
A BILL FOR AN ACT

RELATING TO THE ENVIRONMENTAL RESPONSE, ENERGY, AND FOOD
SECURITY TAX.

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

1 SECTION 1. The purpose of this Act is to ensure that the
2 State provides adequate funding to plan for the necessary
3 changes required under the Hawaii Clean Energy Initiative.
4 Currently, the allotted funds are inadequate to meet the clean
5 energy needs of the State. Specifically, more funding should be
6 directed towards researching locations of geothermal resource
7 subzones.

8 SECTION 2. Section 201-12.8, Hawaii Revised Statutes, is
9 amended by amending subsection (b) to read as follows:

10 "(b) Subject to legislative appropriation, moneys from the
11 fund may be expended by the department of business, economic
12 development, and tourism for the following purposes and used for
13 no other purposes, except for those set forth in this section:

14 (1) To support the Hawaii clean energy initiative program,
15 including its energy division, including funding staff
16 positions within the division, and projects that
17 ensure dependable, efficient, and economical energy,



1 promote energy self-sufficiency, and provide greater
 2 energy security for the State; provided that, of the
 3 revenues derived pursuant to section 243-3.5(a)(2), at
 4 least \$ _____ shall be expended per fiscal year on
 5 researching viable geothermal resource subzone
 6 locations;

7 (2) To fund the renewable energy facilitator pursuant to
 8 section 201-12.5 and any other positions necessary for
 9 the purposes of paragraph (1) as determined by the
 10 legislature; and

11 (3) To fund, to the extent possible, the greenhouse gas
 12 emissions reduction task force, climate change task
 13 force, grants-in-aid to the economic development
 14 boards of each county, and grants-in-aid to economic
 15 development agencies of each county to meet the stated
 16 objectives of the Hawaii clean energy initiative
 17 program."

18 SECTION 3. Section 243-3.5, Hawaii Revised Statutes, is
 19 amended by amending subsection (a) to read as follows:

20 "(a) In addition to any other taxes provided by law,
 21 subject to the exemptions set forth in section 243-7, there is
 22 hereby imposed a state environmental response, energy, and food



1 security tax on each barrel or fractional part of a barrel of
2 petroleum product sold by a distributor to any retail dealer or
3 end user of petroleum product, other than a refiner. The tax
4 shall be \$1.05 on each barrel or fractional part of a barrel of
5 petroleum product that is not aviation fuel; provided that of
6 the tax collected pursuant to this subsection:

- 7 (1) [~~5~~] _____ cents of the tax on each barrel shall be
8 deposited into the environmental response revolving
9 fund established under section 128D-2;
- 10 (2) [~~15~~] _____ cents of the tax on each barrel shall be
11 deposited into the energy security special fund
12 established under section 201-12.8;
- 13 (3) 10 cents of the tax on each barrel shall be deposited
14 into the energy systems development special fund
15 established under section 304A-2169; and
- 16 (4) 15 cents of the tax on each barrel shall be deposited
17 into the agricultural development and food security
18 special fund established under section 141-10.

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

21 SECTION 4. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.



H.B. NO. 2261

1 SECTION 5. This Act shall take effect on July 1, 2012, and
2 shall be repealed on June 30, 2015; provided that on June 30,
3 2015, section 201-12.8 and section 243-3.5, Hawaii Revised
4 Statutes, shall be reenacted in the form in which those sections
5 read on June 30, 2010.

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INTRODUCED BY: *Denny Coffman*

JAN 20 2012



H.B. NO. 2261

Report Title:

Environmental response, energy, and food security tax

Description:

Increases the amount of the barrel tax to be deposited into the environmental response revolving fund and the energy security special fund. Requires that an unspecified sum be expended each year on researching viable geothermal resource subzone locations.

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