

Honolulu, Hawaii

FEB 28 2019

RE: S.B. No. 1069  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1069 entitled:

"A BILL FOR AN ACT RELATING TO REDUCTION OF NOISE FROM HELICOPTER OPERATIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to reduce noise pollution over residential areas.

Specifically, this measure provides helicopter owners or operators an incentive to retrofit their helicopters with noise-canceling technology by:

- (1) Establishing a tax credit for taxpayers who install a helicopter noise-canceling technology system on a helicopter owned by the taxpayer and operated primarily within the State during the taxable year; and
- (2) Prohibiting commercial flights of tour helicopters within one mile of a residential neighborhood between 6:00 p.m. and 8:00 a.m. from Mondays through Saturdays, or between 6:00 p.m. and 9:00 a.m. on Sundays and holidays.



Your Committee received testimony in support of this measure from the County of Hawaii Mayor's Office and numerous concerned individuals.

Your Committee received comments on this measure from the Department of Taxation, Department of the Attorney General, and Tax Foundation of Hawaii.

Your Committee finds that tour helicopters generate loud noise that could have a disruptive impact on the quality of life for Hawaii residents.

Your Committee has amended this measure by:

- (1) Providing that a qualified taxpayer shall not claim more than one tax credit per helicopter;
- (2) Requiring a taxpayer claiming a helicopter noise-canceling technology system tax credit to furnish the Department of Taxation a certification from a qualified inspector or other qualified person that the helicopter and the helicopter's noise-canceling technology system meet the noise reduction requirement to qualify for the tax credit;
- (3) Postponing the date that the tax credit would be available from taxable years beginning after December 31, 2018, to taxable years beginning after December 31, 2019;
- (4) Clarifying that for purposes of qualifying for the tax credit, the maximum sound level of a helicopter shall be measured at an unspecified number of feet from the helicopter;
- (5) Clarifying that commercial flights of tour helicopters within one mile of residential neighborhoods shall be prohibited except between 8:00 a.m. and 6:00 p.m. on Monday through Saturday, or between 9:00 a.m. and 6:00 p.m. on Sunday or a state holiday;
- (6) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and



- (7) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1069, S.D. 1, and be placed on the calendar for Third Reading.

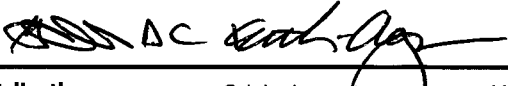
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 1069</b>	Committee Referral: <b>WAM</b>	Date: <b>2/6/19</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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
HARIMOTO, Breene	X			
INOUYE, Lorraine R.		X		
KAHELE, Kaiali'i	X			
KANUHA, Dru Mamo		X		
KIDANI, Michelle N.		X		
MORIWAKI, Sharon Y.		X		
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.		X		
FEVELLA, Kurt	X			
<b>TOTAL</b>	<b>8</b>	<b>5</b>		
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<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