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# A BILL FOR AN ACT

RELATING TO THE ENVIRONMENTAL RESPONSE, ENERGY, AND FOOD  
SECURITY TAX.

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

1           SECTION 1. The legislature finds that, due to Hawaii's  
2 reduced demand for fossil fuels, revenues from the barrel tax  
3 have decreased over several years. Such decreases are expected  
4 with the increased fuel efficiency of vehicles, use of hybrid  
5 and electric vehicles, as well as renewable energy efforts in  
6 other sectors of Hawaii's economy. However, the need to respond  
7 to environmental issues has not diminished. In recent years,  
8 funding for the programs supported by the environmental response  
9 revolving fund have proven to be a challenge, as the revenues it  
10 receives from its share of the barrel tax have decreased. The  
11 legislature finds that funding environmental protection  
12 projects, emergency response cleanups, and other efforts which  
13 provide for public health by mitigating environmental health  
14 hazards are a critical public service.

15           The purpose of this Act is to ensure ongoing funding for  
16 environmental projects, in a transparent and stable manner, by:



1 (1) Halting allocations of tax revenues from the  
2 environmental response, energy, and food security tax  
3 to the environmental response revolving fund,  
4 established pursuant to section 128D-2, Hawaii Revised  
5 Statutes; and

6 (2) Appropriating general funds to provide continued  
7 support of various environmental programs formerly  
8 supported by allocations of tax revenues to the  
9 environmental response revolving fund from the  
10 environmental response, energy, and food security tax.

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

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



1 (1) Prior to July 1, 2015, 5 cents of the tax on each  
2 barrel shall be deposited into the environmental  
3 response revolving fund established under section  
4 128D-2;

5 (2) 15 cents of the tax on each barrel shall be deposited  
6 into the energy security special fund established  
7 under section 201-12.8;

8 (3) 10 cents of the tax on each barrel shall be deposited  
9 into the energy systems development special fund  
10 established under section [+]304A-2169.1[+]; and

11 (4) 15 cents of the tax on each barrel shall be deposited  
12 into the agricultural development and food security  
13 special fund established under section 141-10.

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

16 SECTION 3. Act 73, Session Laws of Hawaii 2010, as amended  
17 by Act 107, Session Laws of Hawaii 2014, is amended as follows:

18 1. By amending section 14 to read:

19 "SECTION 14. This Act shall take effect on July 1, 2010[+]  
20 ~~provided that sections 2, 3, 4, and 7 of this Act shall be~~  
21 ~~repealed on June 30, 2030, and sections 128D 2, 201 12.8, and~~



1 ~~243-3.5, Hawaii Revised Statutes, shall be reenacted in the form~~  
2 ~~in which they read on June 30, 2010]."~~

3 2. By repealing section 10:

4 "~~SECTION 10. Any unexpended or unencumbered funds~~  
5 ~~remaining in the agricultural development and food security~~  
6 ~~special fund established by this Act, as of the close of~~  
7 ~~business on June 30, 2030, shall lapse to the credit of the~~  
8 ~~general fund.]"~~

9 SECTION 4. There is appropriated out of the general  
10 revenues of the State of Hawaii the sum of \$1,315,108 or so much  
11 thereof as may be necessary for fiscal year 2015-2016 and  
12 \$1,361,143 or so much thereof as may be necessary for fiscal  
13 year 2016-2017 for environmental management (HTH840) for  
14 environmental programs and natural resource protection programs.

15 The sums appropriated shall be expended by the department  
16 of health for the purposes of this Act.

17 SECTION 5. There is appropriated out of the general  
18 revenues of the State of Hawaii the sum of \$1,924,044 or so much  
19 thereof as may be necessary for fiscal year 2015-2016 and  
20 \$1,966,829 or so much thereof as may be necessary for fiscal  
21 year 2016-2017 for environmental health administration (HTH849)



1 for the administration of environmental programs and natural  
2 resource protection programs.

3 The sums appropriated shall be expended by the department  
4 of health for the purposes of this Act.

5 SECTION 6. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7 SECTION 7. This Act shall take effect on July 1, 2015.



**Report Title:**

Energy; Barrel Tax; Environmental Response, Energy, and Food Security Tax; Appropriation

**Description:**

Removes the revenue distribution from the barrel tax to the environmental response revolving fund beginning July 1, 2015. Removes the sunset of the various funds related to the barrel tax. Appropriates funds. (SB359 HD1)

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

