

JAN 20 2012

**S.B. NO. 2512**

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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 and declares that the  
2 environmental response, energy, and food security tax supports  
3 critical investments in clean energy and local agricultural  
4 production to reduce the State's dependence on imported fossil  
5 fuels and food products. As currently apportioned, however,  
6 only a total of 30 cents of the \$1.05 per barrel tax is being  
7 allocated to the energy security special fund and the  
8 agricultural development and food security special fund, with  
9 just 15 cents going to each fund. The majority of the funds, 60  
10 cents per barrel, is deposited into the general fund. The  
11 legislature finds that this allocation of the barrel tax is  
12 inconsistent with the intent of Act 73, Session Laws of Hawaii  
13 2010, which established most of the existing uses of the  
14 environmental response, energy, and food security tax revenue,  
15 as it was originally envisioned.

16           The purpose of this Act is to:

- 17           (1) Increase the amount of the allocation to each of the  
18           environmental response, energy, and food security tax



1 to the energy security special fund and the  
2 agricultural development and food security special  
3 fund from 15 cents of the tax on each barrel to 45  
4 cents of the tax on each barrel;

5 (2) Continue to provide oversight and analysis of the  
6 distribution of the environmental response, energy,  
7 and food security tax by extending the sunset date of  
8 the Hawaii economic development task force, and  
9 renaming it as the Hawaii food and energy security  
10 council;

11 (3) Make permanent the amendments to the environmental  
12 response, energy, and food security tax enacted by Act  
13 73, Session Laws of Hawaii 2010; and

14 (4) Appropriate funds from the energy security special  
15 fund and the agricultural development and food  
16 security special fund to carry out the purposes of  
17 each fund.

18 SECTION 2. 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  
5 barrel of petroleum product that is not aviation fuel; provided  
6 that of the tax collected pursuant to this subsection:

- 7 (1) 5 cents of the tax on each barrel shall be deposited  
8 into the environmental response revolving fund  
9 established under section 128D-2;
- 10 (2) [~~15~~] 45 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~~] 45 cents of the tax on each barrel shall be  
17 deposited into the agricultural development and food  
18 security special fund established under section 141-  
19 10.

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



1 SECTION 3. Act 73, Session Laws of Hawaii 2010, is amended  
2 as follows:

3 1. By amending section 6 to read:

4 "SECTION 6. (a) There is established the Hawaii [~~economic~~  
5 ~~development task force~~] food and energy security council within  
6 the department of business, economic development, and tourism  
7 for administrative purposes. The purpose of the [~~Hawaii~~  
8 ~~economic development task force~~] council shall be to facilitate  
9 the accelerated adoption and completion of renewable-energy  
10 projects, energy-efficiency programs, agricultural  
11 infrastructure and development, and other measures to meet the  
12 purposes of this Act. The [~~Hawaii economic development task~~  
13 ~~force~~] council shall develop and maintain a broad overview of  
14 energy and food security issues that apply an interdisciplinary  
15 approach to ensure that Hawaii's energy and food policy and  
16 program development is integrated within the overall economic,  
17 social, environmental, and cultural aspects of society. The  
18 [~~Hawaii economic development task force~~] council shall, with the  
19 assistance of the department of business, economic development,  
20 and tourism:

21 [~~(1) Identify and review each state and county agency's~~  
22 ~~policy objectives, mandates, organizational structure,~~



- 1           ~~and resources to address energy and food security~~  
2           ~~issues;~~
- 3           ~~(2)]~~ (1) Identify all federal and private funds available  
4           to the State and counties to address energy and food  
5           security issues;
- 6           ~~(3)]~~ (2) Identify effective measures for interagency  
7           cooperation, coordinate efforts with the counties, and  
8           promote public- and private-sector partnerships to  
9           achieve the objective of energy and food security;
- 10          ~~(4)]~~ (3) Identify existing programs and agreements  
11          addressing energy and food security that may be  
12          enhanced through legislation;
- 13          ~~(5)]~~ (4) Investigate alternative institutional mechanisms  
14          to promote the efficient execution and implementation  
15          of a multi-year strategy to achieve energy and food  
16          security;
- 17          ~~(6)]~~ (5) Investigate the streamlining of administrative  
18          processes to accelerate and achieve energy and food  
19          security;
- 20          ~~(7)]~~ (6) Provide an appropriate forum for all affected or  
21          interested parties to address energy and food security  
22          issues;



1       ~~[(8)]~~ (7) Recommend appropriate legislation resulting from  
2               its findings to improve, accelerate, and achieve the  
3               objective of energy and food security;

4       ~~[(9)]~~ (8) Review whether:

5               (A) The apportionment of the environmental response,  
6               energy, and food security tax among the funds  
7               listed under section 243-3.5, Hawaii Revised  
8               Statutes, is appropriate;

9               (B) The apportionment should be changed; and

10              (C) Any additional special, trust, or revolving fund  
11              should receive a share of the tax; and

12       ~~[(10)]~~ (9) Perform any other function necessary to  
13              effectuate the purposes of this part.

14              (b) The Hawaii [~~economic development task force~~] food and  
15 energy security council shall consist of the following members:

16              (1) The director of business, economic development, and  
17              tourism or the director's designee, who shall chair  
18              the Hawaii [~~economic development task force~~] food and  
19              energy security council;

20              (2) The chairperson of the board of agriculture or the  
21              chairperson's designee;



- 1           (3) The director of the office of planning or the
- 2                   director's designee;
- 3           (4) The chairperson of the board of land and natural
- 4                   resources or the chairperson's designee;
- 5           (5) The dean of the University of Hawaii college of
- 6                   tropical agriculture and human resources or the dean's
- 7                   designee;
- 8           (6) Three members to be designated by the speaker of the
- 9                   house of representatives;
- 10          (7) Three members to be designated by the president of the
- 11                   senate; and
- 12          (8) A representative from each county's private economic
- 13                   development board.
- 14          (c) The Hawaii [~~economic development task force's~~] food
- 15 and energy security council's members shall serve without
- 16 compensation but shall be reimbursed for expenses, including
- 17 travel expenses, necessary for the performance of their duties.
- 18          (d) In the performance of its duties, the Hawaii [~~economic~~
- 19 ~~development task force~~] food and energy security council shall
- 20 consult with appropriate private, nonprofit, community, and
- 21 government stakeholders.



1 (e) The department of business, economic development, and  
2 tourism may contract with the University of Hawaii for any  
3 services to support the work of the Hawaii [~~economic development~~  
4 ~~task force.~~] food and energy security council.

5 (f) The Hawaii [~~economic development task force~~] food and  
6 energy security council shall submit a report of its findings  
7 and recommendations, including any proposed legislation, to the  
8 legislature no later than twenty days prior to the convening of  
9 the regular session of 2011.

10 The [~~task force~~] council shall also submit [a] annual  
11 follow-up [~~report~~] reports to the legislature no later than  
12 twenty days prior to the convening of the regular [~~session~~]  
13 sessions of 2012[-], 2013, and 2014. [The] Each report shall  
14 include a description of the activities funded by the  
15 environmental response, energy, and food security tax, progress  
16 made toward energy and food self-sufficiency, and any additional  
17 action necessary to achieve energy and food self-sufficiency.

18 (g) The Hawaii [~~economic development task force~~] food and  
19 energy security council shall cease to exist on June 30, [~~2012.~~]  
20 2014."

21 2. By amending section 14 to read:





1           "SECTION 14. This Act shall take effect on July 1, 2010[+  
2 ~~provided that sections 2, 3, 4, and 7 of this Act shall be~~  
3 ~~repealed on June 30, 2015, and sections 128D-2, 201-12.8, and~~  
4 ~~243-3.5, Hawaii Revised Statutes, shall be reenacted in the form~~  
5 ~~in which they read on June 30, 2010]."~~

6           SECTION 4. There is appropriated out of the energy  
7 security special fund the sum of \$8,000,000 or so much thereof  
8 as may be necessary for fiscal year 2012-2013 for the purposes  
9 of the energy security special fund.

10          The sum appropriated shall be expended by the department of  
11 business, economic development, and tourism for the purposes of  
12 this Act.

13          SECTION 5. There is appropriated out of the agricultural  
14 development and food security special fund of the State of  
15 Hawaii the sum of \$8,000,000 or so much thereof as may be  
16 necessary for fiscal year 2012-2013 for the purposes of the  
17 agricultural development and food security special fund.

18          The sum appropriated shall be expended by the department of  
19 agriculture for the purposes of this Act.

20          SECTION 6. Any unexpended or unencumbered balance of the  
21 moneys appropriated to the energy security special fund and the  
22 agricultural development and food security special fund by



1 sections 4 and 5 of this Act, respectively, as of the close of  
2 business on June 30, 2013, shall not lapse to the credit of the  
3 general fund and shall remain in each respective special fund.

4 SECTION 7. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6 SECTION 8. This Act shall take effect on July 1, 2012;  
7 provided that section 3 shall take effect on June 29, 2012.

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# S.B. NO. 2512

**Report Title:**

Barrel Tax; Energy and Food Security; Task Force; Appropriations

**Description:**

Increases the amount of the per-barrel allocation of the barrel tax to the energy security special fund and the agricultural development and food security special fund from 15 cents to 45 cents. Renames the Hawaii economic development task force the Hawaii food and energy security council and extends the sunset date of the council to June 30, 2014. Makes permanent certain amendments to the barrel tax enacted by Act 73, Session Laws of Hawaii 2010. Appropriates funds from the energy security special fund and the agricultural development and food security special fund to DBEDT and DOA, respectively.

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

