STAND. COM. REP. NO.



Honolulu, Hawaii

FEB - 4 2010

RE: S.B. No. 2234

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fifth State Legislature Regular Session of 2010 State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred S.B. No. 2234 entitled:

"A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY SYSTEMS,"

begs leave to report as follows:

The purpose of this measure is to exempt from the general excise tax the proceeds arising from the sale, installation, servicing, or leasing of renewable energy systems purchased or placed in service from January 1, 2011 to December 31, 2015.

Testimony in support of the measure was submitted by two organizations. Two state agencies support the intent of the measure, and one organization submitted comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

This measure is part of the Hawaii Clean Energy Initiative's 2010 policy recommendations to help Hawaii meet the Initiative's goal of seventy per cent clean, renewable energy by 2030.

The Department of Business, Economic Development, and Tourism and the Department of Taxation suggest providing this exemption for renewable energy systems that generate at least two megawatts of electricity or greater as set forth in S.B. No. 2675, Regular Session of 2010. Your Committee finds that a complete exemption from the general excise tax is a generous incentive that should be reserved for systems that significantly contribute to Hawaii's energy independence.



Your Committee has amended this measure by adopting the recommendation of the Department of Business, Economic Development, and Tourism and the Department of Taxation to replace its contents with the contents of S.B. No. 2675.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2234, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2234, S.D. 1, and be referred to the Committee on Ways and Means.

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

MIKE GABBARD, Chair

## The Senate Twenty-Fifth Legislature State of Hawaii

## Record of Votes Committee on Energy and Environment ENE

Bill / Resolution No.:* SB 2234	Committee ENE,		1 Da 2	te: 8 Jan -	2010
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)					
ENGLISH, J. Kalani (VC)				7. %	
GREEN, M.D., Josh					
HOOSER, Gary L.					
IHARA, Jr., Les		· · · · · · · · · · · · · · · · · · ·			
KOKUBUN, Russell S.					
HEMMINGS, Fred					
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TOTAL		4			3
Recommendation:  Adopted  Not Adopted					
Chair's or Designee's Signature:					
Distribution:         Original         Yellow         Pink         Goldenrod           File with Committee Report         Clerk's Office         Drafting Agency         Committee File Copy					