

JAN 20 2012

A BILL FOR AN ACT

RELATING TO ETHANOL.

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

1 SECTION 1. The legislature finds that the federal Energy
2 Policy Act of 2005 and the Energy Independence and Security Act
3 of 2007 require use of renewable fuels such as biofuel, ethanol,
4 and biodiesel. As of January 2008, three states - Missouri,
5 Minnesota, and Hawaii - required ethanol to be blended with
6 gasoline in motor fuels. In some states, the mandated use of
7 renewable fuels has created some economic benefit because those
8 states are able to produce or cheaply import renewable fuels.
9 The Renewable Fuels Association stated that the ethanol industry
10 created almost 154,000 jobs in the United States in 2005,
11 boosting household income by \$5,700,000,000 and contributed
12 about \$3,500,000,000 in federal, state, and local tax revenues.
13 In Hawaii, however, despite the fact that dozens of biomass,
14 biodiesel, and ethanol facilities have been proposed for Hawaii,
15 no ethanol plants exist in Hawaii at this time. Therefore, the
16 requirement of blending ethanol into Hawaii's gasoline produces
17 no economic benefit for Hawaii, requires the import of ethanol
18 into Hawaii, and creates an economic burden for our residents.



1 The purpose of this Act is to authorize the director of
2 business, economic development, and tourism to allow the sale of
3 motor vehicle gasoline that does not contain ethanol unless
4 sufficient quantities of locally produced ethanol or biofuel
5 crops have been produced and are available to meet the
6 requirements under existing law.

7 SECTION 2. Section 486J-10, Hawaii Revised Statutes, is
8 amended by amending subsection (a) to read as follows:

9 "(a) The director shall adopt rules in accordance with
10 chapter 91 to require that gasoline sold in the State for use in
11 motor vehicles contain ten per cent ethanol by volume[-];
12 provided that no gasoline sold in the State for use in motor
13 vehicles shall be required to contain any ethanol unless ethanol
14 or biofuel crops have been produced in Hawaii in sufficient
15 quantities and are available to meet the minimum requirements of
16 this section. The amounts of gasoline sold in the State
17 containing ten per cent ethanol shall be in accordance with
18 rules as the director may deem appropriate. The director may
19 authorize the sale of gasoline that does not meet these
20 requirements as provided in subsection (d)."

21 SECTION 3. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.



S.B. NO. 2431

1 SECTION 4. This Act shall take effect upon its approval.

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S.B. NO. 2431

Report Title:

Ethanol; Gasoline; Energy Efficiency

Description:

Authorizes the director of business, economic development, and tourism to allow the sale of motor vehicle gasoline that does not contain ethanol unless sufficient quantities of locally produced ethanol or biofuel crops have been produced and are available to meet the requirements under existing law.

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