

Honolulu, Hawaii

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 Chair



