
A BILL FOR AN ACT

RELATING TO SUSTAINABILITY.

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

1 SECTION 1. The legislature in enacting Act 73, Session
2 Laws of Hawaii 2010, determined that it is essential to provide
3 sustained support for Hawaii's food, energy security, and
4 environmental response agenda. To succeed, the State must
5 ensure a long-term sustainability strategy that is well-funded
6 and that has the capacity needed to build self-sufficiency in
7 energy, food, and environmental response needs.

8 The environmental response, energy, and food security tax
9 was originally intended to support critical investments in clean
10 energy, local agricultural production, and environmental
11 response, reduce the State's dependence on imported fossil fuels
12 and food products, and support environmental activities and
13 programs.

14 The Hawaii economic development task force acknowledged the
15 need for increased support for the energy security special fund
16 and the agricultural development and food security special fund
17 by recommending reallocation of or increasing revenues from the



1 environmental response, energy, and food security tax, as
2 reported in its December 29, 2011, report to the legislature.

3 The purpose of this Act is to reallocate revenues from the
4 environmental response, energy, and food security tax to carry
5 out the intended purposes of section 128D-2, Hawaii Revised
6 Statutes, and Act 73, Session Laws of Hawaii 2010.

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

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

18 (1) [~~5~~] 10 cents of the tax on each barrel shall be
19 deposited into the environmental response revolving
20 fund established under section 128D-2;



1 (2) [~~15~~] 42.5 cents of the tax on each barrel shall be
2 deposited into the energy security special fund
3 established under section 201-12.8;

4 (3) 10 cents of the tax on each barrel shall be deposited
5 into the energy systems development special fund
6 established under section 304A-2169; and

7 (4) [~~15~~] 42.5 cents of the tax on each barrel shall be
8 deposited into the agricultural development and food
9 security special fund established under section 141-
10 10.

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

13 SECTION 3. Act 253, Session Laws of Hawaii 2007, as
14 amended by Act 151, Session Laws of Hawaii 2012, is amended by
15 amending section 8 to read as follows:

16 "SECTION 8. This Act shall take effect on July 1, 2007;
17 provided that sections 304A-C, 304A-D, and 304A-E, Hawaii
18 Revised Statutes, shall be repealed on June 30, [~~2013~~] 2018."

19 SECTION 4. Act 73, Session Laws of Hawaii 2010, is amended
20 as follows:

21 1. 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 2. By repealing section 10.

7 ~~["SECTION 10. Any unexpended or unencumbered funds~~
8 ~~remaining in the agricultural development and food security~~
9 ~~special fund established by this Act, as of the close of~~
10 ~~business on June 30, 2015, shall lapse to the credit of the~~
11 ~~general fund."]~~

12 SECTION 5. There is appropriated out of the energy
13 security special fund the sum of \$ or so much thereof as
14 may be necessary for fiscal year 2013-2014 and the same sum or
15 so much thereof as may be necessary for fiscal year 2014-2015 to
16 carry out the authorized purposes of that special fund.

17 The sums appropriated shall be expended by the department
18 of business, economic development, and tourism.

19 SECTION 6. There is appropriated out of the agricultural
20 development and food security special fund the sum of \$
21 or so much thereof as may be necessary for fiscal year 2013-2014
22 and the same sum or so much thereof as may be necessary for



1 fiscal year 2014-2015 to carry out the authorized purposes of
2 that special fund.

3 The sums appropriated shall be expended by the department
4 of agriculture.

5 SECTION 7. There is appropriated out of the environmental
6 response revolving fund the sum of \$ or so much thereof
7 as may be necessary for fiscal year 2013-2014 and the same sum
8 or so much thereof as may be necessary for fiscal year 2014-2015
9 to carry out the authorized purposes of that revolving fund.

10 The sums appropriated shall be expended by the department
11 of health.

12 SECTION 8. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 9. This Act shall, upon its approval, take effect
15 on July 1, 2030; provided that section 3 shall take effect on
16 June 29, 2030.



Report Title:

Sustainability; Barrel Tax; Hawaii Natural Energy Institute

Description:

Reallocates the Barrel Tax. Repeals the sunset date of the Barrel Tax and provides appropriations for the anticipated additional revenues. Extends the sunset date for the Energy Systems Development Special Fund until 2018. Effective July 1, 2030. (HB857 HD2)

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