
A BILL FOR AN ACT

RELATING TO GOVERNMENT.

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

1 PART I

2 SECTION 1. Hawaii is at a crossroads. As the most
3 geographically isolated state in the country, we are dangerously
4 dependent on external sources for basic food and energy needs.
5 We import about eighty-five per cent of our food and ninety-five
6 per cent of our energy. Each year, approximately fifty million
7 barrels of crude oil valued at \$7,000,000,000 are imported from
8 foreign nations. The mass consumption of fossil fuels
9 contributes to global warming and the deterioration of the
10 environment. Although Hawaii is home to renewable energy
11 resources like solar, wind, ocean, and geothermal, we as a
12 community have not taken advantage of alternative energy and
13 energy efficiency solutions to make our state more energy
14 independent. As an example, despite year-round sunshine, only
15 thirty per cent of Hawaii's residents have solar water heaters.

16 Similarly, the reliance on imported food leaves our people
17 with a fresh supply of produce for no more than ten days.

18 Currently, ninety per cent of the beef, sixty-seven per cent of



1 fresh vegetables, and sixty-five per cent of fresh fruits
2 consumed in this state are imported. In 1984, Hawaii produced
3 one hundred per cent of the milk consumed in the state, but
4 today, local production only meets thirty per cent of our needs.
5 While it may be impracticable or unattainable for Hawaii to
6 produce one hundred per cent of its food, the risks and costs to
7 society cannot be ignored. The rising cost of shipping and
8 transportation associated with the price of oil creates a highly
9 inefficient local economy. Comparatively, the production and
10 consumption of local food keeps money in our community, reduces
11 the demand for transportation fuel, and decreases the
12 vulnerability to food supply disruptions caused by natural
13 disasters or worldwide economic events.

14 Now is the time for bold action to squarely address
15 Hawaii's energy and food requirements. It will require the
16 long-term commitment, dedication, and investment of government,
17 the private sector, and Hawaii's people to dramatically shift
18 the course of direction towards a more energy independent and
19 agriculturally sustainable society. As a state and as a people,
20 we must decide whether we will continue to be dependent on
21 external sources for our basic needs, or whether we will build,
22 invest in, and develop the capacity to become food and energy



1 independent. The legislature believes that it is in the best
2 interest of Hawaii's people that we build the capacity to become
3 energy and food self-sufficient.

4 Hawaii has been at a crossroads before. Three decades ago,
5 Hawaii's government, business, and labor leaders chose to
6 bolster our economy by making Hawaii a world-class tourism
7 destination. The Hawaii State Plan and tourism functional plan
8 laid the policy and planning framework to move the state in that
9 direction. Hundreds of millions of dollars were invested in
10 roads, airports, harbors, and infrastructure to develop tourism
11 destinations throughout the state. Lands were urbanized.
12 Government agencies were created. Special funds and taxing
13 authorities were established to provide financial resources to
14 support marketing and promotional tourism activities that now
15 make Hawaii one of the premier visitor destinations in the
16 world, attracting over seven million visitors per year.

17 Similarly, when the legislature found the silent invasion
18 of Hawaii by alien invasive species to be a significant threat
19 to Hawaii's economy, natural environment, and the health and
20 lifestyle of Hawaii's people and visitors, the legislature
21 provided the statutory authority to the Hawaii invasive species
22 council to continue its special purpose to focus, foster, and



1 organize coordinated approaches among various executive
2 departments, federal agencies, and international and local
3 initiatives for the prevention and control of invasive species.
4 While that approach did not create any new function of
5 government, the lack of resources has made it difficult for the
6 council and its partners to carry out their duties.

7 Today, as Hawaii is engulfed by the realities of a global
8 economy, we must take bold steps to control our destiny by
9 ensuring that our basic energy and food security needs are
10 locally produced and met by ensuring a long-term strategy that
11 is well-resourced, coordinated, and focused.

12 The legislature finds that if Hawaii is to truly realize
13 its vision and desire for an energy independent and
14 agriculturally sustainable society, government must lead the
15 way. A strategic and long-term commitment must be made to
16 invest in infrastructure, incentivize and guide private action,
17 and advance and accelerate energy and food security initiatives.

18 The purpose of this Act is to create a Hawaii energy and
19 food security task force to advise the legislature on the
20 development of an overall roadmap and action plan to achieve, to
21 the degree possible and practicable, food and energy
22 independence and sustainability for the state. In so doing, the



1 task force would also examine economic development, workforce,
2 and consumer education issues relating to the production of food
3 and energy.

4 The legislature intends that the task force take an
5 interdisciplinary approach to seeking the most efficient and
6 effective pathways for interagency coordination, working
7 collaboratively with all levels of government and the private
8 and nonprofit sectors to address and balance water, land,
9 regulatory, and natural resource issues intertwined with food
10 and fuel production. Such an approach ensures that energy and
11 food policy development is integrated within the overall
12 economic, social, environmental, and cultural aspects of
13 society. With an understanding of these overlapping goals and
14 resources, our state can maximize the opportunities to ensure
15 food and energy security for generations to come. The
16 legislature also intends that the task force maximize public-
17 private partnerships, at both the state and county levels.

18 The legislature finds that undertaking this important task
19 of energy and food security requires substantial financial
20 resources. An investment and long-term commitment by the State
21 must be made. To that end, this Act also increases the per-
22 barrel tax on imported oil under the environmental response and



1 energy and food security tax, formerly known as the
2 environmental response tax.

3 PART II

4 SECTION 2. Section 128D-2, Hawaii Revised Statutes, is
5 amended to read as follows:

6 **"§128D-2 Environmental response revolving fund; uses. (a)**

7 There is created within the state treasury an environmental
8 response revolving fund, which shall consist of moneys
9 appropriated to the fund by the legislature, moneys paid to the
10 fund as a result of departmental compliance proceedings, moneys
11 paid to the fund pursuant to court-ordered awards or judgments,
12 moneys paid to the fund in court-approved or out-of-court
13 settlements, all interest attributable to investment of money
14 deposited in the fund, moneys generated by the environmental
15 response and energy and food security tax established in section
16 243-3.5, and moneys allotted to the fund from other sources;
17 provided that when the total balance of the fund exceeds
18 \$20,000,000, the department of health shall notify the
19 department of taxation of this fact in writing within ten days.
20 The department of taxation then shall notify all distributors
21 liable for collecting the tax imposed by section 243-3.5 of this
22 fact in writing, and the imposition of the tax shall be



1 discontinued beginning the first day of the second month
2 following the month in which notice is given to the department
3 of taxation. If the total balance of the fund thereafter
4 declines to less than \$3,000,000, the department of health shall
5 notify the department of taxation which then shall notify all
6 distributors liable for collecting the tax imposed by section
7 243-3.5 of this fact in writing, and the imposition of the tax
8 shall be reinstated beginning the first day of the second month
9 following the month in which notice is given to the department
10 of taxation.

11 (b) Moneys from the fund shall be expended by the
12 department for response actions and preparedness, including
13 removal and remedial actions, consistent with this chapter;
14 provided that the revenues generated by the [~~environmental~~
15 ~~response tax~~] environmental response and energy and food
16 security tax and deposited into the environmental response
17 revolving fund:

18 (1) Shall also be used:

19 (A) For oil spill planning, prevention, preparedness,
20 education, research, training, removal, and
21 remediation;



1 (B) For direct support for county used oil recycling
2 programs; and

3 (C) For deposit into the energy security special
4 fund, established under section 201-12.8, as may
5 be appropriated by the legislature; and

6 (2) May also be used to support environmental protection
7 and natural resource protection programs, including
8 but not limited to energy conservation and alternative
9 energy development, and to address concerns related to
10 air quality, global warming, clean water, polluted
11 runoff, solid and hazardous waste, drinking water, and
12 underground storage tanks, including support for the
13 underground storage tank program of the department and
14 funding for the acquisition by the State of a soil
15 remediation site and facility."

16 SECTION 3. Section 243-3.5, Hawaii Revised Statutes, is
17 amended as follows:

18 1. By amending its title and subsection (a) to read:

19 "**§243-3.5 Environmental response and energy and food**

20 **security tax; uses.** (a) In addition to any other taxes
21 provided by law, subject to the exemptions set forth in section
22 243-7, there is hereby imposed [~~at times provided in section~~



1 ~~128D-2~~] a state environmental response and energy and food
2 security tax of [~~5 cents~~] \$1 on each barrel or fractional part
3 of a barrel of petroleum product sold by a distributor to any
4 retail dealer or end user, other than a refiner, of petroleum
5 product; provided that:

6 (1) 5 cents of the tax on each barrel shall be used
7 pursuant to section 128D-2 to address concerns
8 relating to drinking water~~[-]~~;

9 (2) 2.5 cents of the tax on each barrel shall be used
10 pursuant to section 304A-2169 for the purposes of the
11 energy systems development special fund; and

12 (3) _____ cents of the tax on each barrel shall be used as
13 provided by law.

14 The tax imposed by this subsection shall be paid by the
15 distributor of the petroleum product."

16 2. By amending subsection (c) to read:

17 "(c) Notwithstanding section 248-8 to the contrary, the
18 environmental response and energy and food security tax
19 collected under this section shall be paid over to the director
20 of finance for deposit into the environmental response revolving
21 fund established by section 128D-2~~[-]~~, the energy systems



1 development special fund established by section 304A-2169, and
2 as provided by law."

3 PART III

4 SECTION 4. (a) There is established within the department
5 of business, economic development, and tourism for
6 administrative purposes a Hawaii energy and food security task
7 force that shall develop and maintain a broad overview of energy
8 and food security issues that applies an interdisciplinary
9 approach to ensuring that energy and food policy development is
10 integrated within the overall economic, social, environmental,
11 and cultural aspects of society. The task force shall:

12 (1) Identify and review each state and county agency's
13 policy objective, mandates, organizational structure,
14 and resources to address energy and food security
15 issues;

16 (2) Identify all federal and private funds available to
17 the State and counties to address energy and food
18 security issues;

19 (3) Identify effective measures for interagency
20 cooperation, to coordinate efforts with the counties
21 and bolster public and private sector partnerships to
22 achieve the objective of energy and food security;



- 1 (4) Identify existing programs and agreements addressing
2 energy and food security that may be enhanced through
3 legislation proposed by the task force;
- 4 (5) Investigate alternative institutional mechanisms to
5 promote the efficient execution and implementation of
6 a multi-year strategy to achieve energy and food
7 security;
- 8 (6) Investigate the streamlining of administrative
9 processes to achieve energy and food security;
- 10 (7) Provide an appropriate forum for all affected or
11 interested parties to address energy and food security
12 issues;
- 13 (8) Recommend appropriate legislation resulting from the
14 task force's findings to achieve the objective of
15 energy and food security; and
- 16 (9) Perform any other function necessary to effectuate the
17 purposes of this Act.
- 18 (b) The task force shall consist of the following members:
- 19 (1) The director of business, economic development, and
20 tourism, or the director's designee;
- 21 (2) The chairperson of the board of agriculture, or the
22 chairperson's designee;



- 1 (3) The director of the office of planning, or the
2 director's designee;
- 3 (4) A representative from the agribusiness development
4 corporation;
- 5 (5) The chairperson of the board of land and natural
6 resources, or the chairperson's designee;
- 7 (6) The dean of the University of Hawaii college of
8 tropical agriculture and human resources, or the
9 dean's designee;
- 10 (7) The dean of the University of Hawaii school of ocean
11 and earth science and technology, or the dean's
12 designee;
- 13 (8) The speaker of the house of representatives, or the
14 speaker's designee;
- 15 (9) The president of the senate, or the president's
16 designee;
- 17 (10) One member from each county, appointed by the
18 respective county mayor; and
- 19 (11) A representative from each county economic development
20 board.



1 (c) Members of the task force shall serve without
2 compensation but shall be reimbursed for expenses, including
3 travel expenses, necessary for the performance of their duties.

4 (d) The public policy center of the University of Hawaii
5 shall provide staff support to the task force, at the request of
6 the task force.

7 (e) The department of business, economic development, and
8 tourism may contract with the University of Hawaii college of
9 social sciences for any services to support the work of the task
10 force.

11 (f) The task force shall submit a report of its findings
12 and recommendations, including any proposed legislation, to the
13 legislature no later than twenty days prior to the convening of
14 the regular session of 2011.

15 (g) The task force shall cease to exist on June 30, 2012.

16 SECTION 5. There is appropriated out of the energy systems
17 development special fund the sum of \$250,000 or so much thereof
18 as may be necessary for fiscal year 2009-2010 and the same sum
19 or so much thereof as may be necessary for fiscal year 2010-2011
20 for the purpose of supporting the work of the Hawaii energy and
21 food security task force.



Report Title:

Food and Energy Security

Description:

Establishes the Hawaii Energy and Food Security Task Force to address Hawaii's energy and food security needs. Increases the tax collected on each barrel of imported oil, and allocates a portion thereof for energy security uses. (HB1271 HD2)

