

JAN 25 2017

A BILL FOR AN ACT

RELATING TO VEGETABLE OIL ENERGY.

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

1 SECTION 1. (a) The department of business, economic
2 development, and tourism shall conduct a feasibility study on
3 the viability of an integrated, multi-crop production system for
4 palm-based vegetable oil for producing raw vegetable oil that
5 can be refined into biofuel. In conducting the feasibility
6 study, the department of business, economic development, and
7 tourism shall consult with the department of agriculture.

8 (b) The feasibility study shall include an analysis of the
9 following:

10 (1) Potential land sites for the development of palm-based
11 vegetable oil extraction mills, germination centers,
12 shade houses, and greenhouses on the islands of Hawaii
13 and Maui; and

14 (2) Cost projections to:

15 (A) Order a sufficient supply of phytosanitized oil
16 seeds approved by the United States Department of
17 Agriculture from sources in Australia, Costa



1 Rica, or Indonesia to germinate, plant, and raise
2 eight thousand acres of American/African oil palm
3 hybrids;

4 (B) Provide aid to farmers on the islands of Hawaii
5 and Maui in preparing their land for planting
6 American/African oil palm hybrids; and

7 (C) The practicability of increasing the state
8 environmental response, energy, and food security
9 tax on each barrel or fractional part of a barrel
10 of petroleum product sold by a distributor to any
11 retail dealer or end user of petroleum product,
12 other than a refiner to fund the development of
13 palm-based vegetable oil.

14 (c) The department of business, economic development, and
15 tourism shall submit to the legislature a report of its findings
16 and recommendations, including any proposed legislation, no
17 later than twenty days prior to the convening of the regular
18 session of 2019. The report shall, at a minimum, include
19 findings and recommendations on:



- 1 (1) Specific land sites on the islands of Hawaii and Maui
- 2 where palm-based vegetable oil cultivation and
- 3 production might be employed;
- 4 (2) Cost and practicability of palm-based vegetable oil as
- 5 a raw material for biofuel; and
- 6 (3) The practicability of increasing the state
- 7 environmental response, energy, and food security tax
- 8 on each barrel or fractional part of a barrel of
- 9 petroleum product sold by a distributor to any retail
- 10 dealer or end user of petroleum product, other than a
- 11 refiner to fund the development of palm-based
- 12 vegetable oil.

13 SECTION 2. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$ or so
15 much thereof as may be necessary for fiscal year 2017-2018 and
16 the same sum or so much thereof as may be necessary for fiscal
17 year 2018-2019 for the department of business, economic
18 development, and tourism to conduct a feasibility study, in
19 consultation with the department of agriculture, on the
20 viability of an integrated, multi-crop production system for



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1 palm-based vegetable oil for producing raw vegetable oil that
2 can be refined into biofuel.

3 The sums appropriated shall be expended by the department
4 of business, economic development, and tourism for the purposes
5 of this Act.

6 SECTION 3. This Act shall take effect on July 1, 2017.

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INTRODUCED BY:

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S.B. NO. 1268

Report Title:

Palm-based Vegetable Oil; Feasibility Study; Appropriation

Description:

Requires the department of business, economic development, and tourism to conduct a feasibility study on the viability of an integrated, multi-crop production system for palm-based vegetable oil for producing raw vegetable oil that can be refined into biofuel and to submit a report on the department's findings and recommendations to the legislature. Appropriates funds.

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