

Honolulu, Hawaii

FEB 12 2015

RE: S.B. No. 359

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Madam:

Your Committees on Energy and Environment and Agriculture, to which was referred S.B. No. 359 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the amount of the environmental response, energy, and food security tax collections to be deposited into the environmental response revolving fund, energy security special fund, and agricultural development and food security special fund; and
- (2) Make permanent the renaming of the environmental response tax to the environmental response, energy, and food security tax; the establishment of the agricultural development and food security special fund; amendments to the environmental response revolving fund and energy security special fund; and allocations of the environmental response, energy, and food security tax to the environmental response revolving fund, energy security special fund, energy systems development special fund, and agricultural development and food security special fund.

Your Committees received testimony in support of this measure from the Department of Agriculture, Department of Health, University of Hawaii - Hawaii Natural Energy Institute, Board of



Water Supply, Hawaii Farm Bureau, Renewable Energy Action Coalition of Hawaii, Ulupono Initiative, Nature Conservancy, and Blue Planet Foundation. Your Committees received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

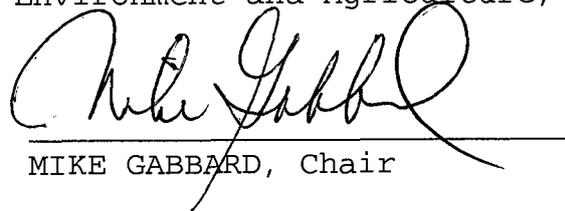
Your Committees find that the State is precariously dependent on imported food and energy. The environmental response, energy, and food security tax, also known as the barrel tax, is a vital revenue source that supports critical investments and initiatives in clean energy, local agricultural production, and environmental response. The implementation of this measure will reduce the State's dependence on imported fossil fuels and further the State's goals of food and energy self-reliance.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 359 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Energy and  
Environment and Agriculture,



RUSSELL E. RUDERMAN, Chair



MIKE GABBARD, Chair





