STAND. COM. REP. NO. 892

Honolulu, Hawaii

MAR 2 4 2011

RE: H.B. No. 423

H.D. 1 S.D. 1

Honorable Shan S. Tsutsui President of the Senate Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committee on Energy and Environment, to which was referred H.B. No. 423, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Carbon Bio-Engineers, Inc., or a partnership in which Carbon Bio-Engineers, Inc., is a general partner, with the establishment of cogeneration and related energy-production facilities at various locations in the State.

Your Committee received testimony in support of this measure from Dante Carpenter, Carbon Bio-Engineers, Inc. Your Committee received comments on this measure from Kalbert K. Young, Department of Budget and Finance.

Your Committee finds that this measure will ultimately help to reduce the State's dependence on fossil fuels, its need for increased landfill space, and costs associated with transportation and disposal of waste, including organic feedstock and tires. Your Committee recognizes that under the Internal Revenue Code there is a limitation on the amount of tax-exempt financing for industrial projects and that Carbon Bio-Engineers, Inc., may have to consult with a bond counsel firm to determine whether the project may qualify for the full amount of tax-exempt financing.

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Your Committee has amended this measure by:

- (1) Inserting an authorization amount of \$40,000,000; and
- (2) Changing the effective date to upon approval.

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 H.B. No. 423, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 423, H.D. 1, 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-Sixth Legislature State of Hawaiʻi

## Record of Votes Committee on Energy and Environment ENE

Bill / Resolution No.:*	Committee		Dat		
HB 423, HD1	ENE,	MAW		3/22/	K
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)	1 ·				
ENGLISH, J. Kalani (VC)					/
GREEN, M.D., Josh					
IHARA, Jr., Les		<b>✓</b>			
SLOM, Sam				<u> </u>	/
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TOTAL		3	<i>(</i> ************************************	0	2_
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					