

Honolulu, Hawaii
APR 27 , 2018

RE: S.B. No. 3077
S.D. 2
H.D. 1
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

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

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 3077, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO BIOFUELS,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to further the State's efforts in achieving its clean energy goals by enhancing the renewable fuel capacity of the State. This measure encourages the development of renewable fuel in the State by:

- (1) Expanding the existing renewable fuels production tax credit by:
 - (A) Temporarily expanding the definition of "renewable feedstocks" that qualify for the tax credit;



- (B) Temporarily reducing the minimum production requirement to qualify for the tax credit;
 - (C) Temporarily changing the tax credit cap; and
 - (D) Making the original tax credit permanent; and
- (2) Establishing a renewable fuel facilitator position within the Department of Business, Economic Development, and Tourism.

Your Committee on Conference finds that achieving the State's clean energy goals will require investment in and development of renewable energy and renewable fuels. While investment in renewable energy has been incentivized with tax credits and low-interest loans, your Committee on Conference notes that the existing tax credits for renewable fuel production is limited in scope. Your Committee on Conference believes the renewable fuels production tax credit should be expanded, to encourage renewable fuel production, but concludes that the measure as currently written could impose a high cost to the State.

Accordingly, your Committee on Conference has amended this measure by:

- (1) Reverting to the existing statutory tax credit cap of \$3,00,000;
- (2) Deleting section 3, which removed the sunset date for the existing tax credit;
- (3) Deleting section 4, which created a renewable fuel facilitator position;
- (4) Making it effective upon approval and deleting the sunset date; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3077, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3077, S.D. 2, H.D. 1, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



CHRIS LEE
Co-Chair



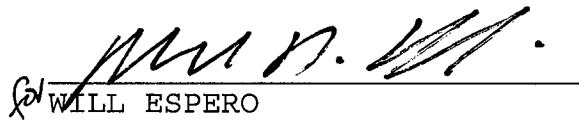
LORRAINE R. INOUYE
Chair



TY J. CULLEN
Co-Chair



JILL N. TOKUDA
Co-Chair



WILL ESPERO
Co-Chair



MICHELLE N. KIDANI
Co-Chair



Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 3077, SD 2, HD 1	Date/Time: 4/27/18 5:17 PM
---	-----------------------------------

The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

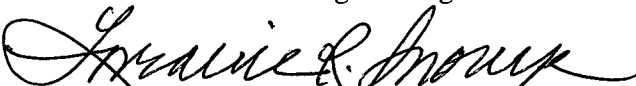
The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.


Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
INOUYE, Lorraine R., Chr.	/				LEE, Chris, Co-Chr.	/			
TOKUDA, Jill N., Co-Chr.				/	CULLEN, Ty J.K., Co-Chr.	/			
ESPERO, Will, Co-Chr.	/				MCDERMOTT, Bob				/
KIDANI, Michelle N., Co-Chr.	/								
TOTAL	3			1	TOTAL	2			1

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is:
 Adopted Not Adopted

House Recommendation is:
 Adopted Not Adopted

Senate Lead Chair's or Designee's Signature:


House Lead Chair's or Designee's Signature:


Distribution: Original Yellow Pink Goldenrod
 File with Conference Committee Report House Clerk's Office Senate Clerk's Office Drafting Agency