

STAND. COM. REP. NO.

1023

Honolulu, Hawaii

March 3, 2017

RE: H.B. No. 574
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 574, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS,"

begs leave to report as follows:

The purpose of this measure is to provide the Pacific International Space Center for Exploration Systems (PISCES) with funding to continue PISCES's development of basalt-based products and materials by establishing an excise tax on basalt products, with the revenues deposited in a separate account within the PISCES Special Fund.

OCEANIT supported this measure. The General Contractors Association of Hawaii; Hawaiian Cement; Hawaii Island Contractors Association; Grace Pacific LLC; HC&D LLC; Jas. W. Glover, Ltd.; Cement and Concrete Products Industry of Hawaii; and one concerned individual opposed this measure. The Department of Taxation, Department of Budget and Finance, High Technology Development Corporation, and PISCES provided comments.

Your Committee has amended this measure by:

- (1) Removing the provisions that establish an excise tax on basalt products;

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- (2) Specifying that royalties from state land leases for basalt cinder and trap rock manufacturers shall be deposited into the Basalt Materials Research Account, the separate account within the PISCES Special Fund; 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 Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 574, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 574, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



