

STAND. COM. REP. NO.

2365

Honolulu, Hawaii

FEB 15 2018

RE: S.B. No. 3077  
S.D. 1

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

Sir:

Your Committees on Transportation and Energy and Labor, to which was referred S.B. No. 3077 entitled:

"A BILL FOR AN ACT RELATING TO BIOFUELS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Expand the renewable fuel tax credit by increasing the total amount of tax credits that can be claimed and making the tax credit permanent; and
- (2) Create a renewable fuel facilitator position within the Department of Business, Economic Development, and Tourism.

Your Committees received testimony in support of this measure from the Hawaii Bioeconomy Trade Organization, Hawaii Gas, and three individuals. Your Committees received comments on this measure from the Department of Taxation; Department of Business, Economic Development, and Tourism; and Tax Foundation of Hawaii.

Your Committees find that biofuels can significantly advance the State's clean energy goals. This measure will increase investment in biofuels, especially because there is no federal tax incentive for biofuels. The establishment of a renewable fuels



facilitator position will also help develop and advance biofuel projects.

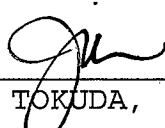
Your Committees believe that the definition of feedstock should be clarified to acknowledge organic material in general and that the date that the Department of Business, Economic Development, and Tourism must report to the Legislature is too soon after the renewable fuel facilitator's assessment of renewable fuel projects.

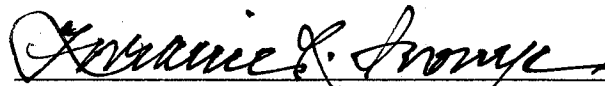
Thus, your Committees have amended this measure by:

- (1) Including organic material in the definition of "renewable feedstocks" and "renewable fuels";
- (2) Delaying the date that the Department of Business, Economic Development, and Tourism must report to the Legislature by one year;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3077, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3077, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Transportation  
and Energy and Labor,

  
\_\_\_\_\_  
JILL N. TOKUDA, Chair

  
\_\_\_\_\_  
LORRAINE R. INOUE, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Transportation and Energy**  
**TRE**

Bill / Resolution No.:* <b>SB 3077</b>	Committee Referral: <b>TRE/LBR, WAM</b>	Date: <b>2/9/2018</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
INOUE, Lorraine R. (C)	X			
ESPERO, Will (VC)	X			
ENGLISH, J. Kalani	X			
HARIMOTO, Breene	X			
SHIMABUKURO, Maile S.L.	X			
<b>TOTAL</b>	<b>5</b>			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Will Espero</div>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes

