

STAND. COM. REP. NO. 1140

Honolulu, Hawaii

March 24, 2011

RE: S.B. No. 745

S.D. 2

H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committees on Economic Revitalization & Business and Energy & Environmental Protection, to which was referred S.B. No. 745, S.D. 2, entitled:

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

beg leave to report as follows:

The purpose of this bill is to reduce Hawaii's reliance on fossil fuels and support alternative energy systems by including the production of air conditioning from a seawater air conditioning district cooling system within the definition of "eligible business activity" under the State's Enterprise Zone program. This bill also stipulates that gross proceeds received by a contractor in connection with the construction of a seawater air conditioning district cooling system shall not be exempt from the general excise tax.

Honolulu Seawater Air Conditioning, LLC, and The Hawaii Building and Construction Trades Council, AFL-CIO, supported this bill. The Department of Business, Economic Development, and Tourism supported the intent of this bill. The Department of Taxation and Tax Foundation of Hawaii submitted comments.

Your Committees have amended this measure by:

- (1) Changing its effective date to July 1, 2112, to encourage further discussion; and

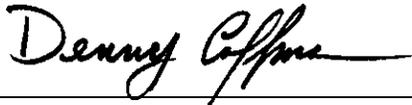
SB745 HD1 HSCR ERB-EEP HMS 2011-3257



- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Revitalization & Business and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 745, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 745, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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



DENNY COFFMAN, Acting Chair



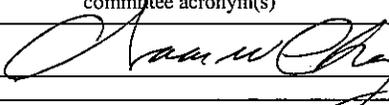
ANGUS L.K. MCKELVEY, Chair



HSCR1140

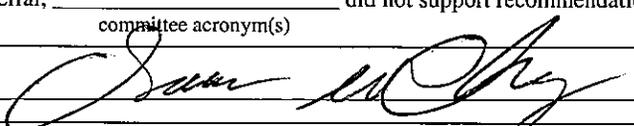
State of Hawaii
House of Representatives
The Twenty-sixth Legislature

Record of Votes of the Committee on Economic Revitalization & Business

Bill/Resolution No.: <u>SB 745 SD2</u> ^{SEK} <u>TS4</u>		Committee Referral: <u>ERB/EEP, FIN</u>		Date: <u>3/22/11</u>	
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.					
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)					
ERB Members		Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)		✓			
2. CHOY, Isaac W. (VC)		✓			
3. AWANA, Karen L.		✓			
4. BROWER, Tom		✓			
5. EVANS, Cindy		✓			
6. HASHEM, Mark J.		✓			
7. NISHIMOTO, Scott Y.					✓
8. TOKIOKA, James Kunane		/			
9. TSUJI, Clift		✓			
10. MARUMOTO, Barbara C.		✓			
11. PINE, Kymberly Marcos		.			✓
TOTAL (11)		9	0	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature: <u></u>					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					

State of Hawaii
House of Representatives
The Twenty-sixth Legislature

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: SB 745, SD 2	Committee Referral: ERB/EEP, FIN	Date: 3-22-2011		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. MORITA, Hermina M. (C)				
2. COFFMAN, Denny (VC)	✓			
3. CABANILLA, Rida T.R.				✓
4. CARROLL, Mele				✓
5. CHANG, Jerry L.	✓			
6. CHONG, Pono				✓
7. HAR, Sharon E.				✓
8. HERKES, Robert N.	✓			
9. ITO, Ken	✓			
10. NAKASHIMA, Mark M.	✓			
11. RIVIERE, Gil	✓			
12. THIELEN, Cynthia	✓			
TOTAL (12)	7	0	0	4
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not 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				