

STAND. COM. REP. NO.

392

Honolulu, Hawaii

February 14, 2019

RE: H.B. No. 1467

H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1467 entitled:

"A BILL FOR AN ACT RELATING TO MOTOR VEHICLES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Change the assessment of the state fuel tax to the greater of a specified amount per gallon or an unspecified percentage of the wholesale price per gallon to the retailer, subject to a minimum monetary amount of tax based on the tax paid by certain retailers; and
- (2) Subject biodiesel oil to the same state fuel tax rates and reporting requirements as diesel oil.

The Department of Transportation and an individual testified in support of this measure. Aloha Petroleum, Ltd., GP Energy Company LLC, Honolulu County Republican Party, Pacific Biodiesel, Pacific Biodiesel Technologies, Blue Planet Foundation, and Hawaii Petroleum Marketers Association testified in opposition. The Department of Taxation, Department of Land and Natural Resources, Department of the Attorney General, and Tax Foundation of Hawaii provided comments.

HB1467 HD1 HSCR CPC HMS 2019-1850-1



Upon careful consideration, your Committee has amended this measure by:

- (1) Clarifying that if the state fuel tax based on the percentage of the wholesale price is applied, a wholesaler cannot pass on to a retailer any amount of the tax per gallon greater than the amount of tax per gallon that the wholesaler paid on the highest price per gallon sold by the wholesaler to any retailer during the taxable year;
- (2) Clarifying that biodiesel should not be classified as an alternative fuel; and
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion.

In the event that the Committee on Finance considers this measure, your Committee respectfully requests that the Committee on Finance examine increasing the allocated portion of the state fuel tax designated for the Na Ala Hele Hawaii Statewide Trail and Access Program.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1467, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1467, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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ROY M. TAKUMI, Chair



**Record of Votes of the Committee on Consumer Protection & Commerce**

<b>Bill/Resolution No.:</b> HB 1467	<b>Committee Referral:</b> CPC, FIN	<b>Date:</b> 2/6/19		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	✓			
2. ICHIYAMA, Linda (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. BELATTI, Della Au	✓			
5. CABANILLA ARAKAWA, Rida				✓
6. CACHOLA, Romy M.	✓			
7. HAR, Sharon E.		✓		
8. KONG, Sam Satoru	✓			
9. MIZUNO, John M.				✓
10. ONISHI, Richard H.K.	✓			
11. MATSUMOTO, Lauren	✓			
<b>TOTAL (11)</b>	8	1	0	2
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
<b>Vice Chair's or designee's signature:</b>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				