
A BILL FOR AN ACT

RELATING TO FUEL TAXES.

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

1 SECTION 1. The legislature finds that the portion of the
2 environmental response, energy, and food security tax being
3 allocated to support energy security and agricultural
4 development and food security is not adequate to support vital
5 and necessary programs.

6 The legislature further finds that the funds allocated into
7 the energy security special fund will not be sufficient to fund
8 the energy division staff of the department of business,
9 economic development, and tourism in the fiscal year beginning
10 on July 1, 2012. For the fiscal year ending on June 30, 2011, a
11 majority of the staff funding is being supplied by the remaining
12 balance in the petroleum violation trust fund and funds from the
13 American Recovery and Reinvestment Act.

14 The legislature further finds that the funds being
15 allocated into the agricultural development and food security
16 special fund must be increased to address increased incidents
17 involving the introduction of invasive species. The recent
18 discovery of the coffee berry borer beetle on the island of



1 Hawaii requires immediate and ongoing action to protect the
2 State's coffee industry.

3 The purpose of this Act is to:

4 (1) Add funding to increase the State's food self-
5 sufficiency and to sustain programs to the maximum
6 extent feasible; and

7 (2) Add funding to ensure the staffing levels within the
8 energy division of the department of business,
9 economic development, and tourism needed to support
10 and maintain the policies of Hawaii's clean energy
11 initiative.

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

14 "(a) In addition to any other taxes provided by law,
15 subject to the exemptions set forth in section 243-7, there is
16 hereby imposed a state environmental response, energy, and food
17 security tax on each barrel or fractional part of a barrel of
18 petroleum product sold by a distributor to any retail dealer or
19 end user of petroleum product, other than a refiner. The tax
20 shall be [~~\$1.05~~] \$2.05 on each barrel or fractional part of a
21 barrel of petroleum product that is not aviation fuel; provided
22 that of the tax collected pursuant to this subsection:



1 (1) 5 cents of the tax on each barrel shall be deposited
2 into the environmental response revolving fund
3 established under section 128D-2;

4 (2) [~~15~~] 65 cents of the tax on each barrel shall be
5 deposited into the energy security special fund
6 established under section 201-12.8;

7 (3) 10 cents of the tax on each barrel shall be deposited
8 into the energy systems development special fund
9 established under section 304A-2169; and

10 (4) [~~15~~] 65 cents of the tax on each barrel shall be
11 deposited into the agricultural development and food
12 security special fund established under section 141-
13 10.

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

16 SECTION 3. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 4. This Act shall take effect on July 1, 2011.

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INTRODUCED BY: *Denny Coffman*
JAN 26 2011



Report Title:

Fuel Taxes; Increase

Description:

Raises the environmental response, energy, and food security tax and distributes revenues from the increase in the tax to the energy security special fund and the agricultural development and food security special fund.

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