

JAN 18 2013

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# A BILL FOR AN ACT

RELATING TO ETHANOL.

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

1           SECTION 1. State law requires that gasoline sold in Hawaii  
2 for use in motor vehicles contain at least ten per cent ethanol  
3 by volume. The legislature finds that this ten per cent ethanol  
4 content requirement has not yielded the lower fuel prices or  
5 energy independence that was predicted when the law was passed.

6           The legislature further finds that, to the contrary, the  
7 ethanol content requirement has helped keep fuel prices high by  
8 forcing refiners to import the ethanol additive. Ethanol is not  
9 produced in Hawaii in any meaningful quantity, so the ethanol  
10 requirement necessitates the added expense of purchasing ethanol  
11 from foreign suppliers and transporting it to the State.

12           The legislature further finds that motor vehicles get lower  
13 gas mileage with ethanol-treated fuel, which forces drivers to  
14 refuel more frequently and use yet more expensive gasoline. The  
15 legislature further finds that ethanol-treated gasoline is  
16 damaging to marine engines and small gasoline engines, resulting  
17 in expensive repairs for individuals who own small boats,  
18 watercraft, and gas-powered tools.



1       The legislature further finds that, in many parts of the  
2 world, fuel crops are replacing food crops. This has increased  
3 the prices of staple foods, and in some parts of the world it  
4 has resulted in food shortages and social unrest.

5       The consensus among the scientific community is that there  
6 is no net energy gain from the use of ethanol over traditional  
7 fossil fuels. The production cycle of ethanol, including  
8 growing, harvesting, and refining, requires more energy input  
9 from fossil fuels than the energy output of the finished ethanol  
10 product. This paradox has the undesirable effect of increasing  
11 our use of fossil fuels, making us more dependent on foreign  
12 sources of fuels and increasing our overall greenhouse gas  
13 emissions. For all these reasons, the purpose of this Act is to  
14 repeal section 486J-10, Hawaii Revised Statutes.

15       SECTION 2. Section 486J-10, Hawaii Revised Statutes, is  
16 repealed.

17       ~~["§486J-10 Ethanol content requirement. (a) The director~~  
18 ~~shall adopt rules in accordance with chapter 91 to require that~~  
19 ~~gasoline sold in the State for use in motor vehicles contain ten~~  
20 ~~per cent ethanol by volume. The amounts of gasoline sold in the~~  
21 ~~State containing ten per cent ethanol shall be in accordance~~  
22 ~~with rules as the director may deem appropriate. The director~~



1 ~~may authorize the sale of gasoline that does not meet these~~  
2 ~~requirements as provided in subsection (d).~~

3 ~~(b) Gasoline blended with an ethanol-based product, such~~  
4 ~~as ethyl tertiary butyl ether, shall be considered to be in~~  
5 ~~conformance with this section if the quantity of ethanol used in~~  
6 ~~the manufacture of the ethanol-based product represents ten per~~  
7 ~~cent, by volume, of the finished motor fuel.~~

8 ~~(c) Ethanol used in the manufacture of ethanol-based~~  
9 ~~gasoline additives, such as ethyl tertiary butyl ether, may be~~  
10 ~~considered to contribute to the distributor's conformance with~~  
11 ~~this section; provided that the total quantity of ethanol used~~  
12 ~~by the distributor is an amount equal to or greater than the~~  
13 ~~amount of ethanol required under this section.~~

14 ~~(d) The director may authorize the sale of gasoline that~~  
15 ~~does not meet the provisions of this section:~~

16 ~~(1) To the extent that sufficient quantities of~~  
17 ~~competitively priced ethanol are not available to meet~~  
18 ~~the minimum requirements of this section; or~~

19 ~~(2) In the event of any other circumstances for which the~~  
20 ~~director determines compliance with this section would~~  
21 ~~cause undue hardship.~~



1       ~~(e) Each distributor, at reporting dates as the director~~  
2 ~~may establish, shall file with the director, on forms~~  
3 ~~prescribed, prepared, and furnished by the director, a certified~~  
4 ~~statement showing:~~

- 5       ~~(1) The price and amount of ethanol available;~~
- 6       ~~(2) The amount of ethanol-blended fuel sold by the~~  
7       ~~distributor;~~
- 8       ~~(3) The amount of non-ethanol-blended gasoline sold by the~~  
9       ~~distributor; and~~
- 10       ~~(4) Any other information the director shall require for~~  
11       ~~the purposes of compliance with this section.~~

12       ~~(f) Provisions with respect to confidentiality of~~  
13 ~~information shall be the same as provided in section 486J-6.~~

14       ~~(g) Any distributor or any other person violating the~~  
15 ~~requirements of this section shall be subject to a fine of not~~  
16 ~~less than \$2 per gallon of nonconforming fuel, up to a maximum~~  
17 ~~of \$10,000 per infraction.~~

18       ~~(h) The director, in accordance with chapter 91, shall~~  
19 ~~adopt rules for the administration and enforcement of this~~  
20 ~~section." ]~~

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



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

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INTRODUCED BY: \_\_\_\_\_

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# S.B. NO. 790

**Report Title:**

Ethanol

**Description:**

Repeals the requirement for gasoline sold in the State to contain 10% ethanol.

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

