



GOV. MSG. NO. 1177

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 20, 2016

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 20, 2016, the following bill was signed into law:

SB2131 SD2 HD2 CD1

RELATING TO ENERGY
ACT 076 (16)

Sincerely,

A handwritten signature in black ink that reads "David Y. Ige".

DAVID Y. IGE
Governor, State of Hawai'i

Approved by the Governor.

on JUN 20 2016
THE SENATE
TWENTY-EIGHTH LEGISLATURE, 2016
STATE OF HAWAII

ACT 076
S.B. NO. 2131
S.D. 2
H.D. 2
C.D. 1

A BILL FOR AN ACT

RELATING TO ENERGY.

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

1

PART I

2 SECTION 1. Section 243-1, Hawaii Revised Statutes, is
3 amended by adding a new definition to be appropriately inserted
4 and to read as follows:

5 "Power-generating facility" means any electricity-
6 generating facility that requires a permit issued under the
7 federal Clean Air Act (42 U.S.C. 7401 through 7671q), the Hawaii
8 air pollution control law (chapter 342B), or both."

9 SECTION 2. Section 243-4, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) Every distributor shall, in addition to any other
12 taxes provided by law, pay a license tax to the department of
13 taxation for each gallon of liquid fuel refined, manufactured,
14 produced, or compounded by the distributor and sold or used by
15 the distributor in the State or imported by the distributor, or
16 acquired by the distributor from persons who are not licensed
17 distributors, and sold or used by the distributor in the State.
18 Any person who sells or uses any liquid fuel, knowing that the



1 distributor from whom it was originally purchased has not paid
2 and is not paying the tax thereon, shall pay such tax as would
3 have applied to such sale or use by the distributor. The rates
4 of tax ~~hereby~~ imposed are as follows:

5 (1) For each gallon of diesel oil, 1 cent;

6 (2) For each gallon of gasoline or other aviation fuel
7 sold for use in or used for airplanes, 1 cent;

8 (3) For each gallon of naphtha sold for use in a power-
9 generating facility, 2 cents;

10 ~~(3)~~ (4) For each gallon of liquid fuel, other than fuel
11 mentioned in paragraphs (1) ~~and~~, (2), and (3), and
12 other than an alternative fuel, sold or used in the
13 city and county of Honolulu, or sold in any county for
14 ultimate use in the city and county of Honolulu, 16
15 cents state tax, and in addition thereto ~~such~~ an
16 amount, to be known as the "city and county of
17 Honolulu fuel tax", as shall be levied pursuant to
18 section 243-5;

19 ~~(4)~~ (5) For each gallon of liquid fuel, other than fuel
20 mentioned in paragraphs (1) ~~and~~, (2), and (3), and
21 other than an alternative fuel, sold or used in the



1 county of Hawaii, or sold in any county for ultimate
2 use in the county of Hawaii, 16 cents state tax, and
3 in addition thereto [~~sueh~~] an amount, to be known as
4 the "county of Hawaii fuel tax", as shall be levied
5 pursuant to section 243-5;

6 [~~+5~~] (6) For each gallon of liquid fuel, other than fuel
7 mentioned in paragraphs (1) [~~and~~], (2), and (3), and
8 other than an alternative fuel, sold or used in the
9 county of Maui, or sold in any county for ultimate use
10 in the county of Maui, 16 cents state tax, and in
11 addition thereto [~~sueh~~] an amount, to be known as the
12 "county of Maui fuel tax", as shall be levied pursuant
13 to section 243-5; and

14 [~~+6~~] (7) For each gallon of liquid fuel, other than fuel
15 mentioned in paragraphs (1) [~~and~~], (2), and (3), and
16 other than an alternative fuel, sold or used in the
17 county of Kauai, or sold in any county for ultimate
18 use in the county of Kauai, 16 cents state tax, and in
19 addition thereto [~~sueh~~] an amount, to be known as the
20 "county of Kauai fuel tax", as shall be levied
21 pursuant to section 243-5.



1 If it is shown to the satisfaction of the department, based
2 upon proper records and from ~~such~~ any other evidence as the
3 department may require, that liquid fuel, other than fuel
4 mentioned in paragraphs (1) ~~and~~, (2), and (3), is used for
5 agricultural equipment that does not operate upon the public
6 highways of the State, the user thereof may obtain a refund of
7 all taxes thereon imposed by this section in excess of 1 cent
8 per gallon. The department shall adopt rules to administer such
9 refunds."

10 PART II

11 SECTION 3. Section 206M-15.5, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "§206M-15.5 High technology special fund. There is
14 established in the state treasury a fund to be known as the high
15 technology special fund, into which shall be deposited, except
16 as otherwise provided by section 206M-17 [~~all~~]:

17 (1) Any appropriations or other funds required to be
18 deposited by law; and

19 (2) All moneys, fees, and equity from tenants, qualified
20 persons, or other users of the development



1 corporation's industrial parks, projects, other leased
 2 facilities, and other services and publications;
 3 provided that the total amount of moneys in the fund shall not
 4 exceed \$3,000,000 at the end of any fiscal year. All moneys in
 5 the fund are appropriated for the purposes of and shall be
 6 expended by the development corporation for the operation,
 7 maintenance, and management of its industrial parks, projects,
 8 facilities, services, and publications, and to pay the expenses
 9 in administering the special purpose revenue bonds of the
 10 development corporation or in carrying out its project
 11 agreements."

PART III

13 SECTION 4. Statutory material to be repealed is bracketed
 14 and stricken. New statutory material is underscored.

15 SECTION 5. This Act shall take effect upon its approval;
 16 provided that section 2 shall be applied retroactively and shall
 17 be effective on and after January 1, 2016.

APPROVED this 20 day of JUN, 2016



GOVERNOR OF THE STATE OF HAWAII