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# A BILL FOR AN ACT

RELATING TO SUSTAINABILITY.

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

1           SECTION 1. The legislature finds that the State needs to  
2 direct new revenues toward new priorities and move immediately  
3 to drive the clean energy and food sustainability agenda in  
4 Hawaii. The State of Hawaii relies on imports for approximately  
5 ninety per cent of its energy and food needs. This dependency  
6 is economically and environmentally unsustainable, and achieving  
7 the important task of energy and food security requires a  
8 long-term commitment and investment of substantial financial  
9 resources.

10           Through Act 73, Session Laws of Hawaii 2010, the  
11 legislature recognized that it is in the best interest of  
12 Hawaii's people to build the capacity needed to become  
13 self-sufficient in our energy and food needs as stated in the  
14 "Hawaii 2050 Sustainability Plan" and the "Hawaii Clean Energy  
15 Initiative". Specifically, Act 73 increased the per-barrel tax  
16 on petroleum products under the environmental response, energy,  
17 and food security tax, formerly known as the environmental  
18 response tax.



1           The legislature further finds and declares that the  
2 environmental response, energy, and food security tax was  
3 intended to support critical investments in clean energy and  
4 local agricultural production to reduce the State's dependence  
5 on imported fossil fuels and food products. As currently  
6 apportioned, only a total of 30 cents of the \$1.05-per-barrel  
7 tax is being allocated to the energy security fund and the  
8 agricultural development and food security special fund, with  
9 just 15 cents going to each fund, while the majority of the  
10 funds, 60 cents per barrel, are deposited to the general fund.  
11 The legislature finds that this was clearly not the intent of  
12 Act 73.

13           The legislature further finds that Hawaii is especially  
14 vulnerable to the impacts of a changing climate and that  
15 increased temperatures and rising sea levels can threaten the  
16 State's ecosystems, infrastructure, and economy. The climate  
17 change task force was created by Act 20, Special Session Laws of  
18 Hawaii 2009, in order to assess the potential impacts and  
19 explore strategies for mitigating and adapting to these impacts,  
20 but the funds appropriated for the task force were never  
21 released; thus, the task force never convened, and its important



1 work was never performed. Pursuant to Act 20, the Task Force  
2 will expire as of June 30, 2011.

3 The purpose of this Act is to increase the allocated amount  
4 of the environmental response, energy, and food security tax for  
5 the energy security special fund and the agricultural  
6 development and food security special fund from 15 cents of the  
7 tax on each barrel to 44.75 cents of the tax on each barrel in  
8 order to support the intended purposes of Act 73, to extend the  
9 existence of the climate change task force established by  
10 Act 20, Special Session Laws of Hawaii 2009, until June 30,  
11 2013, and allocate 0.5 cent of the tax on each barrel for its  
12 operations.

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

15 "(a) In addition to any other taxes provided by law,  
16 subject to the exemptions set forth in section 243-7, there is  
17 hereby imposed as state environmental response, energy, and food  
18 security tax on each barrel or fractional part of a barrel of  
19 petroleum product sold by a distributor to any retail dealer or  
20 end user of petroleum product, other than a refiner. The tax  
21 shall be \$1.05 on each barrel or fractional part of a barrel of



1 petroleum product that is not aviation fuel; provided that of  
2 the tax collected pursuant to this subsection:

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

6 (2) [~~15~~] 44.75 cents of the tax on each barrel shall be  
7 deposited into the energy security special fund  
8 established under section 201-12.8;

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

12 (4) [~~15~~] 44.75 cents of the tax on each barrel shall be  
13 deposited into the agricultural development and food  
14 security special fund established under section  
15 141-10[-]; and

16 (5) 0.5 cent of the tax on each barrel shall be deposited  
17 into a special account of the general fund to be  
18 expended by the office of planning for the operations  
19 of the climate change task force established by  
20 Act 20, Special Session Laws of Hawaii 2009.

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



1 SECTION 3. Act 20, Special Session Laws of Hawaii 2009,  
2 section 2 is amended by amending subsection (c) to read as  
3 follows:

4 "(c) The task force shall:

5 (1) Submit a preliminary report of its findings and  
6 recommendations, including any proposed legislation,  
7 to the legislature no later than twenty days prior to  
8 the convening of the regular session of [~~2010~~] 2012;  
9 and

10 (2) Submit a final report of its findings and  
11 recommendations, including any proposed legislation,  
12 to the legislature no later than twenty days prior to  
13 the convening of the regular session of [~~2011~~] 2013."

14 SECTION 4. Act 20, Special Session Laws of Hawaii 2009,  
15 section 2, is amended by amending subsection (e) to read as  
16 follows:

17 "(e) The task force shall cease to exist on June 30,  
18 [~~2011~~] 2013."

19 SECTION 5. There is appropriated out of any portion of the  
20 environmental response, energy, and food security tax collected  
21 and allocated to the climate change task force, pursuant to  
22 section 243-3.5, Hawaii Revised Statutes, one hundred per cent



1 of that portion or so much thereof as may be necessary for  
2 fiscal year 2011-2012 and the same sum or so much thereof as may  
3 be necessary for fiscal year 2012-2013 for the purposes of this  
4 Act.

5 The sums appropriated shall be expended by the office of  
6 planning for the purposes of this Act.

7 SECTION 6. This Act does not affect the rights and duties  
8 that matured, penalties that were incurred, and proceedings that  
9 were begun, before its effective date.

10 SECTION 7. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12 SECTION 8. This Act shall take effect on June 29, 2011;  
13 provided that the amendments made to section 243-3.5(a), Hawaii  
14 Revised Statutes, by section 2 of this Act shall not be repealed  
15 when that section is reenacted on June 30, 2015, pursuant to  
16 section 14 of Act 73, Session Laws of Hawaii 2010.

17



**Report Title:**

Environmental Response, Energy, and Food Security Tax; Energy Security Special Fund; Agricultural Development Special Fund; Climate Change Task Force (\$)

**Description:**

Authorizes the revision of allocation from the Environmental Response, Energy, and Food Security Tax. Extends the existence of the Climate Change Task Force until 6/30/13. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

