

STAND. COM. REP. NO.

627

Honolulu, Hawaii

MAR 05 2015

RE: S.B. No. 1295  
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 Commerce and Consumer Protection and Ways and Means, to which was referred S.B. No. 1295 entitled:

"A BILL FOR AN ACT RELATING TO THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Allow the Department of Business, Economic Development, and Tourism to enter into inter-agency agreements with the Natural Energy Laboratory of Hawaii Authority (NELHA) without entering into a memorandum of agreement or memorandum of understanding; and
- (2) Incentivize the research, development, and commercialization of renewable energy technology in Hawaii by allowing these business activities to qualify a business for incentives under the state enterprise zone program.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Natural Energy Laboratory of Hawaii Authority. Your Committees received comments on this measure from the Department of Taxation.

Your Committees find that this measure makes businesses operating within research and technology parks established by

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NELHA eligible for the State's enterprise zone program. This measure also broadens the scope of businesses eligible for enterprise zone benefits within NELHA's research and technology park, which will enable NELHA to expand its economic development project and increase the amount of annual state tax revenue generated by the research and technology park.

Your Committees have amended this measure by:

- (1) Amending the definitions of "renewable energy" and "renewable energy technology" to clarify that the special enterprise zone incentives are limited to business activities relating to energy produced by ocean thermal energy conversion, solar, or hydrogen and to business activities relating to technologies including hydrogen research and development;
- (2) Clarifying that a tax credit for renewable energy technology may not be claimed under chapter 235, Hawaii Revised Statutes, if a tax credit is also claimed pursuant to the new section in chapter 227D, Hawaii Revised Statutes, as proposed by this measure; 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 Commerce and Consumer Protection and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1295, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1295, S.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committees on Commerce and  
Consumer Protection and Ways  
and Means,

  
\_\_\_\_\_  
JILL N. TOKUDA, Chair

  
\_\_\_\_\_  
ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Eighth Legislature  
 State of Hawai'i

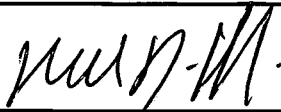
**Record of Votes**  
**Committee on Commerce and Consumer Protection**  
**CPN**

Bill / Resolution No.:* <b>SB 1295</b>	Committee Referral: <b>GVO/EDT/ENE, CPN/WAM</b>	Date: <b>3-3-15</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)				✓
KAHELE, Gilbert				✓
KIDANI, Michelle N.	✓			
NISHIHARA, Clarence K.				✓
WAKAI, Glenn	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	<b>4</b>			<b>3</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
<b>Distribution:</b> 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 Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB1295</b>	Committee Referral: <b>AVO/EDT/ENE, CPN/WAM</b>	Date: <b>3/3/15</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne				✓
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani				✓
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.				✓
RIVIERE, Gil	✓			
RUDERMAN, Russell E.				✓
SLOM, Sam	✓			
<b>TOTAL</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>4</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">  </div>				
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