewable energy technology in Hawaii should be incentivized. Renewable energy technology is important for Hawaii's economy as it generates demand for jobs in science and engineering and promises to produce clean energy that will help Hawaii gain greater independence from oil for energy production.

However, your Committee notes that the Enterprise Zone Program was intended to assist economically challenged areas through the creation of jobs and that according to the Department of Business, Economic Development, and Tourism, energy related commercialization and research and development historically has not created large numbers of employment opportunities. Furthermore, your Committee notes concerns raised by the Department of Taxation that the Enterprise Zone incentives provided in this measure lack oversight by DBEDT, the agency charged with administration of the Enterprise Zone program. Nevertheless, your Committee notes that this measure is a work in progress that deserves further consideration.

Your Committee has amended this measure by changing its effective date to February 19, 2025, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1295, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1295, S.D. 1, H.D. 1, and be referred to the Committee on Energy & Environmental Protection.



Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business,



DEREK S.K. KAWAKAMI, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HSCR 953

Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: SB 1295 SD1	Committee Referral: EDB, REP, FIN	Date: 17 MAR 15		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. KAWAKAMI, Derek S.K. (C)	/			
2. KONG, Sam Satoru (VC)	✓			
3. BROWER, Tom	✓			
4. CACHOLA, Romy M.	✓			
5. CHOY, Isaac W.	✓			
6. DECOITE, Lynn	✓			
7. ITO, Ken	✓			
8. OHNO, Takashi	✓			
9. ONISHI, Richard H.K.	✓			
10. TOKIOKA, James Kunane	✓			
11. TSUJI, Clift	✓			
12. WOODSON, Justin H.	✓			
13. MATSUMOTO, Lauren Kealohilani	✓			
14. WARD, Gene		✓		
TOTAL (14)	13	1		
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>James S. Kang</i></u>				
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