

JAN 24 2013

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-
6 resourced and that has the capacity needed to build self-
7 sufficiency in 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 further
15 acknowledged the need for increased support for the energy
16 security special fund and the agricultural development and food
17 security special fund by recommending reallocation of or

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

4 The purpose of this Act is to reallocate the amount of the
5 environmental response, energy, and food security tax in order
6 to carry out the intended purposes of chapter 128D-2, Hawaii
7 Revised Statutes, and Act 73.

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

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

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

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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]~~."

19 SECTION 4. Act 73, Session Laws of Hawaii 2010, is amended
20 by amending section 14 to read as follows:

21 "SECTION 14. This Act shall take effect on July 1, 2010 [~~-~~
22 ~~provided that sections 2, 3, 4, and 7 of this Act shall be~~
23 ~~repealed on June 30, 2015, and sections 128D 2, 201 12.8, and~~

1 ~~243-3.5, Hawaii Revised Statutes, shall be reenacted in the form~~
2 ~~in which they read on June 30, 2010]."~~

3 SECTION 5. Act 73, Session Laws of Hawaii 2010, is amended
4 by repealing section 10.

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

10 SECTION 6. There is appropriated out of the energy
11 security special fund the sum of \$7,150,000 or so much thereof
12 as may be necessary for fiscal year 2013-2014 and the same sum
13 or so much thereof as may be necessary for fiscal year 2014-2015
14 to carry out the purposes of this Act.

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

17 SECTION 7. There is appropriated out of the agricultural
18 development and food security special fund the sum of \$7,150,000
19 or so much thereof as may be necessary for fiscal year 2013-2014
20 and the same sum or so much thereof as may be necessary for
21 fiscal year 2014-2015 to carry out the purposes of this Act.

22 The sums appropriated shall be expended by the department
23 of agriculture.

S.B. NO. 1088

1 SECTION 8. There is appropriated out of the environmental
2 response revolving fund the sum of \$1,400,000 or so much thereof
3 as may be necessary for fiscal year 2013-2014 and the same sum
4 or so much thereof as may be necessary for fiscal year 2014-2015
5 to carry out the purposes of this Act.

6 The sums appropriated shall be expended by the department
7 of health.

8 SECTION 9. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

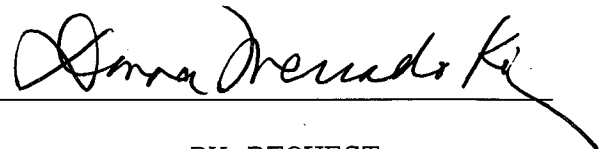
10 SECTION 10. This Act shall, upon its approval, take effect
11 on July 1, 2013; provided that section 3 shall take effect on
12 June 29, 2013.

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INTRODUCED BY:



BY REQUEST

Report Title:

Sustainability

Description:

Reallocates the Environmental Response, Energy, and Food Security Tax to carry out the intended sustainability purposes of section 128D-2, Hawaii Revised Statutes, and Act 73, Session Laws of Hawaii 2010. Repeals the sunset date in Act 73, and provides appropriations of the anticipated additional revenues. Removes the repeal date in Act 253, Session Laws of Hawaii 2007, as amended by Act 151, Session Laws of Hawaii 2012, for the Energy Systems Development Special Fund and periodic evaluation and plan of action requirements of the Energy Systems Development Special Fund.

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

JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism

TITLE: A BILL FOR AN ACT RELATING TO SUSTAINABILITY.

PURPOSE: Increase support for the Energy Security Special Fund, Agricultural Development and Food Security Special Fund, and Environmental Response Revolving Fund by allocating an additional 27.5 cents, 27.5 cents, and 5 cents, respectively; repeal the June 30, 2015, lapse of Agricultural Development and Food Security Special Fund moneys to the general fund; delete the June 30, 2015, repeal of Act 73, Session Laws of Hawaii (SLH) 2010, revenues for the Departments of Agriculture and of Business, Economic Development, and Tourism; and remove the repeal date in Act 253, SLH 2007, as amended by Act 151, SLH 2012, for the Energy Systems Development Special Fund; and periodic evaluation and plan of action requirements of the Energy Systems Development Special Fund.

MEANS: Amend section 243-3.5, Hawaii Revised Statutes; section 8 of Act 253, SLH 2007, as amended by Act 151, SLH 2012; and section 14 of Act 73, SLH 2010; and repeal section 10 of Act 73, SLH 2010.

JUSTIFICATION: The Legislature in enacting Act 73, SLH 2010, determined that it is essential to provide sustained support for Hawaii's food, energy security, and environmental response agenda. To succeed, the State must ensure a long-term sustainability strategy that is well-resourced and capable of building self-sufficiency in food, energy, and environmental response.

Impact on the public: Positive. The reallocation of funds does not result in higher taxes for the taxpayer or industry. It will sustain development of Hawaii's renewable resources, transition the economy to clean energy, lessen environmental impacts, and increase food self-sufficiency.

Impact on the department and other agencies:
Would increase revenues from the Environmental Response, Energy, and Food Tax to the Departments of Health, Agriculture, and Business, Economic Development, and Tourism to perform duties intended by Act 73(10).

GENERAL FUND: Would reduce the 60 cents currently going to the general fund to 0.

OTHER FUNDS: Estimated fiscal year increases to the following funds:

- \$7,150,000 to the Agricultural Development and Food Security Special Fund;
- \$7,150,000 to the Energy Security Special Fund; and
- \$1,400,000 to the Environmental Response Revolving Fund.

PPBS PROGRAM DESIGNATION: BED 120.

OTHER AFFECTED AGENCIES: Department of Agriculture, Department of Health, Department of Taxation, and University of Hawaii.

EFFECTIVE DATE: July 1, 2013.