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# A BILL FOR AN ACT

RELATING TO GASOLINE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that there is a need to  
2 provide non-ethanol gasoline for use in boats, small gasoline-  
3 driven tools, and experimental and light-sport aircraft.

4           The legislature further finds that some boats have  
5 fiberglass fuel tanks which are not ethanol compatible.  
6 Fiberglass softening or tank leaks are possible. There have  
7 been reports of boats with older fiberglass tanks sustaining  
8 engine damage due to fiberglass resin compounds being carried by  
9 the fuel into the engine and deposited on intake valves.

10           Moreover, owners' manuals for some power equipment did not  
11 explicitly describe or allow the use of ethanol-blended gasoline  
12 at the time the equipment were manufactured.

13           The legislature further finds that the Federal Aviation  
14 Administration (FAA) has strict regulations in place that  
15 require only aviation grade fuels be used in certificated  
16 aircraft. There are supplemental type certificates (STC) in use  
17 that allow some "properly altered" aircraft to use automotive  
18 grade fuels. FAA Special Airworthiness Information Bulletin CE



1 07-06, dated 10/27/2006, states that gasoline containing ethanol  
2 is not acceptable unless specifically approved by the type  
3 certificate or STC. This also affects the Light Sport aircraft  
4 that use Rotax engines. Rotax has issued a notice not to use  
5 gasoline containing lead or ethanol in their engines.

6 The purpose of this Act is to require refiners to make  
7 available gasoline that does not contain ethanol for those who  
8 wish to purchase non-ethanol fuel.

9 SECTION 2. Chapter 486H, Hawaii Revised Statutes, is  
10 amended by adding two new sections to be appropriately  
11 designated and to read as follows:

12 **"§486H-A Gasoline; ethanol content by grade.** (a) Premium  
13 gasoline produced, imported, or sold in the State for use in  
14 motor vehicles shall contain no ethanol and shall otherwise meet  
15 all standards for such gasoline published by the American  
16 Society for Testing and Materials and the Society of Automotive  
17 Engineers, including an octane rating of ninety-one or greater.

18 (b) Mid-grade gasoline sold in the state for use in motor  
19 vehicles shall contain up to ten per cent ethanol by volume and  
20 shall otherwise meet all standards for such gasoline published  
21 by the American Society for Testing and Materials and the



1 Society of Automotive Engineers, including an octane rating  
2 greater than or equal to eighty-eight and less than ninety.

3 (c) Regular gasoline sold in the state for use in motor  
4 vehicles shall contain no less than ten per cent ethanol by  
5 volume and shall otherwise meet all standards for such gasoline  
6 published by the American Society for Testing and Materials and  
7 the Society of Automotive Engineers, including an octane rating  
8 greater than or equal to eighty-five and less than eighty-eight.

9 **§486H-B Ethanol content requirement.** (a) The director  
10 of business, economic development, and tourism shall adopt rules  
11 in accordance with chapter 91 to require that gasoline sold in  
12 the state for use in motor vehicles shall meet the ethanol  
13 content requirements set forth in section 486H-A. The amounts  
14 of gasoline sold in the state containing ten per cent ethanol  
15 shall be in accordance with rules as the director may deem  
16 appropriate. The director may authorize the sale of gasoline  
17 that does not meet these requirements as provided in subsection  
18 (d).

19 (b) Gasoline blended with an ethanol-based product, such  
20 as ethyl tertiary butyl ether, shall be considered to be in  
21 conformance with this section if the quantity of ethanol used in



1 the manufacture of the ethanol-based product represents ten per  
2 cent, by volume, of the finished motor fuel.

3 (c) Ethanol used in the manufacture of ethanol-based  
4 gasoline additives, such as ethyl tertiary butyl ether, may be  
5 considered to contribute to the distributor's conformance with  
6 this section; provided that the total quantity of ethanol used  
7 by the distributor is an amount equal to or greater than the  
8 amount of ethanol required under this section.

9 (d) The director may authorize the sale of gasoline that  
10 does not meet the provisions of this section:

11 (1) To the extent that sufficient quantities of  
12 competitively-priced ethanol are not available to meet  
13 the minimum requirements of this section; or

14 (2) In the event of any other circumstances for which the  
15 director determines compliance with this section would  
16 cause undue hardship.

17 (e) Each distributor, at reporting dates as the director  
18 may establish, shall file with the director, on forms  
19 prescribed, prepared, and furnished by the director, a certified  
20 statement showing:

21 (1) The price and amount of ethanol available;



- 1        (2) The amount of ethanol-blended fuel sold by the  
2            distributor;
- 3        (3) The amount of non-ethanol-blended gasoline sold by the  
4            distributor; and
- 5        (4) Any other information the director shall require for  
6            the purposes of compliance with this section.
- 7        (f) Provisions with respect to confidentiality of  
8        information shall be the same as provided in section 486J-6.
- 9        (g) Any distributor or any other person violating the  
10        requirements of this section shall be subject to a fine of not  
11        less than \$2 per gallon of nonconforming fuel, up to a maximum  
12        of \$10,000 per infraction.
- 13        (h) The director, in accordance with chapter 91, shall  
14        adopt rules for the administration and enforcement of this  
15        section."

16        SECTION 3. Chapter 486-H, Hawaii Revised Statutes, is  
17        amended by adding a new section to be appropriately designated  
18        and to read as follows:

19        "**§486H- Ethanol content requirement.** (a) The  
20        director of business, economic development, and tourism shall  
21        adopt rules in accordance with chapter 91 to require that  
22        gasoline sold in the state for use in motor vehicles contain ten



1 per cent ethanol by volume. The amounts of gasoline sold in the  
2 state containing ten per cent ethanol shall be in accordance  
3 with rules as the director may deem appropriate. The director  
4 may authorize the sale of gasoline that does not meet these  
5 requirements as provided in subsection (d).

6 (b) Gasoline blended with an ethanol-based product, such  
7 as ethyl tertiary butyl ether, shall be considered to be in  
8 conformance with this section if the quantity of ethanol used in  
9 the manufacture of the ethanol-based product represents ten per  
10 cent, by volume, of the finished motor fuel.

11 (c) Ethanol used in the manufacture of ethanol-based  
12 gasoline additives, such as ethyl tertiary butyl ether, may be  
13 considered to contribute to the distributor's conformance with  
14 this section; provided that the total quantity of ethanol used  
15 by the distributor is an amount equal to or greater than the  
16 amount of ethanol required under this section.

17 (d) The director may authorize the sale of gasoline that  
18 does not meet the provisions of this section:

19 (1) To the extent that sufficient quantities of  
20 competitively-priced ethanol are not available to meet  
21 the minimum requirements of this section; or



1       (2) In the event of any other circumstances for which the  
2           director determines compliance with this section would  
3           cause undue hardship.

4       (e) Each distributor, at reporting dates as the director  
5       may establish, shall file with the director, on forms  
6       prescribed, prepared, and furnished by the director, a certified  
7       statement showing:

8           (1) The price and amount of ethanol available;

9           (2) The amount of ethanol-blended fuel sold by the  
10           distributor;

11           (3) The amount of non-ethanol-blended gasoline sold by the  
12           distributor; and

13           (4) Any other information the director shall require for  
14           the purposes of compliance with this section.

15       (f) Provisions with respect to confidentiality of  
16       information shall be the same as provided in section 486J-6.

17       (g) Any distributor or any other person violating the  
18       requirements of this section shall be subject to a fine of not  
19       less than \$2 per gallon of nonconforming fuel, up to a maximum  
20       of \$10,000 per infraction.



1       (h) The director, in accordance with chapter 91, shall  
2 adopt rules for the administration and enforcement of this  
3 section."

4       SECTION 4. Chapter 486H-1, Hawaii Revised Statutes, is  
5 amended by adding four new definitions to be appropriately  
6 inserted and to read as follows:

7       "Comparable grade" means the grade, based on octane  
8 rating, of the finished (blended) fuel.

9       "Mid-grade" means gasoline having an octane rating greater  
10 than or equal to eighty-eight and less than or equal to ninety.

11       "Premium" means gasoline having an octane rating greater  
12 than ninety.

13       "Regular" means gasoline having an octane rating greater  
14 than or equal to eighty-five and less than eighty-eight."

15       SECTION 5. Section 486J-10, Hawaii Revised Statutes, is  
16 repealed.

17       ~~["**486J-10 Ethanol content requirement.** (a) The director~~  
18 ~~shall adopt rules in accordance with chapter 91 to require that~~  
19 ~~gasoline sold in the State for use in motor vehicles contain ten~~  
20 ~~per cent ethanol by volume. The amounts of gasoline sold in the~~  
21 ~~State containing ten per cent ethanol shall be in accordance~~  
22 ~~with rules as the director may deem appropriate. The director~~





1 ~~may authorize the sale of gasoline that does not meet these~~  
2 ~~requirements as provided in subsection (d).~~

3 ~~(b) Gasoline blended with an ethanol-based product, such~~  
4 ~~as ethyl tertiary butyl ether, shall be considered to be in~~  
5 ~~conformance with this section if the quantity of ethanol used in~~  
6 ~~the manufacture of the ethanol-based product represents ten per~~  
7 ~~cent, by volume, of the finished motor fuel.~~

8 ~~(c) Ethanol used in the manufacture of ethanol-based~~  
9 ~~gasoline additives, such as ethyl tertiary butyl ether, may be~~  
10 ~~considered to contribute to the distributor's conformance with~~  
11 ~~this section; provided that the total quantity of ethanol used~~  
12 ~~by the distributor is an amount equal to or greater than the~~  
13 ~~amount of ethanol required under this section.~~

14 ~~(d) The director may authorize the sale of gasoline that~~  
15 ~~does not meet the provisions of this section.~~

16 ~~(1) To the extent that sufficient quantities of~~  
17 ~~competitively priced ethanol are not available to meet~~  
18 ~~the minimum requirements of this section; or~~

19 ~~(2) In the event of any other circumstances for which the~~  
20 ~~director determines compliance with this section would~~  
21 ~~cause undue hardship.~~



1       ~~(e) Each distributor, at reporting dates as the director~~  
2 ~~may establish, shall file with the director, on forms~~  
3 ~~prescribed, prepared, and furnished by the director, a certified~~  
4 ~~statement showing:~~

5       ~~(1) The price and amount of ethanol available;~~

6       ~~(2) The amount of ethanol blended fuel sold by the~~  
7             ~~distributor;~~

8       ~~(3) The amount of non-ethanol blended gasoline sold by the~~  
9             ~~distributor; and~~

10       ~~(4) Any other information the director shall require for~~  
11            ~~the purposes of compliance with this section.~~

12       ~~(f) Provisions with respect to confidentiality of~~  
13 ~~information shall be the same as provided in section 486J-6.~~

14       ~~(g) Any distributor or any other person violating the~~  
15 ~~requirements of this section shall be subject to a fine of not~~  
16 ~~less than \$2 per gallon of nonconforming fuel, up to a maximum~~  
17 ~~of \$10,000 per infraction.~~

18       ~~(h) The director, in accordance with chapter 91, shall~~  
19 ~~adopt rules for the administration and enforcement of this~~  
20 ~~section." ]~~

21       SECTION 6. In codifying the new sections added by section  
22 2 of this Act, the revisor of statutes shall substitute



1 appropriate section numbers for the letters used in designating  
2 the new sections in this Act.

3 SECTION 7. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5 SECTION 8. This Act shall take effect upon its approval;  
6 provided that:

7 (1) On July 1, 2011, section 2 of this Act shall be  
8 repealed; and

9 (2) Section 3 of this Act shall take effect on July 1,  
10 2011.



**Report Title:**

Gasoline Dealers; Ethanol

**Description:**

Requires gasoline sold in the state to have ethanol content of at least ten per cent, up to ten percent, and no ethanol, depending on the grade of gasoline. (HB791 HD1)

