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# A BILL FOR AN ACT

RELATING TO ENVIRONMENTAL RESPONSE TAX.

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

1           SECTION 1. The legislature finds that resources are needed  
2 to help reduce imported fossil fuel use and to transition the  
3 State to clean energy and indigenous energy sources. Funding is  
4 needed to support research to further the requirements of  
5 Hawaii's new greenhouse gas limit in Act 234, Session Laws of  
6 Hawaii 2007. The department of health also requires additional  
7 funding for greenhouse gas planning and environmental  
8 enforcement.

9           The legislature further finds that there is a clear nexus  
10 between oil consumption and greenhouse gas environmental impact.  
11 Currently, a 5-cent fee is charged for every barrel of oil sold  
12 in the State. This fee is deposited into the environmental  
13 response revolving fund, a fund that was set up to provide  
14 emergency funding for rapid response in the event of a large oil  
15 spill. The fund was later amended to allow it to be used for  
16 other environmental and energy purposes, including addressing  
17 concerns relating to global warming.



1           The purpose of this Act is to increase the environmental  
2 response tax to 25 cents per barrel to provide needed funding  
3 for energy conservation and alternative energy development,  
4 global warming initiatives, and other programs pursuant to  
5 section 128D, Hawaii Revised Statutes.

6           SECTION 2. Section 243-3.5, Hawaii Revised Statutes, is  
7 amended by amending subsection (a) to read as follows:

8           "(a) In addition to any other taxes provided by law,  
9 subject to the exemptions set forth in section 243-7, there is  
10 hereby imposed at times provided in section 128D-2 a state  
11 environmental response tax of [~~5~~] 25 cents on each barrel or  
12 fractional part of a barrel of petroleum product sold by a  
13 distributor to any retail dealer or end user, other than a  
14 refiner, of petroleum product; provided that                   cents of  
15 the tax on each barrel shall be used pursuant to section 128D-2  
16 to address concerns relating to drinking water. The tax imposed  
17 by this subsection shall be paid by the distributor of the  
18 petroleum product."

19           SECTION 3. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.

21           SECTION 4. This Act shall take effect on July 1, 2050.



**Report Title:**

Environmental Response Tax; Petroleum Products

**Description:**

Increases the state environmental response tax on petroleum in order to increase funding available for energy conservation, alternative energy development, global warming initiatives, and other programs pursuant to section 128D, HRS. (SD1)

