STAND. COM. REP. NO. 633 -08

Honolulu, Hawaii

Fe415, 2008

RE: H.B. No. 3410

H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Sir:

Your Committees on Energy & Environmental Protection and Water, Land, Ocean Resources & Hawaiian Affairs and Agriculture, to which was referred H.B. No. 3410 entitled:

"A BILL FOR AN ACT RELATING TO BIODIESEL,"

beg leave to report as follows:

The purpose of this bill is to provide various market stimulation incentives for the development of biodiesel, including:

- (1) Making state agricultural lands available for biodiesel fuel crops;
- (2) Establishing a state biodiesel feedstock crop and biodiesel fuel purchasing program; and
- (3) Creating tax exemptions for oil seed crushing facilities and lands used for biodiesel feedstock crops.

Pacific Biodiesel, Hawaiian Electric Company, Inc., Maui Electric Company, and Hawaii Electric Light Company testified in support of this bill. The Department of Land and Natural Resources supported the intent of this measure. The Department of Taxation, Department of Agriculture, Tax Foundation of Hawaii, and Life of the Land provided comments.

Your Committees have amended this bill by:

- (1) Removing the requirement that the Board of Land and Natural Resources lease lands with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class A or B;
- (2) Removing the requirement that the Board of Land and Natural Resources lease lands at nominal consideration;
- (3) Removing the provision exempting the lands used for the production of biodiesel feedstock crops from real property taxes;
- (4) Clarifying that the income tax exemption applies to the income derived from the operation of an oil seed crushing facility;
- (5) Removing from the definition of an "oil seed crushing facility" the provision specifying that it is a facility separate and distinct from a biodiesel production facility; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water, Land, Ocean Resources & Hawaiian Affairs and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 3410, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 3410, H.D. 1, and be referred to the Committee on Finance.

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Respectfully submitted on behalf of the members of the Committees on Energy & Environmental Protection and Water, Land, Ocean Resources & Hawaiian Affairs and Agriculture,

KEN ITO, Chair

HERMINA MORITA, Chair

State of Hawaii House of Representatives The Twenty-fourth Legislature

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.:	Committee Referral	Date: 2	Date: 2 12 06					
☐ The committee is reconsidering its previous decision on the measure.								
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)								
EEP Members		es Ayes (V	VR) N	lays	Excused			
1. MORITA, Hermina M. (C)	1							
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7. SAIKI, Scott K.	J							
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8. THIELEN, Cynthia					<u> </u>			
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The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)								
Vice Chair's or designee's signature:								
Distribution: Original (White) – Com	mittee Duplica	te (Yellow) – Chief (Clerk's Office					

State of Hawaii House of Representatives The Twenty-fourth Legislature



Record of Votes of the Committee on Water, Land, Ocean Resources & Hawaiian Affairs

Bill/Resolution No.:	Committee Referral:	Date	- / /				
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☐ The committee is reconsidering its previous decision on the measure.							
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Vice Chair's or designee's signature:							
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Record of Votes of the Committee on Agriculture

Bill/Resolution No.: HB 3410	Committee Refe		FIN	Date:	2112/	08	
☐ The committee is reconsidering its previous decision on the measure.							
The recommendation is to: □ Pass, unamended (as is) A Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)							
AGR Members		Ayes	Ayes (W	R)	Nays	Excused	d
1. TSUJI, Clift (C)							
2. BROWER, Tom (VC)							
3. BERG, Lyla B., Ph.D.							
4. CHANG, Jerry L.		/					
5. HANOHANO, Faye P.							
6. HERKES, Robert N.							
7. MANAHAN, Joey					de a		_
8. WAKAI, Glenn							
9. YAMANE, Ryan I.		A Company					•
7. TAMAND, Kyani.				1 E			
10. YAMASHITA, Kyle T.							
11. CHING, Corinne W.L.							
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12. MEYER, Colleen Rose							
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	t referral,	Not Adopted	did not	support reco	ommendation	-	
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