

STAND. COM. REP. NO. 529

Honolulu, Hawaii  
February 20, 2015

RE: H.B. No. 1471  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1471 entitled:

"A BILL FOR AN ACT RELATING TO THE FUNDING OF GOVERNMENT PROGRAMS,"

begs leave to report as follows:

The purpose of this measure is to increase funding for the State's energy and food security efforts.

Specifically, this measure:

- (1) Establishes a state environmental response, energy, and food security tax on fossil fuels other than petroleum products; and
- (2) Authorizes or requires, as the case may be, the Department of Health to establish and collect fees for its environmental health administration programs.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs; Hawaii Gas; and the Blue Planet Foundation. Testimony in opposition to the measure was received from AES Hawaii. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; the Department of Taxation; the Department of Health; and the Tax Foundation of Hawaii.



Your Committee finds that this measure will ensure continued funding for government programs dedicated to reducing the State's reliance upon imported fossil fuels and imported food. Increasing the State's capacity to achieve food and energy security and self-sufficiency in a changing climate will slow the rate of increase in the State's cost of living, providing greater stability to the State's economy.

Your Committee has amended this measure by:

- (1) Removing all language authorizing or requiring the Department of Health to establish and collect additional fees for its environmental health programs;
- (2) Excluding from the fossil fuel tax only the coal that is used to fulfill a signed power purchase agreement between an independent power producer and an electric utility that is in effect as of June 30, 2015;
- (3) Authorizing independent power producers to pass the fossil fuel tax on to the electric utilities; and
- (4) Authorizing electric utilities to recover the cost of the fossil fuel tax through a surcharge.

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. 1471, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1471, H.D. 1, and be referred to the Committee on Finance.

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

  
CHRIS LEE, Chair

State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

**HSCR 529**

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

Bill/Resolution No.: <b>HB 1471</b>	Committee Referral: <b>EEP, FIN</b>	Date: <b>2/17/15</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)	✓			
2. LOWEN, Nicole E. (VC)	✓			
3. CULLEN, Ty J.K.	✓			
4. EVANS, Cindy	✓			
5. ING, Kaniela				✓
6. NISHIMOTO, Scott Y.	✓			
7. SAY, Calvin K.Y.	✓			
8. YAMANE, Ryan I.	✓			
9. POUHA, Feki				✓
10. THIELEN, Cynthia	✓			
<b>TOTAL (10)</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>2</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align:center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>Nicole E. Lowen</i></u>				
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