

JAN 18 2013

A BILL FOR AN ACT

RELATING TO BIODIESEL.

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

1 SECTION 1. Chapter 486J, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:
4 "§486J- Biodiesel content requirement. (a) The
5 director shall adopt rules in accordance with chapter 91 to
6 require that diesel fuel sold in the State for use in on-highway
7 diesel powered motor vehicles contains no less than: five per
8 cent biodiesel by volume by 2015; ten per cent biodiesel by
9 volume by 2020; and twenty per cent biodiesel by volume by 2025.
10 The amounts of diesel fuel sold in the State containing these
11 percentages of biodiesel shall be in accordance with rules
12 adopted by the director to administer and enforce this action.
13 All on-highway diesel powered motor vehicles owned and operated
14 by the State shall run on fuel containing no less than twenty
15 per cent biodiesel by volume by July 1, 2015.
16 (b) The director may authorize the sale of diesel fuel
17 that does not meet the provisions of this section if sufficient



1 quantities of competitively-priced biodiesel are not available
2 to meet the requirements of this section.

3 (c) Each distributor, at reporting dates established by
4 the director, shall file with the director, on forms prescribed,
5 prepared, and furnished by the director, a certified statement
6 showing:

7 (1) The distributor's total volume of biodiesel inventory
8 and storage capacity;

9 (2) The amount of biodiesel-blended fuel sold by the
10 distributor;

11 (3) The amount of non-biodiesel-blended motor vehicle fuel
12 sold by the distributor;

13 (4) The price of biodiesel sold by the distributor; and

14 (5) Any other information that the director requires for
15 the purposes of compliance with this section.

16 (d) As used in this section, "biodiesel" means liquid fuel
17 produced from organic sources such as biomass crops;

18 agricultural residues; oil crops such as palm oil, canola oil,
19 and soybean oil; food wastes such as cooking oil or grease;

20 animal residues and wastes; and sewage and landfill wastes, that
21 complies with ASTM International standard D6751.



1 (e) Any distributor or any other person who violates the
2 requirements of subsection (a) shall be subject to a fine of not
3 less than \$2 per gallon of nonconforming fuel, up to a maximum
4 of \$1,000,000 per infraction."

5 SECTION 2. Section 486J-6, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "**§486J-6 Confidential information.** (a) Statements
8 provided to the department pursuant to section 486J-3 or filed
9 with the director pursuant to section 486J- , and the data
10 contained therein shall be deemed confidential and exempt from
11 public disclosure under chapter 92F.

12 (b) No data or information submitted to the department or
13 filed with the director shall be deemed confidential if it is
14 shown that the person submitting the information or data has
15 made it public.

16 (c) Unless otherwise provided by law, with respect to data
17 that the commission, director, or department obtained or was
18 provided pursuant to this chapter, neither the commission,
19 director, or department nor any employee of the commission,
20 director, or department may do any of the following:



- 1 (1) Use the information furnished or obtained for any
2 purpose other than the purposes for which it is
3 supplied;
- 4 (2) Make any publication whereby the data furnished by any
5 person can be identified; or
- 6 (3) Permit any person other than the commission, the
7 director, the department of taxation, the attorney
8 general, the consumer advocate, the department of
9 business, economic development, and tourism, and the
10 authorized representatives and employees of each to
11 examine the individual reports or statements
12 provided."

13 SECTION 3. Section 486J-9, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "**§486J-9 Failure to timely provide information; failure to**
16 **make and file statements; false statements; penalties; referral**
17 **to the attorney general.** (a) The department shall notify those
18 persons who have failed to timely provide the information
19 specified in section 486J-3 or requested by the department under
20 section 486J-3. The director shall notify those distributors
21 who have failed to timely file the statement required under
22 section 486J- . If, within five business days after being



1 notified [~~of the failure to provide the specified or requested~~
2 ~~information~~], the person or distributor fails to supply the
3 specified or requested information, or the required certified
4 statement, the person or distributor shall be subject to a civil
5 penalty of not less than \$50,000 per day nor more than \$100,000
6 per day for each day the submission of information is refused or
7 delayed.

8 (b) Any person~~[7]~~ or distributor, or any employee of any
9 person~~[7]~~ or distributor, who wilfully makes any false
10 statement, representation, or certification in any record,
11 report, plan, or other document filed with the department or
12 director shall be subject to a civil penalty not to exceed
13 \$500,000 and shall be deemed to have committed an unfair or
14 deceptive act or practice in the conduct of a trade or commerce
15 and subject to the penalties specified in chapters 480 and 486B.

16 (c) The department or director shall refer any matter
17 under subsection (a) or (b) to the attorney general, who may
18 exercise any appropriate legal or equitable remedies that may be
19 available to the State.

20 (d) For the purposes of this section, "person" means, in
21 addition to the definition contained in section 486J-1, any
22 responsible corporate officer."



1 SECTION 4. Section 486J-10, Hawaii Revised Statutes, is
2 repealed.

3 ~~["§486J-10 Ethanol content requirement. (a) The director~~
4 ~~shall adopt rules in accordance with chapter 91 to require that~~
5 ~~gasoline sold in the State for use in motor vehicles contain ten~~
6 ~~per cent ethanol by volume. The amounts of gasoline sold in the~~
7 ~~State containing ten per cent ethanol shall be in accordance~~
8 ~~with rules as the director may deem appropriate. The director~~
9 ~~may authorize the sale of gasoline that does not meet these~~
10 ~~requirements as provided in subsection (d).~~

11 ~~(b) Gasoline blended with an ethanol based product, such~~
12 ~~as ethyl tertiary butyl ether, shall be considered to be in~~
13 ~~conformance with this section if the quantity of ethanol used in~~
14 ~~the manufacture of the ethanol based product represents ten per~~
15 ~~cent, by volume, of the finished motor fuel.~~

16 ~~(c) Ethanol used in the manufacture of ethanol based~~
17 ~~gasoline additives, such as ethyl tertiary butyl ether, may be~~
18 ~~considered to contribute to the distributor's conformance with~~
19 ~~this section, provided that the total quantity of ethanol used~~
20 ~~by the distributor is an amount equal to or greater than the~~
21 ~~amount of ethanol required under this section.~~



1 ~~(d) The director may authorize the sale of gasoline that~~
2 ~~does not meet the provisions of this section.~~

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

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

9 ~~(e) Each distributor, at reporting dates as the director~~
10 ~~may establish, shall file with the director, on forms~~
11 ~~prescribed, prepared, and furnished by the director, a certified~~
12 ~~statement showing:~~

13 ~~(1) The price and amount of ethanol available;~~

14 ~~(2) The amount of ethanol blended fuel sold by the~~
15 ~~distributor;~~

16 ~~(3) The amount of non-ethanol blended gasoline sold by the~~
17 ~~distributor; and~~

18 ~~(4) Any other information the director shall require for~~
19 ~~the purposes of compliance with this section.~~

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



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

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

8 SECTION 5. Statutory material to be repealed is bracketed
 9 and stricken. New statutory material is underscored.

10 SECTION 6. This Act shall take effect upon its approval.

11

INTRODUCED BY: *Rose*

Joe Blum
Sen. Anthony

Will Zygo



S.B. NO. 372

Report Title:

Biodiesel

Description:

Requires the director of business, economic development, and tourism to adopt rules requiring diesel fuel sold in the State to contain increasing amounts of biodiesel. Requires that all state owned and operated on-highway diesel motor vehicles use fuel containing no less than twenty per cent biodiesel by 7/1/2015. Requires distributors to file statements with the director, and makes the statements and their contents confidential information. Adds a definition of biodiesel. Provides penalties for violations. Deletes the State's ethanol content requirement.

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

