STAND. COM. REP. NO. 2465

Honolulu, Hawaii

FCB 17

, 2006

RE:

S.B. No. 3173

S.D. 1

Honorable Robert Bunda President of the Senate Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Energy, Environment, and International Affairs, to which was referred S.B. No. 3173 entitled:

"A BILL FOR AN ACT RELATING TO MOTOR VEHICLES,"

begs leave to report as follows:

The purpose of this measure is to establish an alternative fuels portfolio standard, requiring a percentage of all new motor vehicles sold in the State to be powered by alternative fuels, starting in 2008.

The Rocky Mountain Institute, the Conservation Council for Hawaii, and the Sierra Club Hawaii Chapter submitted testimony in support of this measure. The Alliance of Automobile Manufacturers and the Hawaii Automobile Dealers' Association submitted testimony in opposition. The Department of Business, Economic Development and Tourism, the Department of Budget and Finance, the Public Utilities Commission, and the Office of Information Practices submitted comments.

Your Committee finds that the State's dependence on imported petroleum for its transportation energy needs makes it extremely vulnerable to an oil embargo, supply disruption, international market dysfunction, and other factors beyond the control of the State. It is critical that Hawaii moves beyond its near total dependency on imported petroleum for its transportation needs.

Upon further consideration, your Committee amended this measure by:



- (1) Deleting all of the original provisions;
- (2) Requiring the counties to establish and issue a special license plate designating an energy-efficient or alternative fuel vehicle;
- (3) Exempting those energy-efficient or alternative fuel vehicles from the motor vehicle registration fee for a period of five years;
- (4) Amending the procurement policy for state fleets to require energy-efficient vehicles; and
- (5) Making an appropriation of an undesignated amount to the counties to assist the counties in implementing the special license plate portion of the Act.

As affirmed by the record of votes of the members of your Committee on Energy, Environment, and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3173, S.D. 1, and recommends that it pass Second Reading and be referred to the Committees on Commerce, Consumer Protection, and Housing and Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Energy, Environment, and International Affairs,



The Senate Twenty-Third Legislature State of Hawaii

Record of Votes of the Committee on Energy, Environment and International Affairs (Bills and Resolutions)

Measure:*	Committee Referral:		Date	Date:	
SB 3173	EIA, C	EIA, CPH / WAM		February 16, 2006	
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is to:					
Pass, unamended Pass, with amendments Hold Recommit (2312) (2311) (2310) (2313)					
Members		Ayes	Ayes(WR) Nays	Excused
ENGLISH, J. Kalani (C)		/,			
KOKUBUN, Russell S. (VC)		/	Janeary Transfer	:	
HANABUSA, Colleen					
HOOSER, Gary L.					
HEMMINGS, Fred					
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TOTAL		4			1
Recommendation:	_/				
Adopted Not Adopted					
Chair's or Designee's Signature: Chair's Or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					
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^{*}Do not list more than one measure per Record of Votes.