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# A BILL FOR AN ACT

RELATING TO BIOFUELS.

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

1           SECTION 1. The legislature finds that zero waste biofuel  
2 research and development is essential to enhance Hawaii's food  
3 and energy security. The zero waste concept will provide  
4 farmers with additional income from their crops by selling farm  
5 waste as feedstock that can be converted into oil and high  
6 protein feed. This process can include agricultural waste  
7 products derived from papaya and sugar cane production or other  
8 low-value streams of organic material farmed or otherwise.

9           The purpose of this Act is to allocate, for every 15 cents  
10 of the environmental response, energy, and food security tax  
11 that is deposited into the energy security special fund and the  
12 agricultural development and food security special fund,  
13 respectively, 1.5 cents of each deposit to the agribusiness  
14 development corporation as investment capital for research and  
15 development partnerships with entities and enterprises for zero  
16 waste biofuel production.

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



1           "(a) In addition to any other taxes provided by law,  
2 subject to the exemptions set forth in section 243-7, there is  
3 hereby imposed a state environmental response, energy, and food  
4 security tax on each barrel or fractional part of a barrel of  
5 petroleum product sold by a distributor to any retail dealer or  
6 end user of petroleum product, other than a refiner. The tax  
7 shall be \$1.05 on each barrel or fractional part of a barrel of  
8 petroleum product that is not aviation fuel; provided that of  
9 the tax collected pursuant to this subsection:

10           (1) 5 cents of the tax on each barrel shall be deposited  
11           into the environmental response revolving fund  
12           established under section 128D-2;

13           (2) 15 cents of the tax on each barrel shall be deposited  
14           into the energy security special fund established  
15           under section 201-12.8[+],                     cents of which  
16           shall be allocated to the agribusiness development  
17           corporation as investment capital for research and  
18           development partnerships with entities and enterprises  
19           for zero waste biofuel production;

20           (3) 10 cents of the tax on each barrel shall be deposited  
21           into the energy systems development special fund  
22           established under section 304A-2169; and



1 (4) 15 cents of the tax on each barrel shall be deposited  
2 into the agricultural development and food security  
3 special fund established under section 141-10[-],  
4                     cents of which shall be allocated to the  
5 agribusiness development corporation as investment  
6 capital for research and development partnerships with  
7 entities and enterprises for zero waste biofuel  
8 production.

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

11 SECTION 3. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 4. This Act shall take effect upon its approval,  
14 and shall be repealed on June 30, 2015; provided that section  
15 243-3.5, Hawaii Revised Statutes, shall be reenacted in the form  
16 in which it read on June 30, 2010, pursuant to Act 73, Session  
17 Laws of Hawaii 2010.



**Report Title:**

Environmental Response, Energy, and Food Security Tax; Zero Waste Biofuel; Agribusiness Development Corporation

**Description:**

Allocates unspecified amounts from every 15 cents of the Barrel Tax deposited into the Energy Security Special Fund and the Agricultural Development and Food Security Special Fund to the Agribusiness Development Corporation as investment capital for zero waste biofuel production. (HB1409 HD1)

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