

JAN 17 2018

A BILL FOR AN ACT

RELATING TO BIOFUEL.

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

1 SECTION 1. The legislature finds that there are advantages
2 to encouraging the use of biofuel in motor vehicles. Biofuels
3 are a renewable energy source, derived from crops that can be
4 harvested and regrown annually. The ability to grow the energy
5 source is even more beneficial to the State, allowing the State
6 to be more energy independent and less reliant on imported
7 fossil fuels.

8 The legislature further finds that biofuels can help
9 achieve the Hawaii clean energy initiative's goal of one hundred
10 per cent clean energy by 2045, by transitioning away from fossil
11 fuels. Biofuels tend to be more environmentally-friendly than
12 fossil fuels. Biofuels contain less sulphur, which is a main
13 component of acid rain. Biofuels also emit less net carbon
14 dioxide, because the plants used to make the biofuels use carbon
15 dioxide. The carbon dioxide emitted when burning the biofuels
16 is offset by the carbon dioxide taken in during the growth of



1 the plants used to make the biofuels. The reduction in net
2 carbon dioxide emissions can help limit global warming.

3 The purpose of this Act is to encourage the use of biofuels
4 by requiring that motor vehicle fuel contain at least ten per
5 cent biofuel by volume and setting fines for distributors who do
6 not meet the minimum requirement.

7 SECTION 2. Chapter 486J, Hawaii Revised Statutes, is
8 amended by adding a new section to be appropriately designated
9 and to read as follows:

10 "§486J- Biofuel content requirement. (a) The director
11 shall adopt rules in accordance with chapter 91 to require that
12 fuel sold in the State for use in motor vehicles contain no less
13 than ten per cent biofuel by volume. The biofuel shall be
14 produced in the State from agricultural products grown in the
15 State. The amounts of motor vehicle fuel sold in the State
16 containing no less than ten per cent biofuel shall be in
17 accordance with rules adopted by the director to administer and
18 enforce this section. Rules adopted pursuant to this subsection
19 shall take effect no later than ninety days after production of
20 biofuel in Hawaii equals gallons per year, sustained over
21 a period of four consecutive weeks.



1 (b) The director may authorize the sale of motor vehicle
2 fuel that does not meet the provisions of this section if
3 sufficient quantities of competitively-priced biofuel produced
4 in the State are not available to meet the requirements of this
5 section.

6 (c) Each distributor, at reporting dates established by
7 the director, shall file with the director, on forms prescribed,
8 prepared, and furnished by the director, a certified statement
9 showing:

10 (1) The price and amount of biofuel available;

11 (2) The amount of biofuel-blended fuel sold by the
12 distributor;

13 (3) The amount of non-biofuel-blended motor vehicle fuel
14 sold by the distributor; and

15 (4) Any other information that the director requires for
16 the purposes of compliance with this section.

17 (d) Provisions with respect to confidentiality of
18 information shall be as provided in section 486J-6.

19 (e) Any distributor or any other person who violates the
20 requirements of this section shall be subject to a fine of not



1 less than \$2 per gallon of nonconforming fuel, up to a maximum
2 of \$1,000,000 per infraction."

3 SECTION 3. Section 486J-1, Hawaii Revised Statutes, is
4 amended by amending the definition of "biofuels" to read as
5 follows:

6 "Biofuels" means liquid or gaseous fuels, including
7 biodiesel and ethanol, produced from organic sources such as
8 biomass crops, agricultural residues, and oil crops, such as
9 palm oil, canola oil, soybean oil, waste cooking oil, grease,
10 and food wastes, animal residues and wastes, and sewage and
11 landfill wastes."

12 SECTION 4. New statutory material is underscored.

13 SECTION 5. This Act shall take effect upon its approval.

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S.B. NO. 2019

Report Title:

Biofuels; Motor Vehicle Fuel; Fine

Description:

Requires fuel sold in the State to contain no less than ten per cent biofuel by volume that is produced in the State from agriculture products grown or sourced in the State; provided certain quantities of biofuel produced in the State are available. Sets amount of fine for violating biofuel requirement. Amends definition of "biofuels" to include ethanol and biodiesel.

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