June 26, 2015

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Twenty-Eighth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai‘i 96813

The Honorable Joseph M. Souki,  
Speaker and Members of the  
House of Representatives  
Twenty-Eighth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai‘i 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 26, 2015, the following bill was signed into law:

SB717 SD2 HD1 CD1  RELATING TO ETHANOL  
ACT 161 (15)

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai‘i
A BILL FOR AN ACT

RELATING TO ETHANOL.

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

SECTION 1. The legislature finds that in some states the mandated use of renewable fuels has created some economic benefit because those states are able to produce or cheaply import renewable fuels. However, despite dozens of biomass, biodiesel, and ethanol facilities that have been proposed for Hawaii, no ethanol plants currently exist in the State. Since 2006, Hawaii has required that gasoline sold in the State include ten per cent ethanol. This requirement of blending ethanol into Hawaii's gasoline does not produce any economic benefit for the State; further, the import of ethanol creates an economic burden for state residents.

The purpose of this Act is to repeal the requirement that gasoline for motor vehicles sold in the State include ten per cent ethanol.

SECTION 2. Section 486J-10, Hawaii Revised Statutes, is repealed.

['§486J-10—Ethanol content requirement. (a) The director shall adopt rules in accordance with chapter 91 to require that']
gasoline sold in the State for use in motor vehicles contain ten
per-cent ethanol by volume. The amounts of gasoline sold in the
State containing ten per-cent ethanol shall be in accordance
with rules as the director may deem appropriate. The director
may authorize the sale of gasoline that does not meet these
requirements as provided in subsection (d).

(b) Gasoline blended with an ethanol based product, such
as ethyl tertiary butyl ether, shall be considered to be in
conformance with this section if the quantity of ethanol used in
the manufacture of the ethanol based product represents ten per
cent, by volume, of the finished motor fuel.

c) Ethanol used in the manufacture of ethanol based
gasoline additives, such as ethyl tertiary butyl ether, may be
considered to contribute to the distributor's conformance with
this section; provided that the total quantity of ethanol used
by the distributor is an amount equal to or greater than the
amount of ethanol required under this section.

d) The director may authorize the sale of gasoline that
does not meet the provisions of this section.
(1) To the extent that sufficient quantities of
competitively priced ethanol are not available to meet
the minimum requirements of this section, or

(2) In the event of any other circumstances for which the
director determines compliance with this section would
cause undue hardship,

(e) Each distributor, at reporting dates as the director
may establish, shall file with the director, on forms
prescribed, prepared, and furnished by the director, a certified
statement showing:

(1) The price and amount of ethanol available;

(2) The amount of ethanol blended fuel sold by the
distributor;

(3) The amount of non-ethanol blended gasoline sold by the
distributor; and

(4) Any other information the director shall require for
the purposes of compliance with this section.

(f) Provisions with respect to confidentiality of
information shall be the same as provided in section 486 J-6.

(g) Any distributor or any other person violating the
requirements of this section shall be subject to a fine of not
less than $2 per gallon of nonconforming fuel, up to a maximum
of $10,000 per infraction.

(h) The director, in accordance with chapter 91, shall
adopt rules for the administration and enforcement of this
section."

SECTION 3. Statutory material to be repealed is bracketed
and stricken.

SECTION 4. This Act shall take effect on December 31,
2015.

APPROVED this 26 day of JUN, 2015

GOVERNOR OF THE STATE OF HAWAII