STAND. COM. REP. NO. 2819

Honolulu, Hawaii

MAR - 3 2022

RE: S.B. No. 2654

S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2654 entitled:

"A BILL FOR AN ACT RELATING TO WATER RATIONING,"

begs leave to report as follows:

The purpose and intent of this measure is to establish an income tax credit for water rationing systems.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and Honolulu Board of Water Supply.

Your Committee received comments on this measure from the Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii.

Your Committee finds that, with the challenges facing the State over the supply of clean water, the State must pursue all means to protect the environment and water resources. Accordingly, your Committee believes innovative solutions are needed to incentivize behaviors that conserve and protect water resources.

Your Committee has amended this measure by:

- (1) Inserting definitions of "alternate water sources for nonpotable applications", "nonpotable rainwater catchment system", and "potable rainwater catchment system" into the new statutory section established by the measure;
- (2) Deleting language that makes the tax credit refundable for certain taxpayers;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2654, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2654, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Ways and Means,

DONOVAN M. DELA CRUZ, Chaix

## The Senate Thirty-First Legislature State of Hawai'i

## Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*	Committee Referral:		Dat	Date:	
SB2654	WAM			2/22/22	
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
DELA CRUZ, Donovan M. (C)		X			
KEITH-AGARAN, Gilbert S.C. (VC)		X			
INOUYE, Lorraine R.		×			
KANUHA, Dru Mamo		χ.			
KIDANI, Michelle N.		X			
MISALUCHA, Bennette E.		Х			
MORIWAKI, Sharon Y.		X			
SHIMABUKURO, Maile S.L.		×			
TANIGUCHI, Brian T.		X			
WAKAI, Glenn		χ			
FEVELLA, Kurt		X	-		
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TOTAL		11			
Recommendation:					
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