Honolulu, Hawaii

Rebruary 19 , 2018

RE: H.B. No. 1689 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1689 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose of this measure is to incentivize the needed development, construction, and operation of renewable fuel facilities by changing the existing ethanol facility tax credit to include other renewable fuels.

The Blue Planet Foundation, Renewable Energy Action Coalition of Hawaii, Hawaii Energy Policy Forum, Life of the Land, and a concerned individual supported this measure. The Department of Taxation; Department of Business, Economic Development, and Tourism; and Tax Foundation of Hawaii offered comments.

Your Committee has amended this measure by adding a definition of "qualifying renewable fuel".

Should the Committee on Finance further deliberate on this measure, your Committee respectfully requests that the Attorney General look at the constitutionality of the proposed definition of "qualifying renewable fuel".

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1689, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1689, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Energy & Environmental Protection,

CHRIS LEE, Chair

## State of Hawaii House of Representatives The Twenty-eighth Legislature

## HSCR517-16

## Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: HB 1689	Committee Referral: EEP, FIN	Date:	2-9-	16
☐ 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)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)				
2. LOWEN, Nicole E. (VC)				
3. CULLEN, Ty J.K.				
4. EVANS, Cindy				
5. ING, Kaniela				
6. NISHIMOTO, Scott Y.				
7. SAY, Calvin K.Y.				
8. YAMANE, Ryan I.				
9. POUHA, Feki				
10. THIELEN, Cynthia				
TOTAL (10)	- 10			
The recommendation is:  Adopted  If joint referral,  committee acronym(s)  Adopted  did not support recommendation.				
Vice Chair's or designee's signature: Music E Romania				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				