



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**Testimony in SUPPORT of H.B. 1087, HD1
Relating to Environmental Protection**

REPRESENTATIVE SYLVIA LUKE, CHAIR
HOUSE COMMITTEE ON FINANCE

Hearing Date: **March 3, 2015**
1:30 a.m.

Room Number: 308

1 **Fiscal Implications:** May reduce the amount of barrel tax money that is diverted into the
2 general fund by an amount that is dependent on the allocation increase for the Environmental
3 Response Revolving Fund (ERRF).

4 **Department Testimony:** The Department of Health **SUPPORTS** H.B. 1087, which proposes to
5 reallocate the amount of the Environmental Response, Energy, and Food Security Tax (“Barrel
6 Tax”) deposited into the ERRF. The Department requests an allocation increase from five to
7 fifteen cents per barrel. The ERRF’s current five-cent-per-barrel allocation is insufficient to
8 sustain the 41 positions (31 filled positions) that depend on it for funding. These include
9 positions that respond to oil spills and hazardous material releases, as well as positions that work
10 on environmental issues, like State water quality monitoring, contaminated site remediation, and
11 management of solid and hazardous waste.

12 In order to attempt to remedy the ERRF’s financial issues, the Department has also requested a
13 one-time Emergency Appropriation of \$1,050,000 in the Governor’s Package (H.B. 949/S.B.
14 1118), which would help it to meet its obligations and cover payroll through the end of FY 2015.
15 The Department has also recently received a \$900,000 loan from the State Treasury.

16 This measure also proposes to convene a task force to assess the conditions of all field-
17 constructed underground fuel storage tanks in Hawaii that are older than seventy years. The
18 Department supports convening a task force to examine whether these older tanks pose a risk to
19 the environment or public health. Since the fuel release from tanks at the Red Hill Underground
20 Storage Facility in 2014, the Department and the U.S. Environmental Protection Agency have
21 worked with the Navy to determine the extent of the release and to employ the best available
22 practicable technologies to prevent future releases. The ERRF has provided much-needed
23 financial support for the Department’s employees as they do this work.

24 Thank you for the opportunity to testify on this measure.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: FUEL, Increase tax to environmental response revolving fund

BILL NUMBER: HB 1087, HD-1

INTRODUCED BY: House Committee on Energy & Environmental Protection

EXECUTIVE SUMMARY: Initially, the 5 cents per barrel environmental response tax was established to address oil spills in state waters. It was temporarily increased to \$1.05, much of which was earmarked to numerous special funds, and was scheduled to sunset on 6/30/30. The tax has taken on a life of its own and lacks transparency, and the special funds it feeds do not come under close scrutiny by either lawmakers or the public. The barrel tax should be repealed and all programs funded out of the environmental response tax should be funded through the general fund.

BRIEF SUMMARY: Amends HRS section 243-3.5 to increase the amount deposited into the environmental response revolving fund from 5 cents to ___ cents.

Requires the director of health to convene and serve as chairperson of a task force to: (1) establish a reasonable time frame within which to assess the condition of all field-constructed underground storage tanks in Hawaii that are older than seventy years; and (2) take appropriate steps to ensure that the underground storage tanks do not present an unacceptable risk to the environment and freshwater supplies of Hawaii. Delineates the relevant stakeholders who shall serve as members of the task force. Directs the director of the department of health to submit a report of the task force's findings and recommendations to the 2016 legislature. The task force shall cease to exist on 6/30/16.

EFFECTIVE DATE: July 1, 2015

STAFF COMMENTS: The legislature by Act 300, SLH 1993, enacted an environmental response tax of 5 cents per barrel on petroleum products sold by a distributor to any retail dealer or end user. The collections of the tax were deposited into the environmental response revolving fund until such time the balance in the fund reached \$7 million at which time the imposition of tax was suspended until the balance in the fund declined to less than \$3 million, at which time the imposition would be reinstated.

The legislature by Act 73, SLH 2010, increased the amount of the tax to \$1.05 per barrel and provided that 5 cents of the tax shall be deposited into a newly established environmental response revolving fund; 15 cents shall be deposited into a newly established energy security special fund, 10 cents shall be deposited into a newly established energy systems development special fund; 15 cents shall be deposited into the newly established agricultural development and food security special fund; and the residual of 60 cents shall be deposited into the general fund between 7/1/10 and 6/30/15. Act 107, SLH 2014, extended the sunset date of the \$1.05 environmental response, energy, and food security tax from 6/30/15 to 6/30/30. This measure would increase the amount deposited into the environmental response revolving fund from 5 cents to ___ cents.

The environmental response tax was initially adopted for the purpose of setting up a reserve should an oil spill occur on the ocean waters that would affect Hawaii's shoreline. The nexus was between the oil importers and the possibility that a spill might occur as the oil product was being imported into the state. Now that the fund has become a cash cow, lawmakers have placed other responsibilities on the fund, including environmental protection, food security, and natural resource protection programs, energy conservation and alternative energy development, air quality, global warming, clean water, polluted runoff, solid and hazardous waste, drinking water, and underground storage tanks, including support for the underground storage tank program of the department of health.

The basic problem with the barrel tax is that it lacks transparency, and because the funds are earmarked they do not come under close scrutiny by either lawmakers or the public. Rather than perpetuating the problems of the barrel tax, it should be repealed and all programs that are funded out of the environmental response fund should be funded through the general fund. At least program managers would then have to justify their need for these funds. If general funds are insufficient to underwrite all the essential programs and programs such as those funded through the barrel tax, then lawmakers need to justify any increase in taxes which underwrite the general fund or lawmakers will be forced to set priorities for those precious general funds. Currently, lawmakers are able to side step that difficult task by creating these hidden taxes and earmarked funds like the barrel tax. By continuing to special fund these programs, it makes a statement that such programs are not a high priority for state government. This sort of proliferation of public programs needs to be checked as it appears to be growing out of hand and at the expense of the taxpayer.

Digested 3/2/15



**Conservation Council
for Hawai'i**

Hawai'i's voice for wildlife

Kō Hawai'i leo no nā holoholona lōhiu



Testimony Submitted to the
House Committee on Finance

Hearing: Tuesday, March 3, 2015 1:30 pm, Room 308

In Support of HB 1087 HD 1 Relating to Environmental Protection

Aloha, Chair Luke, Vice Chair Nishimoto, and Members of the Committee. The Conservation Council for Hawai'i supports HB 1087 HD 1, which raises the amount of the tax deposited into the Environmental Response Revolving Fund from five cents per barrel to an unspecified amount per barrel to support environmental activities and programs, and establishes a task force regarding field-constructed underground storage tanks in Hawai'i. We urge you to increase the tax

We need economic incentives, or in this case, disincentives to encourage all of us to use less fossil fuel and more clean energy. The barrel tax is used to help protect the environment programs. We cannot think of a more important use of this tax. We ask you to also consider using some of the tax to support the few wildlife facilities in Hawai'i today that are set up to treat animals in the event of an oil spill or leak. Such facilities include the Waikiki Aquarium, Sea Life Park Hawai'i in Waimanalo, Hawai'i Wildlife Center (birds and bats) in Kapa'au, and Ke Kai Ola (monk seals) at Keahole Point in North Kona.

We also support increased focus and oversight on underground storage tanks in the islands. The oil leaks from the U.S. Navy's Red Hill Underground Fuel Storage Facility was a wake up call. We would like to know what the Navy is doing to prevent such spills in the future and whether it is providing any funds to the State to clean up the Navy's mess.

Here is a photo of bird killed by an oil spill on the mainland. We hope this never happens in Hawai'i. Please kokua. Hold the Navy accountable for the Red Hill spill, get the Navy to fund oil spill response actions, and be proactive by raising the barrel tax and assessing the condition and threats associated with existing underground storage tanks.



Mahalo nui loa for the opportunity to testify.

Sincerely,

Marjorie Ziegler

Marjorie Ziegler

Conservation Council for Hawai'i is a nonprofit, environmental membership organization dedicated to protecting native Hawaiian plants, animals, and ecosystems for future generations.

Established in 1950 and based in Honolulu, CCH is one of the largest and most effective wildlife organizations in Hawai'i with more than 5,000 members and supporters, including concerned citizens, educators, scientists, government agencies, and elected officials.

Through research, education, service, organizing, and legal advocacy, CCH works to stop the destruction of native wildlife and wild places in Hawai'i.

Since 1973, CCH has served as the Hawai'i state affiliate of the National Wildlife Federation.

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Testimony of The Nature Conservancy of Hawai'i
Supporting H.B. 1087 HD1 Relating to Environmental Protection
House Committee on Finance
Tuesday, March 3, 2015, 1:30PM, Room 308

For more than 35 years, The Nature Conservancy of Hawai'i has been working closely with government agencies, local businesses, private landowners, non-profit partners, and interested communities across the state to preserve the lands and waters upon which all life in these islands depends. The Conservancy is a private non-profit conservation organization that has helped to protect nearly 200,000 acres of natural lands in Hawai'i. Today, we actively manage more than 35,000 acres in 11 nature preserves on Maui, Hawai'i, Moloka'i, Lāna'i, and Kaua'i, and support 19 coastal communities seeking to co-manage marine resources in partnership with the State of Hawai'i.

The Nature Conservancy supports H.B. 1087 HD1 to provide additional barrel tax revenue to the Environmental Response Revolving Fund. We also urge the Legislature to redistribute the general fund share of the barrel tax revenue to the Energy Security Special Fund and the Agricultural Development and Food Security Special Fund. We believe this is effective policy for investing in the State's oil response capacity, as well as clean energy and local agriculture initiatives that reduce our dependence on imported fossil fuel and imported food.

Climate change caused by burning fossil fuels is an imminent and unprecedented threat to every person in Hawai'i. It is our responsibility to do what we can and what is necessary reduce our own carbon emissions, however small on a global scale, to contribute to the worldwide effort needed to mitigate the growing effects of climate change.

Even if we drastically reduce CO2 emissions now, however, we will still feel certain effects of climate change. In Hawai'i, science indicates that this will likely include:

- More frequent and more severe storms that can increase runoff and siltation;
- Overall, less rainfall and therefore less fresh water;
- Higher temperatures that affect watershed and agricultural health, while being beneficial to invasive species;
- Sea level rise and high waves that will harm coastal areas and groundwater systems;
- Ocean acidification that will inhibit the growth of protective coral reefs.

In response, we must plan and implement mitigative and adaptive measures to ensure the resilience of our natural and human systems. Protecting and enhancing the health and function of our forested watersheds as proposed by the Department of Land and Natural Resources is one critically important initiative. Likewise, investing in local energy and agriculture security are essential components of building self-reliance and resilience here in the middle of the Pacific Ocean.

Using the barrel tax revenue for its originally intended purposes is a wise investment in our future. We urge your support.

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March 3, 2015

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The Honorable Sylvia Luke and Members
Committee on Finance
House of Representatives
Hawaii State Capitol, Room 308
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Luke and Members:

Subject: House Bill 1087 HD1: Relating to Environmental Protection

We support the intent of House Bill 1087 HD 1 to provide additional resources to the Environmental Response Revolving Fund. The change will give the state greater resources to insure our environment and groundwater aquifers are protected from the impacts of leaking underground fuel storage tanks.

We also support the bill establishing a task force to assess the condition of all field-constructed tanks (FCTs) in Hawaii that are older than seventy years and the impacts of leaks on our environment and groundwater aquifers. We recommend the task force's existence continue at least until June 30, 2020 instead of ending on June 30, 2016 as proposed in the bill. One year is insufficient time for the taskforce to properly analyze and discuss all of the many complex and technical issues. We also support the preparation of an annual taskforce report to the Legislature and recommend it be submitted no later than twenty-days prior to the convening of the following year's Regular Session.

The Board of Water Supply is very concerned about the impacts of leaking FCTs on Oahu's irreplaceable groundwater aquifer. Studies on the largest FCT in Hawaii, the Red Hill Fuel Storage Facility, indicate past fuel releases have already contaminated the groundwater and soil underneath the Facility with petroleum hydrocarbons. Providing the state with greater resources to regulate and manage large facilities like Red Hill and establishing a task force to study and quantify the impacts will help us to insure our environment and our most precious resource – the groundwater aquifer – is protected now and into the future.

Thank you for the opportunity to testify.

Very truly yours,

ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer

HOUSE OF REPRESENTATIVES
THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2015

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NOTICE OF HEARING

DATE: Tuesday, March 3, 2015
TIME: 1:30 P.M.
PLACE: Conference Room 308
State Capitol
415 South Beretania Street

A G E N D A # 2

<u>HB 96, HD1</u> <u>(HSCR413)</u> <u>Status</u>	RELATING TO THE UNIVERSITY OF HAWAII. Establishes the Office of the Ombuds at the University of Hawaii at Manoa. Appropriates funds to establish and operate the office.	HED, FIN
<u>HB 140, HD1</u> <u>(HSCR307)</u> <u>Status</u>	RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR CHAMINADE UNIVERSITY OF HONOLULU. Authorizes the issuance of special purpose revenue bonds to assist Chaminade University of Honolulu.	HED, FIN
<u>HB 544</u> <u>(HSCR354)</u> <u>Status</u>	RELATING TO THE UNIVERSITY OF HAWAII CANCER CENTER. Requires the UH BOR to study the feasibility of selling or leasing the building that houses the UH Cancer Center.	HED, FIN
<u>HB 285, HD1</u> <u>(HSCR245)</u> <u>Status</u>	RELATING TO THE JOHN A. BURNS SCHOOL OF MEDICINE. Establishes the John A. Burns School of Medicine Scholarship Program, which covers the cost of tuition and fees for a full course of study at the John A. Burns School of Medicine in exchange for a service commitment of five years in the State upon the completion of residency.	HED, FIN
<u>HB 547, HD1</u> <u>(HSCR355)</u> <u>Status</u>	RELATING TO THE UNIVERSITY OF HAWAII. Requires the University of Hawaii to develop the Graduation Pathway System, including structured, default pathways to graduation, meta-majors, academic maps, cornerstone classes, and highly-structured options. Appropriates funds.	HED, FIN
<u>HB 457, HD1</u> <u>(HSCR524)</u> <u>Status</u>	RELATING TO THE UNIVERSITY OF HAWAII. Appropriates moneys for positions and materials to comply with Title IX of the Education Amendments of 1972 and the Violence Against Women Reauthorization Act of 2013.	HED, FIN

<u>HB 549, HD1</u> <u>(HSCR523)</u> <u>Status</u>	RELATING TO PUBLIC SERVICE LEGAL LOAN REPAYMENT ASSISTANCE. Establishes a loan repayment program for attorneys who practice in an area of law related to public service. Makes an appropriation.	HED, FIN
<u>HB 543</u> <u>(HSCR246)</u> <u>Status</u>	RELATING TO THE UNIVERSITY OF HAWAII. Requires the auditor to audit the University of Hawaii's management of faculty workload one year prior to the expiration of UHPA agreements. Requires the auditor to conduct an audit of the University of Hawaii's management of faculty workload and report to the 2016 legislature.	HED, FIN
<u>HB 541, HD1</u> <u>(HSCR418)</u> <u>Status</u>	RELATING TO THE UNIVERSITY OF HAWAII TUITION AND FEES SPECIAL FUND. Requires each UH campus to prepare an operations plan, to be reviewed by the President and VP for Budget and Finance and CFO of UH, for each fiscal year. Requires the moneys in the UH Tuition and Fees Special Fund for each UH campus to lapse to the credit of Program ID No. UH900 (University of Hawaii, system wide support).	HED, FIN
<u>HB 540, HD1</u> <u>(HSCR415)</u> <u>Status</u>	RELATING TO THE UNIVERSITY OF HAWAII ACCOUNTING AND FINANCIAL MANAGEMENT SYSTEM. Extends sunset provisions with respect to accounting and fiscal management requirements relating to the University of Hawaii. Requires the Auditor to study whether the sunset provisions should be permanently repealed. Requires quarterly variance reports for revenues and expenditures.	HED, FIN
<u>HB 545, HD1</u> <u>(HSCR419)</u> <u>Status</u>	RELATING TO FUNDS. Repeals various non-general funds and accounts and transfers the unencumbered balances to the general fund. Establishes the University of Hawaii Quasi-endowment Trust Fund. Makes conforming amendments.	HED, FIN
<u>HB 1086</u> <u>(HSCR496)</u> <u>Status</u>	RELATING TO THE ENVIRONMENT. Requires LRB to update its 1985 study on environmental reorganization for Hawaii and assess the feasibility of implementing the findings and recommendations of 1992 department of environmental protection task force. Makes an appropriation.	EEP, FIN
<u>HB 1504, HD2</u> <u>(HSCR533)</u> <u>Status</u>	RELATING TO ENERGY. Requires the Legislative Reference Bureau to study electric utilities, including organizational models and the conversion process. Establishes a cap on the Hawaii electricity reliability surcharge for interconnection to the Hawaii electric system.	EEP, CPC, FIN
<u>HB 1471, HD1</u> <u>(HSCR529)</u> <u>Status</u>	RELATING TO THE FUNDING OF GOVERNMENT PROGRAMS. Applies the state environmental response tax to fossil fuel other than petroleum product and bases the tax on one million British thermal units (MBTU). Defines "fossil fuel" to exclude petroleum product. Excludes coal from the fossil fuel tax under certain conditions. Authorizes independent power producers to pass the fossil fuel tax on to the electric utilities. Authorizes the electric utilities to recover the cost of the fossil fuel tax through a surcharge.	EEP, FIN

<u>HB 623, HD1</u> <u>(HSCR217)</u> <u>Status</u>	RELATING TO RENEWABLE STANDARDS. Increases renewable portfolio standards to 70 percent by December 31, 2035, and 100 percent by December 31, 2045. Establishes renewable standards, reporting requirements, and penalties for non-compliance for large self-generators. Clarifies exemptions. Adds the impact on renewable energy developer energy prices to PUC study and reporting requirements.	EEP, FIN
<u>HB 484, HD2</u> <u>(HSCR548)</u> <u>Status</u>	RELATING TO ENERGY. Requires PUC to establish community-based renewable energy tariff or tariffs by no later than January 1, 2016, to allow more utility customers to participate in renewable energy production and use. Prohibits cost-shifting to non-participants.	EEP, CPC, FIN
<u>HB 619, HD2</u> <u>(HSCR553)</u> <u>Status</u>	RELATING TO THE MERGER, ACQUISITION, AND CONSOLIDATION OF ELECTRIC UTILITIES. Establishes standards and criteria for the Public Utilities Commission and Division of Consumer Advocacy to apply when determining whether to approve a merger, acquisition, or consolidation of an electric utility.	EEP, CPC, FIN
<u>HB 1513, HD1</u> <u>(HSCR376)</u> <u>Status</u>	RELATING TO ENERGY. Authorizes HTDC to provide 50% matching grants to Hawaii awardees of alternative energy research grants from the Office of Naval Research. Appropriates moneys.	EEP, FIN
<u>HB 759, HD1</u> <u>(HSCR466)</u> <u>Status</u>	RELATING TO COOLING SYSTEMS IN PUBLIC SCHOOL FACILITIES. Requires DOE and DAGS, in consultation with the State Energy Office of DBEDT and Hawaii Natural Energy Institute of UH, to develop a cooling master strategy and comprehensive retrofitting study for public schools and to report findings to the Legislature. Authorizes general obligation bonds and appropriates funds for efficient classroom-cooling demonstration projects.	EEP, EDN, FIN
<u>HB 1087, HD1</u> <u>(HSCR411)</u> <u>Status</u>	RELATING TO ENVIRONMENTAL PROTECTION. Changes the amount of the tax deposited into the Environmental Response Revolving Fund from five cents per barrel to an unspecified amount to support environmental activities and programs. Establishes a task force regarding field-constructed underground storage tanks in Hawaii.	EEP, FIN
<u>HB 1393, HD1</u> <u>(HSCR365)</u> <u>Status</u>	RELATING TO ENERGY. Expands the types of energy generation and distribution devices that could make certain electric utility customers eligible for net energy metering. Defines renewable energy generation and distribution device.	EEP, FIN
<u>HB 1394, HD1</u> <u>(HSCR498)</u> <u>Status</u>	RELATING TO WATER RECLAMATION. Establishes a water scalping feasibility study.	EEP/WAL, FIN

DECISION MAKING TO FOLLOW

Persons wishing to offer comments should submit testimony at least 24 hours prior to the hearing. Testimony should indicate:

- Testifier's name with position/title and organization;
- The Committee(s) to which the comments are directed;
- The date and time of the hearing; and
- Measure number.

While every effort will be made to incorporate all testimony received, materials received on the day of the hearing or improperly identified or directed, may be distributed to the Committee after the hearing.

Submit testimony in ONE of the following ways:

PAPER: 2 copies (including an original) to Room 306 in the State Capitol;

FAX: For testimony less than 5 pages in length, transmit to 1-800-535-3859 (for Neighbor Islander without a computer to submit testimony through e-mail or the Web); or

WEB: For testimony less than 10MB in size, transmit from <http://www.capitol.hawaii.gov/submittestimony.aspx>.

Testimony submitted will be placed on the legislative website. This public posting of testimony on the website should be considered when including personal information in your testimony.

If you require special assistance or auxiliary aids and/or services to participate in the House public hearing process (i.e., sign or foreign language interpreter or wheelchair accessibility), please contact the Committee Clerk at 586-6200 or email your request for an interpreter to HouseInterpreter@Capitol.hawaii.gov at least 24 hours prior to the hearing for arrangements. Prompt requests submitted help to ensure the availability of qualified individuals and appropriate accommodations.

Selected meetings are broadcast live. Check the current legislative broadcast schedule on the "Capitol TV" website at www.capitoltv.org or call 536-2100.

Rep. Sylvia Luke
Chair

A BILL FOR AN ACT

RELATING TO ENVIRONMENTAL PROTECTION.

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

1 SECTION 1. The legislature finds that in January 2014,
2 twenty-seven thousand gallons of jet fuel leaked from the United
3 States Navy's Red Hill Underground Storage Facility near Pearl
4 Harbor. The leak potentially affected groundwater in the area,
5 which is an important source of drinking water for hundreds of
6 thousands of people on Oahu. The Red Hill Underground Storage
7 Facility tanks are single-walled tanks that are more than
8 seventy years old, still hold 187,000,000 gallons of fuel, and
9 are located one hundred feet above a major source of drinking
10 water for urban Honolulu.

11 During the regular session of 2014, the legislature adopted
12 S.C.R. No. 73, H.D. 1, asking the department of health to
13 convene a task force to study the effects of the fuel tank leak;
14 explore the risks of further fuel release; and examine any
15 effects on the environment, public health, and drinking water.
16 Using emergency response resources provided by the environmental
17 response revolving fund, the department of health responded to



1 the emergency, convened the task force requested by the
2 legislature, is conducting an ongoing investigation, and is
3 negotiating a resolution with the United States Navy to ensure
4 the safety of Oahu's supplies of fresh water.

5 Although the situation with the Red Hill Underground
6 Storage Facility may have been resolved, there exist throughout
7 the State an additional twenty-six similar field-constructed
8 underground storage tanks that are older than seventy years.
9 The legislature finds that these tanks may present a similar
10 threat to Hawaii's freshwater supplies and to the islands'
11 environment.

12 The legislature also finds that the environmental response
13 revolving fund on which the department of health relies to fund
14 its emergency response and ongoing operations is gradually
15 decreasing because of diminished funds from the environmental
16 response, energy, and food security tax as a result of the
17 falling demand for oil.

18 The purpose of this Act is to assess the risks to Oahu's
19 supply of fresh water from aging field-constructed underground
20 storage tanks, ensure any deficiencies are corrected, and ensure
21 the sustainability of the environmental response revolving fund



1 to allow the department of health to continue its investigation
2 regarding the extent of the fuel leak at Red Hill and to
3 mitigate future unexpected environmental emergencies when they
4 arise.

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

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

- 16 (1) ~~[5]~~ ___ cents of the tax on each barrel shall be
17 deposited into the environmental response revolving
18 fund established under section 128D-2;
- 19 (2) 15 cents of the tax on each barrel shall be deposited
20 into the energy security special fund established
21 under section 201-12.8;



1 (3) 10 cents of the tax on each barrel shall be deposited
2 into the energy systems development special fund
3 established under section [H]304A-2169.1[H]; and

4 (4) 15 cents of the tax on each barrel shall be deposited
5 into the agricultural development and food security
6 special fund established under section 141-10.

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

9 SECTION 3. (a) The director of health shall convene and
10 serve as chairperson of a task force to:

11 (1) Establish a reasonable time frame within which to
12 assess the condition of all field-constructed
13 underground storage tanks in Hawaii that are older
14 than seventy years; and

15 (2) Take appropriate steps to ensure that the underground
16 storage tanks in paragraph (1) do not present an
17 unacceptable risk, as determined by the department of
18 health, to the environment and freshwater supplies of
19 Hawaii.

20 (b) The director of health shall invite relevant
21 stakeholders to serve as members of the task force, including:



- 1 (1) Representatives of federal, state, and county
- 2 regulatory agencies;
- 3 (2) Representatives of the county boards of water supply;
- 4 (3) Underground storage tank owners and operators; and
- 5 (4) Other parties, as determined by the director of
- 6 health.

7 (c) No member of the task force shall be made subject to

8 chapter 84, Hawaii Revised Statutes, solely because of that

9 member's participation as a member of the task force.

10 (d) The director of health shall prepare and submit a

11 report of the task force's findings and recommendations,

12 including its plans, timeline to proceed, progress made to date,

13 and any proposed legislation, to the legislature no later than

14 twenty days prior to the convening of the regular session of

15 2016.

16 (e) The task force shall cease to exist on June 30, 2016.

17 SECTION 4. Statutory material to be repealed is bracketed

18 and stricken. New statutory material is underscored.

19 SECTION 5. This Act shall take effect on July 1, 2015.



Report Title:

Environmental Response Revolving Fund; Task Force

Description:

Changes the amount of the tax deposited into the Environmental Response Revolving Fund from five cents per barrel to an unspecified amount to support environmental activities and programs. Establishes a task force regarding field-constructed underground storage tanks in Hawaii. (HD1)

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





**Testimony of Hawai'i Green Growth in Support of HB1087 HD1
Relating to the Environmental Protection
House Committee on Finance
3 March 2015, 1:30pm, Room 308**

Audrey Newman
Hawai'i Green Growth
P.O. Box 535 Ho'olehua, Hawai'i 96729

Hawai'i Green Growth is a voluntary partnership of more than 60 state, county, federal, business, and non-governmental leaders from energy, food production, natural resources, waste reduction, planning, green jobs, and other sectors who have come together to support a shared statewide commitment and tangible actions toward sustainability and a model green economy.

Aloha Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

Hawai'i Green Growth (HGG) supports HB1087 HD1 which raises the amount of the tax deposited into the Environmental Response Revolving Fund from \$.05 per barrel to \$.15 per barrel to support environmental activities and programs. This will support critical environmental preparedness and response and solid waste reduction by the Hawai'i Department of Health (DOH). HGG also supports increases in the Environmental Response, Energy and Food Security Tax allocations for clean energy transformation (\$0.40), food security programs (\$0.40), and Hawai'i Natural Energy Institute (\$0.10).

The Environmental Response, Energy and Food Security Tax is critical to maintain basic and existing functions of the Department of Health's emergency environmental response programs. It also provides important, ongoing support for the development and implementation of actions that will achieve the Hawai'i Clean Energy Initiative's goal to reduce the State's dependence on imported fossil fuels by 70% in 2030, and the Department of Agriculture programs aimed to at least double local food production by 2030.

This strategic funding help the State advance action on the *Aloha+ Challenge: A Culture of Sustainability – He Nohona 'Ae'oiā*, a joint leadership commitment to achieve six sustainability targets by 2030 in the areas of clean energy, local food production, natural resource management, solid waste reduction, smart growth and climate resilience, green jobs and education. The *Aloha+ Challenge* was unanimously endorsed by the 2014 Legislature (SCR 69) and signed by Hawai'i's Governor, Mayors and Office of Hawaiian Affairs. It was also internationally recognized as a model of integrated sustainability at the UN Conference on Small Island Developing States in Samoa.

We ask you to support of **HB1087 HD1** to provide strategic, long-term funding to ensure Hawai'i is ready to respond to environmental emergencies.

Mahalo,

A handwritten signature in black ink that reads "Audrey Newman". The signature is written in a cursive, flowing style.

Audrey Newman

Senior Advisor, Hawai'i Green Growth (HGG)

Bringing leaders together to achieve sustainability in Hawai'i & be a model for a green economy

<http://www.hawaiigreengrowth.org>