

STAND. COM. REP. NO. 574

Honolulu, Hawaii

MAR 05 2015

RE: S.B. No. 717
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 717, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ETHANOL,"

begs leave to report as follows:

The purpose and intent of this measure is to repeal the requirement that gasoline sold in the State for use in motor vehicles be composed of ten percent ethanol.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from Bioenergy Associates LLC. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

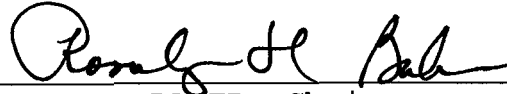
Your Committee finds that since 1997, Hawaii has required that gasoline sold in the State include ten percent ethanol. Your Committee notes that although ethanol has reduced the consumption of petroleum products in the transportation sector, the ethanol has been imported and has not been produced locally despite the availability of production tax credits. Your Committee further finds that the requirement of blending ethanol into Hawaii's gasoline does not produce an economic benefit for the State, while the import of ethanol creates an economic burden for state residents. Repealing the ethanol gasoline requirement will ensure that any added costs associated with ethanol blending will not affect gasoline price and supply.



Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 717, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 717, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



