

STAND. COM. REP. NO.

1678

Honolulu, Hawaii

April 10, 2015

RE: S.B. No. 359
S.D. 1
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 Finance, to which was referred S.B. No. 359, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE ENVIRONMENTAL RESPONSE, ENERGY, AND FOOD SECURITY TAX,"

begs leave to report as follows:

The purpose of this measure is to amend the Environmental Response, Energy, and Food Security Tax, by:

- (1) Adjusting the allocation amounts of tax revenues to be deposited into the Environmental Response Revolving Fund, Energy Security Special Fund, and Agricultural Development and Food Security Special Fund;
- (2) Making permanent the Agricultural Development and Food Security Special Fund; and
- (3) Making permanent the amendments made to the Environmental Response Revolving Fund, Energy Security Special Fund, and the Environmental Response, Energy, and Food Security Tax by Act 73, Session Laws of Hawaii 2010.

SB359 HD1 HSCR FIN HMS 2015-3048



For the purposes of a public hearing on this bill, your Committee circulated a proposed S.B. No. 359, S.D.1, H.D. 1 (Proposed Draft), and notified the public that it would be accepting testimony on the Proposed Draft. The Proposed Draft, among other things:

- (1) Specifies that allocations of Environmental Response, Energy, and Food Security Tax revenues to the Environmental Response Revolving Fund shall cease on July 1, 2015;
- (2) Reverts the allocation amounts of Environmental Response, Energy, and Food Security Tax revenues to the Energy Security Special Fund and Agricultural Development and Food Security Special Fund to each fund's respective current level; and
- (3) Appropriates \$3,129,125 for fiscal year 2015-2016 and \$3,327,972 for fiscal year 2016-2017 for environmental programs and natural resource programs formerly supported by the allocation of Environmental Response, Energy, and Food Security Tax revenues to the Environmental Response Revolving Fund.

The Hawaii Energy Policy Forum, Board of Water Supply of the City and County of Honolulu, Hawaii Green Growth, and Hawaii Farm Bureau testified in support of this measure. The Department of Health, Department of Agriculture, and Tax Foundation of Hawaii provided comments.

Upon careful consideration of the merits of both S.B. No. 359 S.D. 1, as received by your Committee, and the Proposed Draft, your Committee has amended this measure by adopting the Proposed Draft with the following additional amendments:

- (1) Clarifying that the appropriation of funds for the fiscal biennium 2015-2017 for environmental programs and natural resource programs can be broken down as follows:
 - (A) \$1,315,108 for fiscal year 2015-2016 and \$1,361,143 for fiscal year 2016-2017 for environmental management (HTH840) for environmental programs and natural resource protection programs; and



- (B) \$1,924,044 for fiscal year 2015-2016 and \$1,966,829 for fiscal year 2016-2017 for environmental health administration (HTH849) for the administration of environmental programs and natural resource protection programs; 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. 359, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 359, S.D. 1, H.D. 1.

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



SYLVIA LUKE, Chair



