
A BILL FOR AN ACT

RELATING TO STATE REVENUES.

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

1 SECTION 1. The purpose of this Act is to address state
2 revenues. More specifically, this Act:

3 (1) Imposes the environmental response, energy, and food
4 security tax on aviation fuel;

5 (2) Requires the revenues from the tax on aviation fuel to
6 be deposited into the airport revenue fund; and

7 (3) Appropriates the revenues for airport programs and
8 projects intended for immediate employment creation in
9 the private sector.

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

12 "(a) In addition to any other taxes provided by law,
13 subject to the exemptions set forth in section 243-7, there is
14 hereby imposed a state environmental response, energy, and food
15 security tax on each barrel or fractional part of a barrel of
16 petroleum product sold by a distributor to any retail dealer or
17 end user of petroleum product, other than a refiner. The tax
18 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) All revenues collected from the tax on each barrel of
4 aviation fuel shall be deposited into the airport
5 revenue fund established under section 248-8; and

6 (2) With respect to revenues collected from the tax on
7 non-aviation fuel:

8 [~~1~~] (A) 5 cents of the tax on each barrel shall be
9 deposited into the environmental response
10 revolving fund established under section 128D-2;

11 [~~2~~] (B) 15 cents of the tax on each barrel shall be
12 deposited into the energy security special fund
13 established under section 201-12.8;

14 [~~3~~] (C) 10 cents of the tax on each barrel shall be
15 deposited into the energy systems development
16 special fund established under section 304A-2169;
17 and

18 [~~4~~] (D) 15 cents of the tax on each barrel shall be
19 deposited into the agricultural development and
20 food security special fund established under
21 section 141-10.



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

3 SECTION 3. Section 261-5, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) Except for:

6 (1) That portion of the payments received by the
7 department under a contract entered into as authorized
8 by section 261-7 and deposited in the transportation
9 use special fund pursuant to section 261D-1;

10 (2) All proceeds from the passenger facility charge and
11 deposited in the passenger facility charge special
12 fund; and

13 (3) All proceeds from the rental motor vehicle customer
14 facility charge and deposited in the rental motor
15 vehicle customer facility charge special fund,

16 all moneys received by the department from rents, fees, and
17 other charges collected pursuant to this chapter, [~~as well as~~]

18 all aviation fuel taxes paid pursuant to section 243-4(a)(2),
19 and all environmental response, energy, and security taxes

20 collected from aviation fuel pursuant to section 243-3.5(a)(1),

21 shall be paid into the airport revenue fund created by section
22 248-8.



1 All moneys paid into the airport revenue fund shall be
2 appropriated, applied, or expended by the department for any
3 purpose within the jurisdiction, powers, duties, and functions
4 of the department related to the statewide system of airports,
5 including, without limitation, the costs of operation,
6 maintenance, and repair of the statewide system of airports and
7 reserves therefor, and acquisitions (including real property and
8 interests therein), constructions, additions, expansions,
9 improvements, renewals, replacements, reconstruction,
10 engineering, investigation, and planning for the statewide
11 system of airports, all or any of which in the judgment of the
12 department are necessary to the performance of its duties or
13 functions. The department shall generate sufficient revenues
14 from its airport properties to meet all of the expenditures of
15 the statewide system of airports and to comply with section 39-
16 61; provided that as long as sufficient revenues are generated
17 to meet such expenditures, the director of transportation may,
18 in the director's discretion, grant a rebate of the aviation
19 fuel taxes paid into the airport revenue fund during a fiscal
20 year pursuant to sections 243-4(a)(2) and 248-8 to any person
21 who has paid airport use charges or landing fees during such
22 fiscal year. Such rebate may be granted during the next



1 succeeding fiscal year but shall not exceed one-half cent per
2 gallon per person, and shall be computed on the total number of
3 gallons for which the tax was paid by such person, for such
4 fiscal year."

5 SECTION 4. There is appropriated out of the airport
6 revenue fund of the State of Hawaii the sum of \$ or so
7 much thereof as may be necessary for fiscal year 2011-2012 and
8 the same sum or so much thereof as may be necessary for fiscal
9 year 2012-2013 for repair, maintenance, and other programs and
10 projects at state airports that promote employment opportunities
11 in the private sector during the fiscal year in which the moneys
12 are appropriated.

13 The sums appropriated shall be expended by the department
14 of transportation for the purposes of this Act.

15 The legislature intends that the amount appropriated in
16 each fiscal year approximate the total revenue from the
17 environmental response, energy, and food security tax collected
18 from aviation fuel during that fiscal year.

19 SECTION 5. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21 SECTION 6. This Act shall take effect on July 1, 2011, and
22 shall be repealed on June 30, 2015; provided that:



- 1 (1) Section 243-3.5(a), Hawaii Revised Statutes, shall be
2 reenacted in the form in which it read on June 30,
3 2010; and
4 (2) Section 261-5(a), Hawaii Revised Statutes, shall be
5 reenacted in the form in which it read on June 30,
6 2011.

7

INTRODUCED BY:

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JAN 24 2011



Report Title:

Environmental Response, Energy, Food Security Tax; Aviation Fuel

Description:

Imposes the environmental response, energy, and food security tax (barrel tax) on aviation fuel. Requires those revenues to be deposited into the airport revenue fund. Appropriates an amount approximating the total revenue collected from the barrel tax on aviation fuel for airport repair, maintenance, and other programs and projects that promote employment opportunities in the private sector.

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