
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) Extend the repeal date of the amendments to the
12 environmental response, energy, and food security tax
13 enacted by Act 73, Session Laws of Hawaii 2010, to
14 June 30, 2017; and

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

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

21 "(a) In addition to any other taxes provided by law,
22 subject to the exemptions set forth in section 243-7, there is



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

- 8 (1) 5 cents of the tax on each barrel shall be deposited
9 into the environmental response revolving fund
10 established under section 128D-2;
- 11 (2) [~~15~~] 45 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) 10 cents of the tax on each barrel shall be deposited
15 into the energy systems development special fund
16 established under section 304A-2169; and
- 17 (4) [~~15~~] 45 cents of the tax on each barrel shall be
18 deposited into the agricultural development and food
19 security special fund established under section
20 141-10.

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



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

3 1. By amending the title of part III to read:

4 "PART III. HAWAII [~~ECONOMIC DEVELOPMENT TASK FORCE~~]
5 FOOD AND ENERGY SECURITY COUNCIL"

6 2. By amending section 6 to read:

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



1 assistance of the department of business, economic development,
2 and tourism:

3 ~~[(1) Identify and review each state and county agency's~~
4 ~~policy objectives, mandates, organizational structure,~~
5 ~~and resources to address energy and food security~~
6 ~~issues;~~

7 ~~(2)]~~ (1) Identify all federal and private funds available
8 to the State and counties to address energy and food
9 security issues;

10 ~~[(3)]~~ (2) Identify effective measures for interagency
11 cooperation, coordinate efforts with the counties, and
12 promote public- and private-sector partnerships to
13 achieve the objective of energy and food security;

14 ~~[(4)]~~ (3) Identify existing programs and agreements
15 addressing energy and food security that may be
16 enhanced through legislation;

17 ~~[(5)]~~ (4) Investigate alternative institutional mechanisms
18 to promote the efficient execution and implementation
19 of a multi-year strategy to achieve energy and food
20 security;



1 [+6+] (5) Investigate the streamlining of administrative
2 processes to accelerate and achieve energy and food
3 security;

4 [+7+] (6) Provide an appropriate forum for all affected or
5 interested parties to address energy and food security
6 issues;

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

10 [+9+] (8) Review whether:

11 (A) The apportionment of the environmental response,
12 energy, and food security tax among the funds
13 listed under section 243-3.5, Hawaii Revised
14 Statutes, is appropriate;

15 (B) The apportionment should be changed; and

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

18 [+10+] (9) Perform any other function necessary to
19 effectuate the purposes of this part.

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



- 1 (1) The director of business, economic development, and
2 tourism or the director's designee, who shall chair
3 the Hawaii [~~economic development task force;~~] food and
4 energy security council;
- 5 (2) The chairperson of the board of agriculture or the
6 chairperson's designee;
- 7 (3) The director of the office of planning or the
8 director's designee;
- 9 (4) The chairperson of the board of land and natural
10 resources or the chairperson's designee;
- 11 (5) The dean of the University of Hawaii college of
12 tropical agriculture and human resources or the dean's
13 designee;
- 14 (6) Three members to be designated by the speaker of the
15 house of representatives;
- 16 (7) Three members to be designated by the president of the
17 senate; and
- 18 (8) A representative from each county's private economic
19 development board.
- 20 (c) The Hawaii [~~economic development task force's~~] food
21 and energy security council's members shall serve without



1 compensation but shall be reimbursed for expenses, including
2 travel expenses, necessary for the performance of their duties.

3 (d) In the performance of its duties, the Hawaii [~~economic~~
4 ~~development task force~~] food and energy security council shall
5 consult with appropriate private, nonprofit, community, and
6 government stakeholders.

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

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

16 The [~~task force~~] council shall also submit [a] annual
17 follow-up [~~report~~] reports to the legislature no later than
18 twenty days prior to the convening of the regular [~~session~~]
19 sessions of 2012[~~-~~], 2013, and 2014. [~~The~~] Each report shall
20 include a description of the activities funded by the
21 environmental response, energy, and food security tax, progress



1 made toward energy and food self-sufficiency, and any additional
2 action necessary to achieve energy and food self-sufficiency.

3 (g) The Hawaii [~~economic development task force~~] food and
4 energy security council shall cease to exist on June 30, [~~2012.~~]
5 2014."

6 3. By amending section 14 to read:

7 "SECTION 14. This Act shall take effect on July 1, 2010;
8 provided that sections 2, 3, 4, and 7 of this Act shall be
9 repealed on June 30, [~~2015,~~] 2017, and sections 128D-2,
10 201-12.8, and 243-3.5, Hawaii Revised Statutes, shall be
11 reenacted in the form in which they read on June 30, 2010."

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

16 The sum appropriated shall be expended by the department of
17 business, economic development, and tourism for the purposes of
18 this Act.

19 SECTION 5. There is appropriated out of the agricultural
20 development and food security special fund of the State of
21 Hawaii the sum of \$8,000,000 or so much thereof as may be



1 necessary for fiscal year 2012-2013 for the purposes of the
2 agricultural development and food security special fund.

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

5 SECTION 6. Any unexpended or unencumbered balance of the
6 moneys appropriated to the energy security special fund and the
7 agricultural development and food security special fund by
8 sections 4 and 5 of this Act, respectively, as of the close of
9 business on June 30, 2013, shall not lapse to the credit of the
10 general fund and shall remain in each respective special fund.

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

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



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. Extends the repeal date of certain amendments to the barrel tax to June 30, 2017. Appropriates funds from the energy security special fund and the agricultural development and food security special fund to DBEDT and DOA, respectively. (SD1)

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