STAND. COM. REP. NO. 280

Honolulu, Hawaii

Fey 18, 2009

RE: H.B. No. 371 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fifth State Legislature Regular Session of 2009 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 371, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this bill is to maintain the viability of naphtha as fuel for power-generating facilities, by making permanent the one-cent per gallon tax on naphtha sold for use in a power-generating facility to produce electricity.

Kauai Island Utility Cooperative and Hamakua Energy Partners, L.P. testified in support of this bill. The Department of Taxation, Department of Health, Department of Transportation, and Tax Foundation of Hawaii provided comments.

Naphtha is an environmentally cleaner, petroleum-based fuel for power generation due to its lower sulfur content and lower levels of emitted carbon dioxide upon burning. Certain power generating stations have air pollution control permits requiring the burning of naphtha to achieve lower stack emissions. By making permanent the one-cent per gallon tax on naphtha used to produce electrical power, this bill clarifies that such uses of naphtha are not subject to higher fuel license taxes under section 243-4, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to

HB371 HD1 HSCR CPC HMS 2009-2098

STAND. COM. REP. NO. 286
Page 2

this report, your Committee is in accord with the intent and purpose of H.B. No. 371, H.D. 1, and recommends that it be referred to the Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

__ h

ROBERT N. HERKES, Chair

State of Hawaii House of Representatives The Twenty-fifth Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 371 HD1	Committee Referra	Date:	Date: 2/11/09		
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)					
CPC Members		yes Ay	es (WR)	Nays	Excused
1. HERKES, Robert N. (C)		//	TO ONE OF SERVICE		
2. WAKAI, Glenn (VC)				William Pills	
3. BELATTI, Della Au			0.57200		<u> </u>
4. CABANILLA, Rida					
5. CARROLL, Mele					Y
6. ITO, Ken		V Project Sec	Physical Co.		
7. KARAMATSU, Jon Riki 8. LUKE, Sylvia			Propalation .	z zalonomie bezaje s sa	
9. McKELVEY, Angus L.K.	uni ga sa sa a sa				
10. MIZUNO, John M.					
11. MORITA, Hermina M.			No. (18)		
12. SOUKI, Joseph M.		7			Silos Vassaliamogi kieseneeni lijasa veen baasa s
13. TSUJI, Clift				Test ou III	The set House Property
14. MARUMOTO, Barbara C.					
15. THIELEN, Cynthia				at the second	
				**	
TOTAL (15)	_	2	\$	\emptyset	3
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					