

JAN 23 2009

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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 the intent of the  
2 ten per cent ethanol requirement under section 486J-10, Hawaii  
3 Revised Statutes, was to provide energy independence from  
4 foreign oil, reduce statewide gasoline consumption, and  
5 establish industrial plants to produce ethanol locally.

6           The State of Hawaii imports all of its ethanol from  
7 overseas, along with crude oil. Since 2006, Hawaii has required  
8 that gasoline sold in the State include ten per cent ethanol.  
9 Despite, several planned ethanol plants and an abundance of  
10 vacant sugar cane land, no plants have been built. The  
11 legislature finds that the intent of section 486J-10, Hawaii  
12 Revised Statutes, remains unfulfilled.

13           The purpose of this Act is to repeal the requirement that  
14 gasoline sold in the State include ten per cent ethanol.

15           SECTION 2. Section 486J-10, Hawaii Revised Statutes, is  
16 repealed.



1       ~~["§486J-10 Ethanol content requirement. (a) The director~~  
2 ~~shall adopt rules in accordance with chapter 91 to require that~~  
3 ~~gasoline sold in the State for use in motor vehicles contain ten~~  
4 ~~per cent ethanol by volume. The amounts of gasoline sold in the~~  
5 ~~State containing ten per cent ethanol shall be in accordance~~  
6 ~~with rules as the director may deem appropriate. The director~~  
7 ~~may authorize the sale of gasoline that does not meet these~~  
8 ~~requirements as provided in subsection (d).~~

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

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

20       ~~(d) The director may authorize the sale of gasoline that~~  
21 ~~does not meet the provisions of this section:~~



- 1       ~~(1) To the extent that sufficient quantities of~~  
2               ~~competitively priced ethanol are not available to meet~~  
3               ~~the minimum requirements of this section; or~~
- 4       ~~(2) In the event of any other circumstances for which the~~  
5               ~~director determines compliance with this section would~~  
6               ~~cause undue hardship.~~
- 7       ~~(c) Each distributor, at reporting dates as the director~~  
8       ~~may establish, shall file with the director, on forms~~  
9       ~~prescribed, prepared, and furnished by the director, a certified~~  
10       ~~statement showing:~~
- 11       ~~(1) The price and amount of ethanol available;~~  
12       ~~(2) The amount of ethanol blended fuel sold by the~~  
13               ~~distributor;~~
- 14       ~~(3) The amount of non ethanol blended gasoline sold by the~~  
15               ~~distributor; and~~
- 16       ~~(4) Any other information the director shall require for~~  
17               ~~the purposes of compliance with this section.~~
- 18       ~~(f) Provisions with respect to confidentiality of~~  
19       ~~information shall be the same as provided in section 486J 6.~~
- 20       ~~(g) Any distributor or any other person violating the~~  
21       ~~requirements of this section shall be subject to a fine of not~~



1 ~~less than \$2 per gallon of nonconforming fuel, up to a maximum~~  
2 ~~of \$10,000 per infraction.~~

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

6 SECTION 3. Statutory material to be repealed is bracketed  
7 and stricken.

8 SECTION 4. This Act shall take effect on July 1, 2009.  
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**Report Title:**

Fuel; Gasoline; Ethanol; Ten Per Cent Requirement; Repeal

**Description:**

Repeals section 486-J10, ten per cent ethanol by volume requirement for gasoline sold in Hawaii for use in motor vehicles.

