STAND. COM. REP. NO. 438

Honolulu, Hawaii

Fey 15, 2007

RE: H.B. No. 871

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Sir:

Your Committees on Energy & Environmental Protection and Economic Development & Business Concerns, to which was referred H.B. No. 871 entitled:

"A BILL FOR AN ACT RELATING TO SEAWATER AIR CONDITIONING DISTRICT COOLING SYSTEMS,"

beg leave to report as follows:

The purpose of this bill is to stimulate economic development by supporting the production of alternative energy systems. Specifically, the bill adds seawater air conditioning cooling systems to the definition of "qualified business" in the state enterprise zone law to provide tax incentives to these systems.

Testimony in support of this measure was submitted by the Department of Business, Economic Development, and Tourism, Honolulu Seawater Air Conditioning, LLC, the World Business Academy, and the Hawaii Renewable Energy Alliance. The Department of Taxation offered comments.

Currently, as relating to alternative energy resources, only wind energy systems are considered qualified businesses within a state enterprise zone and thus supported by the State in that manner.

Your Committees find that it furthers the State's goal of reducing its dependence on fossil fuel imports if other alternative energy resources, such as seawater air conditioning cooling systems, are supported as well. Moreover, providing

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benefits to qualified businesses in state enterprise zones stimulates business and industrial growth in areas that could profit from neighborhood revitalization.

Your Committees believe that support in the form of tax incentives available under the enterprise zone law resulting from this measure will lead to reduced costs for developers of seawater air conditioning cooling systems and for customers as well. This, in turn, should lead to a speedy adoption of this new technology and reduce not only fossil fuel imports, but global warming as well.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Economic Development & Business Concerns that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 871 and recommend that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committees on Energy & Environmental Protection and Economic Development & Business Concerns,

KYLE Vr. YAMASHITA, Chair

HERMINA MORITA, Chair

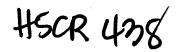


State of Hawaii House of Representatives The Twenty-fourth Legislature

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.:	Date:	ماماله				
нв 871		2\13\07				
Committee Referral: EEP/EDB,FIN		☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended	☐ Pa	Pass, with amendments				
☐ Hold	 Pass, with amendments, for recommittal for further consideration 					
EEP Members	Ayes	Ayes (WR)	Nays	Excused		
1. MORITA, Hermina M. (C)	√,					
2. CARROLL, Mele (VC)	-					
3. CHONG, Pono	/					
4. ITO, Ken	V /		***************************************			
5. MAGAOAY, Michael Y.	\mathbf{V}_{j}					
6. SAGUM, Roland D., III	V ,					
7. SAIKI, Scott K.	/					
8. THIELEN, Cynthia						
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TOTAL						
TOTAL				\		
The recommendation is:						
☐ Not Adopted						
If joint referral,		did not suppo	ort recommendation	1.		
com	mittee acronym	(s)				
Vice Chair's or designee's signature:	Cana	le				
Distribution: Original (White) – Committee	Duplicate (Yello	ow) – Clerk's Office				

State of Hawaii House of Representatives The Twenty-fourth Legislature



Record of Votes of the Committee on Economic Development & Business Concerns

Bill/Resolution No.: HB 871	Date:	21307				
Committee Referral: EEP/EDB, FIN	☐ The committee is reconsidering its previous decision on the measure.					
The recommendation is to: Pass, unamended		☐ Pass, with amendments				
☐ Hold	 Pass, with amendments, for recommittal for further consideration 					
EDB Members	Ayes	Ayes (WR)	Nays	Excused		
1. YAMASHITA, Kyle T. (C)						
2. WAKAI, Glenn (VC)			· · · · · · · · · · · · · · · · · · ·			
3. BERG, Lyla B., Ph.D.						
4. BROWER, Tom	V/					
5. CHANG, Jerry L.	V					
6. HANOHANO, Faye P.	V	4-17/4-17/1-17				
7. HERKES, Robert N.	V					
8. MANAHAN, Joey	V					
9. TSUJI, Clift	<u> </u>					
10. YAMANE, Ryan I.	V		1 12 3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1			
11. CHING, Corinne W.L.			是			
12. MARUMOTO, Barbara C.						
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TOTAL	10		\mathcal{D}			
			/			
The recommendation is:		/	/			
☐ Not Adopted						
If joint referral,		did not suppor	t recommendation	١.		
committee acronym(s)						
Vice Chair's or designee's signature:						
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