STAND. COM. REP. NO. -18

Honolulu, Hawaii

APR 06 , 2018

RE: S.B. No. 3077

S.D. 2 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 3077, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO BIOFUELS,"

begs leave to report as follows:

The purpose of this measure is to further the State's efforts in achieving its clean energy goals by:

- (1) Temporarily expanding the definition of "renewable feedstocks" that qualify for the Renewable Fuels Production Tax Credit (Tax Credit) to include logs, wood chips, wood pellets, wood bark, and other renewable organic materials;
- (2) Temporarily reducing the minimum production requirement to qualify for the Tax Credit from 15,000,000,000 British thermal units to 2,500,000,000 British thermal units;
- (3) Temporarily increasing the annual Tax Credit cap from \$3,000,000 to \$3,500,000;
- (4) Making the original Tax Credit permanent; and



(5) Establishing within the Department of Business, Economic Development and Tourism the position of Renewable Fuel Facilitator.

Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, Hawai'i Gas, Honua Ola Bioenergy LLC, and many individuals testified in support of this measure. The Department of Business, Economic Development and Tourism, Department of Taxation, Tax Foundation of Hawaii, and Hawaii BioEconomy Trade Organization provided comments.

Your Committee has amended this measure by:

- (1) Changing the annual cap of the Tax Credit to an unspecified amount; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3077, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3077, S.D. 2, H.D. 1.

Respectfully submitted on behalf of the members of the Committee on Finance,

SYLVIA LÜKE. Chair

State of Hawaii House of Representatives The Twenty-ninth Legislature

HSCR 1967-18

Record of Votes of the Committee on Finance

Bill/Resolution No.:	Committee Referral:	Date	Date: 4/4/18		
SB 3077, SD 2	EEP, FIN		'[7][8		
☐ The committee is reconsidering its pre	vious decision on the measure.				
	, unamended (as is) Pas short form bill with HD to recon	s, with amendments on mit for future public			
FIN Members	Ayes	Ayes (WR)	Nays	Excused	
1. LUKE, Sylvia (C)					
2. CULLEN, Ty J.K. (VC)					
3. CACHOLA, Romy M.					
4. DeCOITE, Lynn					
5. FUKUMOTO, Beth					
6. GATES, Cedric Asuega				V	
7. HOLT, Daniel					
8. KEOHOKALOLE, Jarrett					
9. KOBAYASHI, Bertrand					
10. LOWEN, Nicole E.					
11. NAKAMURA, Nadine K.					
12. TODD, Chris					
13. YAMASHITA, Kyle T.					
14. TUPOLA, Andria P.L.					
15. WARD, Gene					
			-		
TOTAL (15)	10	Ø	Ø	5	
The recommendation is: Ad If joint	opted		rt recommendation	on.	
	committee acronym(s)			
Vice Chair's or designee's signature:	MJ.K.				
Distribution: Original (White) – Comm	ittee Duplicate (Yellow) -	· Chief Clerk's Office	Duplicate (Pink) – HMSO	