February 13, 2018

RE: H.B. No. 1864 H.D. 2

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 1864, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY TECHNOLOGIES,"

begs leave to report as follows:

The purpose of this measure is to expand the income tax credit for renewable energy technologies to include ocean thermal energy conversion systems constructed for the purpose of research and development by providing an income tax credit of 35 percent of the actual cost, up to \$1,500,000, for each such ocean thermal energy conversion system.

Ulupono Initiative, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii, 350Hawaii.org, Hu Honua Bioenergy LLC, and several concerned individuals testified in support of this measure. The Natural Energy Laboratory of Hawaii Authority testified in support of the intent of this measure. The Department of Taxation, Department of Business, Economic Development and Tourism, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by:

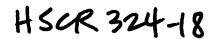
- (1) Clarifying that the income tax credit for renewable energy technologies shall be expanded to include ocean thermal energy conversion research and development facilities rather than systems and changing these references throughout the measure;
- (2) Changing its effective date to July 1, 2112, to facilitate 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 Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1864, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1864, H.D. 2.

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

CINDY EVANS

Phair



State of Hawaii House of Representatives The Twenty-ninth Legislature

Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: HD 1864, HD 1	Committee Referral: EEP, EDB1 FIN	Date	2/7/18	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. EVANS, Cindy (C)				.,
2. KEOHOKALOLE, Jarrett (VC)				
3. HOLT, Daniel				
4. ICHIYAMA, Linda	elikustain olimus mityymte tuusta ja kastiili valittavattavatta eliksi tulisen 19 altitulisesta tuos	<u> </u>		
5. JOHANSON, Aaron Ling			NAAn. waakaa connon nin as	Tilger an opp
Z VANACHUTA IZ I T				
6. YAMASHITA, Kyle T.				
7. MATSUMOTO, Lauren Kealoh	ilani			
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TOTAL (7)	6			
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				