
A BILL FOR AN ACT

RELATING TO ENVIRONMENTAL RESPONSE.

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

1 SECTION 1. Section 128D-2, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) There is created within the state treasury an
4 environmental response revolving fund, which shall consist of
5 moneys appropriated to the fund by the legislature, moneys paid
6 to the fund as a result of departmental compliance proceedings,
7 moneys paid to the fund pursuant to court-ordered awards or
8 judgments, moneys paid to the fund in court-approved or out-of-
9 court settlements, all interest attributable to investment of
10 money deposited in the fund, moneys deposited in the fund from
11 the environmental response[, energy, and food security] tax
12 pursuant to section 243-3.5, and moneys allotted to the fund
13 from other sources."

14 SECTION 2. Section 141-10, Hawaii Revised Statutes, is
15 amended by amending subsection (b) to read as follows:

16 "(b) The following moneys shall be deposited into the
17 special fund:



H.B. NO. 1207

1 ~~[(1) The portion of the environmental response, energy, and~~
2 ~~food security tax specified under section 243-3.5;~~

3 ~~-(2)]~~ (1) Any appropriation by the legislature into the
4 special fund;

5 ~~[(3)]~~ (2) Any grant or donation made to the special fund;
6 and

7 ~~[-(4)]~~ (3) Any interest earned on the balance of the special
8 fund."

9 SECTION 3. Section 201-12.8, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) There is created within the state treasury an energy
12 security special fund, which shall consist of:

13 ~~[(1) The portion of the environmental response, energy, and~~
14 ~~food security tax specified under section 243-3.5;~~

15 ~~-(2)]~~ (1) Moneys appropriated to the fund by the
16 legislature;

17 ~~[(3)]~~ (2) All interest attributable to investment of money
18 deposited in the fund; and

19 ~~[-(4)]~~ (3) Moneys allotted to the fund from other sources,
20 including under section 196-6.5."



H.B. NO. 1207

SECTION 4. Section 243-3.5, Hawaii Revised Statutes, is amended as follows:

1. By amending its title and subsections (a) and (b) to read:

"§243-3.5 Environmental response[, ~~energy, and food security~~] tax; uses. (a) In addition to any other taxes provided by law, subject to the exemptions set forth in section 243-7, there is hereby imposed a state environmental response[, ~~energy, and food security~~] tax on each barrel or fractional part of a barrel of petroleum product sold by a distributor to any retail dealer or end user of petroleum product, other than a refiner. The tax shall be \$1.05 on each barrel or fractional part of a barrel of petroleum product that is not aviation fuel; provided that of the tax collected pursuant to this subsection[+],

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

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



H.B. NO. 1267

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

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

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

(b) In addition to subsection (a), the tax shall also be
imposed on each one million British thermal units of fossil fuel
sold by a distributor to any retail dealer or end user, other
than a refiner, of fossil fuel. The tax shall be 19 cents on
each one million British thermal units of fossil fuel~~[-; provided
that of the tax collected pursuant to this subsection:]~~

~~(1) 4.8 per cent of the tax on each one million British
thermal units shall be deposited into the
environmental response revolving fund established
under section 128D-2;~~

~~(2) 14.3 per cent of the tax on each one million British
thermal units shall be deposited into the energy~~



1 ~~security special fund established under section 201-~~
2 ~~12.8;~~
3 ~~(3) 9.5 per cent of the tax on each one million British~~
4 ~~thermal units shall be deposited into the energy~~
5 ~~systems development special fund established under~~
6 ~~section 304A-2169.1; and~~
7 ~~(4) 14.3 per cent of the tax on each one million British~~
8 ~~thermal units shall be deposited into the agricultural~~
9 ~~development and food security special fund established~~
10 ~~under section 141-10].~~

11 The tax imposed by this subsection shall be paid by the
12 distributor of the fossil fuel."

13 2. By amending subsection (f) to read:

14 "(f) Notwithstanding section 248-8 to the contrary, the
15 environmental response[, energy, and food security] tax
16 collected under this section shall be deposited into the general
17 fund; provided that taxes collected for deposit into the
18 environmental response revolving fund pursuant to subsection (a)
19 shall be paid over to the director of finance for deposit [as
20 provided in subsection (a) or (b), as the case may be]."



H.B. NO. 1207

SECTION 5. Section 304A-2169.1, Hawaii Revised Statutes,
is amended by amending subsection (b) to read as follows:

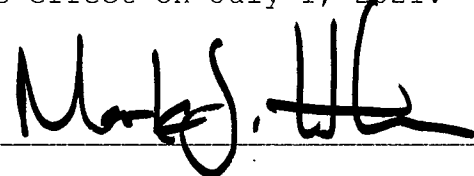
"(b) Deposits into the special fund may be from the
following:

- (1) Appropriations from the legislature; and
- ~~[-(2) A portion of the environmental response, energy, and
food security tax pursuant to section 243-3.5; and~~
- ~~[-(3)]~~ (2) Investment earnings, gifts, donations, or other
income received by the Hawaii natural energy
institute."

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

SECTION 7. This Act shall take effect on July 1, 2021.

INTRODUCED BY:



JAN 26 2021



H.B. NO. 1207

Report Title:

Environmental Response; Barrel Tax; Fossil Fuels; General Fund

Description:

Renames the environmental response, energy, and food security tax the environmental response tax. Repeals the deposit of taxes collected on barrels of petroleum products into the energy security special fund, energy systems development special fund, and agricultural development and food security special fund. Requires all taxes collected on each one million British thermal units of fossil fuels to be deposited into the general fund.

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

