
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, hold 187,000,000 gallons of fuel, and are
9 located one hundred feet above a major source of drinking water
10 for urban Honolulu. Using emergency response resources provided
11 by the environmental response revolving fund, the department of
12 health responded to the emergency.

13 Although the situation with the Red Hill Underground
14 Storage Facility may have been resolved, there exist throughout
15 the State an additional twenty-six similar field-constructed
16 underground storage tanks that are older than seventy years.
17 The legislature finds that these tanks may present a similar



1 threat to Hawaii's freshwater supplies and to the islands'
2 environment.

3 The legislature also finds that the balance of the
4 environmental response revolving fund on which the department of
5 health relies to fund its emergency response and ongoing
6 operations is gradually decreasing because of diminished funds
7 from the environmental response, energy, and food security tax
8 as a result of the falling demand for oil.

9 The purpose of this Act is to ensure the sustainability of
10 the environmental response revolving fund to mitigate future
11 unexpected environmental emergencies that arise.

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

14 "(a) In addition to any other taxes provided by law,
15 subject to the exemptions set forth in section 243-7, there is
16 hereby imposed a state environmental response, energy, and food
17 security tax on each barrel or fractional part of a barrel of
18 petroleum product sold by a distributor to any retail dealer or
19 end user of petroleum product, other than a refiner. The tax
20 shall be \$1.05 on each barrel or fractional part of a barrel of



1 petroleum product that is not aviation fuel; provided that of
2 the tax collected pursuant to this subsection:

3 (1) [5] _____ cents of the tax on each barrel shall be
4 deposited into the environmental response revolving
5 fund established under section 128D-2;

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

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

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

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

17 SECTION 3. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 4. This Act shall take effect on July 1, 2015.



Report Title:

Environmental Response Revolving Fund; Barrel Tax

Description:

Changes the amount of the barrel tax deposited into the Environmental Response Revolving Fund from 5 cents per barrel to an unspecified amount to support environmental activities and programs. (SD1)

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