

JAN 29 2015

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# A BILL FOR AN ACT

RELATING TO DISPOSITION OF TAX REVENUES.

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

1           SECTION 1. The purpose of this Act is to address taxes by  
2 setting maximum amounts to be distributed to various non-general  
3 funds from the environmental response, energy, and food security  
4 tax, which is more commonly known as the "barrel tax." The tax  
5 revenues remaining after distribution shall continue to be  
6 deposited into the general fund.

7           By establishing maximum amounts for distribution among the  
8 non-general funds, the legislature intends that this Act:

- 9           (1) Make forecasts of general fund revenues more reliable;  
10          (2) Increase legislative oversight of the agencies and  
11             programs supported by the non-general funds; and  
12          (3) Subject those agencies and programs to competition for  
13             limited public funds if the agencies or programs want  
14             more than the amount automatically distributed to  
15             their non-general funds.

16          The legislature finds that this Act promotes budgetary  
17 planning and transparency.



1           The legislature further finds that the distribution method  
2 used for the transient accommodations tax revenues, which are  
3 distributed among the convention center, Hawaii tourism  
4 authority, and counties by dollar amounts, serves as the model  
5 for this Act.

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

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

17           (1) 5 cents of the tax on each barrel, but not more than  
18           \$1,300,000 in a fiscal year, shall be deposited into  
19           the environmental response revolving fund established  
20           under section 128D-2;



- 1           (2) 15 cents of the tax on each barrel, but not more than  
2           \$3,800,000 in a fiscal year, shall be deposited into  
3           the energy security special fund established under  
4           section 201-12.8;
- 5           (3) 10 cents of the tax on each barrel, but not more than  
6           \$2,600,000 in a fiscal year, shall be deposited into  
7           the energy systems development special fund  
8           established under section [†]304A-2169.1[†]; and
- 9           (4) 15 cents of the tax on each barrel, but not more than  
10          \$3,800,000 in a fiscal year, shall be deposited into  
11          the agricultural development and food security special  
12          fund established under section 141-10.

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

15           SECTION 3. Statutory material to be repealed is bracketed  
16          and stricken. New statutory material is underscored.

17           SECTION 4. This Act shall take effect on July 1, 2015;  
18          provided that the amendments made to section 243-3.5(a), Hawaii  
19          Revised Statutes, by section 2 of this Act shall not be repealed  
20          when section 243-3.5, Hawaii Revised Statutes, is reenacted on  
21          June 30, 2030, pursuant to section 14 of Act 73, Session Laws of



# S.B. NO. 1296

1 Hawaii 2010, as amended by section 3(2) of Act 107, Session Laws  
2 of Hawaii 2014.

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

A handwritten signature in black ink, appearing to be 'Jim', is written over a horizontal line.

# S.B. NO. 1296

**Report Title:**

Environmental Response, Energy, and Food Security Tax;  
Distribution Maximums

**Description:**

Establishes maximum dollar amounts that shall be distributed among certain non-general funds from the environmental response, energy, and food security tax. Retains provision that the general fund receive the remainder after distribution.

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

