
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 of gallons of fuel,
9 and are located one hundred feet above a major source of
10 drinking 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]~~ 15 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 [+]304A-2169.1[+]; 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 timeframe 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:



H.B. NO. 1087

Report Title:

Environmental Response Revolving Fund; Task Force

Description:

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

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