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January 30, 2022

TO: Honorable Nicole E. Lowen, Chair
House Committee on Energy and Environmental Protection

FROM: Alice L. Lee
Council Chair

DATE: January 30, 2022

SUBJECT: **OPPOSE HB 1637, RELATING TO RENEWABLE ENERGY**

Thank you for the opportunity to testify in **OPPOSITION** to this measure. The purpose of this measure is to prohibit the counties from imposing a real property tax on land or land improvements used for the production or storage of renewable energy that is sold to an electric utility.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I **OPPOSE** this measure for the following reasons:

1. At the 1978 Constitutional Convention, it was recognized that counties should have more home rule. Real property taxes were established to be exclusively for county government use, and it remains the only mechanism where counties have the sole authority to generate revenue to fund county services.
2. This measure deprives the counties of self-rule and fails to appreciate the different challenges facing the different counties.
3. The impacts of property development are diverse, and the counties need the flexibility to respond as necessary. I urge the Legislature not to infringe on home rule; please leave the decision making on county property taxes to the counties.
4. Although the stated purpose of the bill is to provide more certainty for renewable energy developers, I feel that local authorities are best able to encourage such conformity rather than the State.

For the foregoing reasons, I **OPPOSE** this measure.