STAND, COM. REP. NO.



Honolulu, Hawaii

MAR 2 7 2015

RE:

H.B. No. 240

H.D. 1

S.D. 1

Honorable Donna Mercado Kim President of the Senate Twenty-Eighth State Legislature Regular Session of 2015 State of Hawaii

Madam:

Your Committees on Energy and Environment and Economic Development and Technology, to which was referred H.B. No. 240, H.D. 1, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to expand the types of businesses that qualify for state enterprise zone program benefits by amending the definition of "service business" to include a business that provides air conditioning project services from seawater air conditioning district cooling systems.

Your Committees received testimony in support of this measure from Honolulu Seawater Air Conditioning, LLC and Ulupono Initiative. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; Department of the Attorney General; and Tax Foundation of Hawaii.

Your Committees find that seawater air conditioning district cooling systems provide an alternative to inefficient cooling systems and have been successfully implemented throughout the United States, Canada, and Europe. The seawater air conditioning district cooling system under development in Honolulu will generate millions of dollars in construction revenue, create long-term jobs, and reduce the State's dependence on fossil fuels. Implementation of this measure will generate industrial growth,

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create sustainable jobs, and further the State's clean energy goals.

Your Committees have amended this measure by:

- (1) Amending the definition of "seawater air conditioning district cooling system" to mean an air conditioning cooling project where at least fifty percent of the energy required for the air conditioning system is provided by cold, deep seawater;
- (2) Inserting an effective date of upon approval; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 240, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 240, 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 Committees on Energy and Environment and Economic Development and Technology,

GLENN WAKAJ Chai

MIKE GABBARD, Chair

The Senate Twenty-Eighth Legislature State of Hawai'i

Record of Votes Committee on Energy and Environment ENE

Bill / Resolution No.:*	Committee Referral:			Date:				
HB 240, HD 1	ENE/EDT, WAM			3/24/15				
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 (Wi	٦)	Nay	Excused		
GABBARD, Mike (C)		V						
GREEN, Josh (VC)				-		V		
GALUTERIA, Brickwood		V						
IHARA, Jr., Les		V _						
SLOM, Sam		V						
						-		
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			-					
TOTAL		4	0	1)	/		
Recommendation: Adopted Not Adopted								
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Chair's or Designee's Signature:								
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy								

^{*}Only one measure per Record of Votes

The Senate Twenty-Eighth Legislature State of Hawai'i

Record of Votes Committee on Economic Development and Technology EDT

Bill / Resolution No.:* Committee Referral: Date: 3/24/15									
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					
WAKAI, Glenn (C)	Χ.								
SLOM, Sam (VC)	X,								
BAKER, Rosalyn H.	X								
CHUN OAKLAND, Suzanne	·			X					
DELA CRUZ, Donovan M.									
ESPERO, Will			-	 X					
HARIMOTO, Breene				X					
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TOTAL	4	0	0	1					
Recommendation: Adopted Not Adopted									
Chair's or Designee's Signature:									
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