STAND. COM. REP. NO. 1999 Honolulu, Hawaii FEB 1 1 RE: H.B. No. 1319 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1319 entitled:

"A BILL FOR AN ACT RELATING TO CARBON PRICING,"

begs leave to report as follows:

The purpose of this measure is to:

- Establish a refundable tax credit to mitigate the effect of a carbon emissions tax on taxpayers; and
- (2) Amend the Environmental Response, Energy, and Food Security Tax to address carbon emissions.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Hawaii Climate Change Mitigation and Adaptation Commission; Americans for Democratic Action Hawai'i; Faith Action for Community Equity; Imua Alliance; Ulupono Initiative; Hawaii Island Chapter, Citizens' Climate Lobby; Faith Action Environmental Justice Task Force; Climate Protectors Coalition; Human Environmental Impacts Committee of the Environmental Caucus of the Democratic Party of Hawai'i; Foresight/Policy Analysis; Blue Planet Foundation; and numerous individuals. Your Committee received testimony in opposition to this measure from the Chamber of Commerce Hawaii, Hawaii Food Industry Association, Hawaii Transportation

2021-1464 HB1319 HD1 HSCR HMSO

STAND. COM. REP. NO. 194

Association, Retail Merchants of Hawaii, and three individuals. Your Committee received comments on this measure from the Department of Taxation, Department of the Attorney General, Hawaii State Energy Office, Tax Foundation of Hawaii, Life of the Land, Hawaii Automobile Dealers' Association, and Sierra Club of Hawai'i.

Your Committee finds that climate change is the most critical issue confronting the State. Putting a price on pollution, while giving revenues back to low- and moderate-income residents, will accelerate Hawaii's transition to a clean energy and transportation future without placing a burden on Hawaii's working families.

Your Committee has amended this measure by:

- Blanking the amounts specified for the tax credit to mitigate the effect of a carbon emissions tax;
- (2) Blanking the amounts specified for the Environmental Response, Energy, and Food Security Tax to address carbon emissions;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 1319, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1319, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

STAND. COM. REP. NO. 194 Page 3

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

nurle F. La

NICOLE E. LOWEN, Chair

2021-1464 HB1319 HD1 HSCR HMSO

State of Hawaii House of Representatives The Thirty-first Legislature



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

Bill/Resolution No.:Committee Referral:Date:HB1319EEP, CPC, FIN2/9/21				
θ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: $\theta$ Pass, unamended (as is) $\theta$ Pass, with amendments (HD) $\theta$ Hold $\theta$ Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LOWEN, Nicole E. (C)				
2. MARTEN, Lisa (VC)				
3. HASHEM, Mark J.				
4. MATAYOSHI, Scot Z.		/		
5. PERRUSO, Amy A.		1		
6. TODD, Chris	/			
7. TOKIOKA, James Kunane		/		
8. MATSUMOTO, Lauren				
				· · · · · · · · · · · · · · · · · · ·
TOTAL (8)	4	4	0	D
<b>The recommendation is: %</b> Adopted If joint referral,	erral, did not support recommendation.			
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				