

Honolulu, Hawaii

Feb 29, 2008

RE: H.B. No. 3410
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 3410, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO BIODIESEL,"

begs leave to report as follows:

The purpose of this bill is to provide various market stimulation incentives for the development of biodiesel by:

- (1) Making available for lease state agricultural lands for biodiesel fuel crops;
- (2) Establishing a biodiesel preference for fuel for the state fleet;
- (3) Establishing a state biodiesel feedstock crop and biodiesel fuel purchasing program; and
- (4) Creating an income tax exemption for the income derived from the operation of an oil seed crushing facility.

Hawaiian Electric Company, Inc., Maui Electric Company, and Hawaii Electric Light Company testified in support of this bill. The Department of Agriculture, Department of Land and Natural Resources, Department of Taxation, Tax Foundation of Hawaii, and Imperium Renewables Hawaii LLC provided comments.

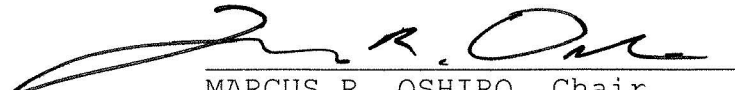


Your Committee has amended this bill by:

- (1) Changing the effective date to January 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for style, clarity, and consistency.

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 H.B. No. 3410, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3410, H.D. 2.

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


MARCUS R. OSHIRO, Chair



