

Honolulu, Hawaii

FEB 14 , 2020

RE: H.B. No. 2701
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 2701 entitled:

"A BILL FOR AN ACT RELATING TO THE ENVIRONMENT,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require that agency actions undertaken with funds from the Environmental Response Revolving Fund, Energy Security Special Fund, Energy Systems Development Special Fund, and Agricultural Development and Food Security Special Fund be undertaken with careful consideration of how those actions can assist the State in achieving the zero emissions clean economy target and support the State's climate change resilience, environmental response, energy, and food systems; and
- (2) Require that these special funds explain in annual reports how expenditures support the State's clean energy economy and climate change resilience in order to increase transparency and accountability of the use of these special funds, encourage coordinated agency responses to climate change, and ensure that taxes on fossil fuels assist in addressing the impacts of the climate crisis caused by burning of fossil fuels.



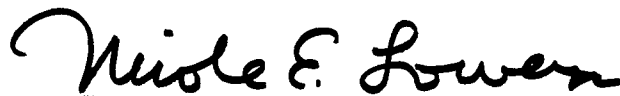
Your Committee received testimony in support of this measure from the Hawaii State Energy Office, Climate Protectors Coalition, 350Hawaii.org, and six individuals. Your Committee received comments on this measure from the Department of Agriculture and University of Hawaii System.

Your Committee finds that the environmental response, energy, and food security tax, also known as the barrel tax, is collected with each barrel or fractional part of a barrel of fossil fuel in the State. The barrel tax can be a valuable part of the State's response to the climate crisis, as portions of the tax are currently distributed to various sustainability-related and energy-related special funds. This measure requires agencies that receive an allocation from the barrel tax to consider how use of these monies can assist the State in achieving the zero emissions clean economy target and increase the resilience of the State's energy systems to the impacts of climate change.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2701, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2701, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



NICOLE E. LOWEN, Chair



