A BILL FOR AN ACT

RELATING TO ENERGY INDUSTRY REPORTING.

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

1	SECTION 1. Section 486H-13, Hawaii Revised Statutes, is
2	amended as follows:
3	1. By amending subsection (1) to read:
4	"(1) The suspension of the maximum pre-tax wholesale
5	gasoline price shall suspend the commission's duty to calculate
6	and publish the maximum pre-tax wholesale gasoline price that
7	would have been in effect but for the suspension, but shall not
8	suspend or affect:
9	(1) Any duty to register, timely provide information, make
10	a report, or file a statement under chapter 486J; or
11	(2) Any duty of the commission to [+
12	(A) Timely obtain, analyze, or publicly disclose or
13	report information under chapter 486J; and
14	(B) Enforce chapter 486B."
15	2. By amending subsection (n) to read:
16	"(n) The [commission] department of business, economic
17	development, and tourism shall have the power to determine the

- 1 extent to which a manufacturer, wholesaler, or jobber is
- 2 complying with any requirement imposed or rule adopted under
- 3 this section, including the power to compel a manufacturer,
- 4 wholesaler, or jobber to submit documents, data, and information
- 5 necessary and appropriate for the [commission] department of
- 6 business, economic development, and tourism to determine [such]
- 7 compliance. [The commission may use data collected pursuant to
- 8 chapter 486J in determining such compliance.] "
- 9 SECTION 2. Chapter 486J, Hawaii Revised Statutes, is
- 10 amended by amending the title to read as follows:
- 11 "CHAPTER 486J
- 12 [PETROLEUM] ENERGY INDUSTRY INFORMATION REPORTING ACT"
- 13 SECTION 3. Section 486J-1, Hawaii Revised Statutes, is
- 14 amended as follows:
- 15 1. By adding three new definitions to read:
- ""Biofuels" means liquid or gaseous fuels produced from
- 17 organic sources such as biomass crops, agricultural residues,
- 18 and oil crops, such as palm oil, canola oil, soybean oil, waste
- 19 cooking oil, grease, and food wastes, animal residues and
- 20 wastes, and sewage and landfill wastes.

1 "Inventory" means the volume, in barrels, of reserve that 2 is normally maintained by the reporting entity on a monthly 3 basis. "Storage capacity" means the maximum volume, in barrels, of 4 5 used and useful facility capacity for storage." 6 2. By repealing the definitions of "competitively priced", 7 "corporate overhead expenses", "dealer tank wagon price", "major fuel user", "major marketer", "major oil producer", "major oil 8 9 storer", "major oil transporter", "nonrefiner wholesale price", **10** "refiner wholesale price", and "wholesale liquid fuel prices". 11 [""Competitively priced" means fuel-grade-ethanol for which **12** the wholesale price, minus the value of all applicable federal, 13 state, and county-tax credits and exemptions, is not more than 14 the average posted rack price of unleaded gasoline of comparable 15 grade published in the State. 16 "Corporate overhead expenses" means the expenses or costs 17 allocated by the refiners that reflect their Hawaii business 18 units' share of corporate staff costs, such as legal, finance, 19 accounting, information technology, and similar costs. 20 "Dealer tank wagon price" means the wholesale price at 21 which liquid fuel is sold to any retail outlet by any 22 distributor priced on a delivered basis to a retail outlet:



1	-major ruer user - means-any-person who uses ruer in-the
2	manufacture of products or for the generation of power in
3	amounts determined by the commission as having a major effect or
4	energy supplies.
5	"Major-marketer" means any person who-sells natural gas,
6	propane, synthetic natural gas, or oil in amounts determined by
7	the commission as having a major effect on energy supplies.
8	"Major-oil-producer" means any person-who-produces oil in
9	amounts determined by the commission as having a major effect or
10	energy-supplies.
11	"Major oil storer" means any person who stores oil or other
12	petroleum products in amounts determined by the commission as
13	having a major effect on energy supplies.
14	"Major-oil-transporter" means any person who transports oil
15	or other petroleum products in amounts determined by the
16	commission as having a major effect on energy supplies.
17	"Nonrefiner -wholesale price" means the wholesale price at
18	which liquid fuel is sold by any distributor, not a refiner, to
19	any other distributor, not a refiner, for resale at any
20	subsequent wholesale or retail-transaction.
21	"Refiner-wholesale price" means the wholesale price at
22	which liquid fuel is sold by a refiner to any distributor, not a
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1 refiner, for resale at any subsequent wholesale or retail 2 transaction. 3 "Wholesale liquid fuel prices" means the prices at which 4 liquid fuel is sold at wholesale for resale at wholesale or 5 retail, typically but not limited to gasoline and diesel for 6 motor vehicles, and include "dealer tank wagon price", 7 "nonrefiner wholesale price", and "refiner wholesale price"."] SECTION 4. Section 486J-3, Hawaii Revised Statutes, is 8 9 amended to read as follows: 10 "\$486J-3 Statements. [-(a)-] Each [week] month, every 11 refiner and distributor [and major fuel user shall file with the commission, on forms prescribed, prepared, and furnished by the 12 13 commission, a certified statement showing on a statewide 14 consolidated basis, and], on a reporting date established by the **15** director, shall file with the research and economic analysis division of the department, on forms furnished by the department 16 17 showing separately for each county and for the islands of Lanai 18 and Molokai within which and whereon fuel is sold or used during 19 the last preceding reporting [week,] month, the following: 20 [(1) The total number of gallons or units of fuel, by type 21 or grade, refined, manufactured, or compounded by the 22 distributor within the State and, if for ultimate sale

1		or consumption in another county or on another island,
2		the number of gallons or units of fuel, by type or
3		grade, sold, exchanged, or otherwise transferred or
4		used by the distributor in each county or island;
5	(2)	The total number of gallons or units of fuel, by type
6		or grade, imported or exported by the distributor; the
7		total volumes of fuel, by type or grade, sold,
8		exchanged, or otherwise transferred or used by the
9		distributor; and if for ultimate sale or consumption
10		in another county or on another island, the number of
11		gallons or units of fuel, by type or grade, sold,
12		exchanged, or otherwise transferred or used by the
13		distributor in each county or island;
14	(3)	The total number of gallons or units of fuel sold as
15		liquid fuel, aviation fuel, diesel fuel, and other
16		types of fuel as required by the commission;
17	(4)	The total number of gallons or units of fuel, by type
18		or grade, and their respective sales prices for all
19		fuel sold to federal, state, and county agencies,
20		ships stores, or base exchanges, commercial
21		agricultural-accounts, commercial nonagricultural

1		accounts, retail-dealers, and other customers as
2		required by the commission;
3	(5) -	Weekly-weighted-average acquisition cost per barrel
4		and volumes of foreign or domestic crude oil or other
5		liquid fuels, finished or unfinished, imported to
6		Hawaii, including information identifying the source
7		of the crude oil or other liquid fuels;
8	(6)	The effective date and time, and the amount of change
9		in cents per gallon, of any increase or decrease in
10		wholesale price occurring during the week and the
11		weekly weighted average wholesale prices and sales
12		volumes of finished unleaded regular and premium motor
13		gasoline, and of each other grade of gasoline sold, by
14		island, to retail outlets, by classes of retail trade,
15		and to wholesale distributors;
16	-(7)	Weekly weighted average retail prices, and sales
17		volumes of finished unleaded regular and premium motor
18		gasoline, and of each other grade of gasoline sold, by
19		island, by retail distributor outlets of all classes
20		of retail trade and by any distributor to other end-
21		users; provided that the commission may purchase
22		retail price data from data service companies that the

1		commission may use to substitute some or all data to
2		meet the reporting requirement for retail price data
3	•	under this paragraph;
4	(8)	The effective date and time, and the amount of change
5		in cents per gallon, of any increase or decrease in
6		wholesale price occurring during the week and the
7		weekly weighted average wholesale prices, and sales
8	•	volumes of No. 2 diesel fuel and No. 2 fuel oil, by
9		island, to retail distributor outlets, by classes of
10		retail trade, and to all other wholesale distributors
11		Weighted average-wholesale-prices-and sales volumes
12		shall be reported by type of wholesale-liquid fuel
13		price;
14	(9)	Weekly weighted average retail prices, and sales
15		volumes of No. 2 diesel fuel and No2 fuel oil sold,
16		by island, by retail distributor outlets of all
17		classes of retail trade and by any-distributor to
18		other end-users. The commission may purchase retail
19		price data from data service companies that the
20		commission-may-use to-substitute some or all data to
21		meet the reporting requirement for retail price data
22		under this paragraph;

1	(10)	Weekly weighted average prices, and sales volumes for
2		retail sales and wholesale sales, by island, of No. 1
3		distillate, kerosene, finished aviation gasoline,
4		kerosene-type jet fuel, No. 4 fuel oil, residual fuel
5		oil, and consumer grade propane;
6	(11)	For each distributor that is a refiner, the gross
7		margins or spreads between a refiner's average
8		weighted acquisition price for each gallon of crude
9		oil and blendstock refined within the State and the
10		average-weighted-prices-for-each-gallon or unit of
11		fuel sold, by county or island, to another
12		distributor, a retail dealer, end-user, and consumer;
13	(12)	For each distributor that is not a refiner, the gross
14	ı	margins-or-spreads-between-the-distributor's average
15		weighted price for each gallon or unit of fuel
16		acquired by the distributor and the average weighted
17		prices for each gallon or unit of fuel sold, by county
18		or island, to another distributor, a retail dealer,
19		end-user, or consumer; and
20	(13)	Revenues, expenses, profits and losses, and any other
21		financial or operating information as may be required
22		by the commission.

1	The commi	ssion shall prescribe applicable standards and
2	practices	for reporting to facilitate uniformity, consistency,
3	and compa	rability of the data to be submitted.]
4	(1)	The total volume of fuel imported into and exported
5		from Hawaii, and if for ultimate sale or consumption
6		in another county or on another island, the total
7		volume of fuel, in barrels, by import location
8		(foreign and domestic), by specific crude oil
9		imported, and by liquid fuel type, aviation fuel,
10		diesel fuel, biofuels, and other types of fuel as
11		required by the department, that is sold, exchanged,
12		or otherwise transferred or used by the distributor;
13	(2)	The total volume of fuel refined, manufactured, or
14		compounded by refineries, in barrels, by company, and
15		by specific crude oil and by liquid fuel type,
16		aviation fuel, diesel fuel, biofuels, and other types
17		of fuel as required by the department, including No. 2
18		diesel fuel, No. 1 distillate, No. 2 fuel oil, No. 4
19		fuel oil, kerosene, finished aviation gasoline,
20		kerosene-type jet fuel, residual fuel oil, consumer
21		grade propane, and gasoline (regular, midgrade, and
22		premium);

1	(3)	The total volume of fuel distributed, in barrels, by
2		company, by island, and by liquid fuel type, aviation
3		fuel, diesel fuel, biofuels, and other types of fuel
4		as required by the department, and by:
5		(A) Classes of retail trade;
6		(B) Federal, state, county agencies, ships stores, or
7.	· ·	base exchanges, commercial agriculture accounts,
8		commercial non-agriculture accounts, retail
9		dealers, and other customers as required by the
10		department; and
11		(C) Wholesale distributor;
12		and
13	(4)	The total volume of inventory and storage capacity, in
14		barrels, by reporting entity, by method of
15		transportation of receipts and distribution, by
16		specific crude oil, and by liquid fuel type, aviation
17		fuel, diesel fuel, biofuels, and other types of fuel
18		as required by the department.
19	[-(b)-	Each-major-marketer-shall submit to the commission,
20	at a time	and in a form as the commission shall prescribe,
21	informati	on, including petroleum and petroleum product receipts,
22	ехсhanges	, inventories, and distributions.

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         (c) The commission may require additional information as
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    and when the commission-deems-necessary to perform the
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    commission's responsibilities under this chapter.
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         (d) Information in the statements filed pursuant to this
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    section shall be collected and maintained for the purpose of
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    facilitating the analysis required by this chapter; provided
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    that the commission shall make the information available to the
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    public, to the extent permitted under sections 486J-6 and
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    <del>486J-8.</del>] "
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         SECTION 5. Section 486J-5.5, Hawaii Revised Statutes, is
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    amended to read as follows:
12
         "[+] §486J-5.5[] Petroleum industry monitoring, analysis,
    and reporting] Energy data collection program. The [commission]
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14
    department shall establish the [petroleum industry monitoring,
15
    analysis, and reporting] energy data collection program that
16
    includes development and maintenance of an [automated petroleum
17
    industry information reporting] energy database system that
18
    meets the requirements of government[,] and industry, [and the
19
    public] while promoting sound policy making [and consumer
20
    information and protection. The purpose of the petroleum
21
    industry monitoring, analysis, and reporting program is to
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    conduct and facilitate the efficient analysis and reporting of
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- 1 all information and data provided by the petroleum industry
- 2 pursuant to this chapter. The commission shall develop the
- 3 petroleum industry monitoring, analysis, and reporting program
- 4 in-a-manner that will result in greater market transparency and
- 5 provide useful information to the general public and those
- 6 agencies that are authorized to conduct oversight of the
- 7 petroleum industry and ensure compliance with all relevant
- 8 laws.], energy planning, energy assurance planning, and energy
- 9 security."
- 10 SECTION 6. Section 486J-6, Hawaii Revised Statutes, is
- 11 amended to read as follows:
- 12 "§486J-6 Confidential information. (a) [Confidential
- 13 commercial information | Statements provided to the [commission]
- 14 department pursuant to [this chapter that is] section 486J-3 and
- 15 the data contained therein shall be deemed confidential and
- 16 exempt from public disclosure under [section 92F-13 shall be
- 17 held in confidence by the commission or aggregated to the extent
- 18 necessary in the commission's discretion to ensure
- 19 confidentiality as required by chapter 92F.
- **20** (b) No data or information submitted to the [commission]
- 21 department shall be deemed confidential if it is shown that the
- 22 person submitting the information or data has made it public.



1	(c)	Unless otherwise provided by law, with respect to data
2	that the	commission [obtains] or department obtained or [is] was
3	provided	pursuant to [section 486J-3, 486J-4, 486J-4.5, or
4	486J 5,]	this chapter, neither the commission or department nor
5	any emplo	oyee of the commission or department may do any of the
6	following	g:
7	(1)	Use the information furnished or obtained for any
8		purpose other than the purposes for which it is
9		supplied;
10	(2)	Make any publication whereby the data furnished by any
11		person can be identified; or
12	(3)	Permit any person other than the commission, the
13		department of taxation, the attorney general, the
14		consumer advocate, the department of business,
15		economic development, and tourism, and the authorized
16		representatives and employees of each to examine the
17		individual reports or statements provided."
18	SECT	FION 7. Section 486J-7, Hawaii Revised Statutes, is
19	amended t	to read as follows:
20	"§48	86J-7 Confidential information obtained by another
21	state age	ency. Any confidential information pertinent to the
22	responsik	oilities of the commission or the department specified

- 1 in this chapter that is obtained by another state agency,
- 2 including the department of taxation, the attorney general, and
- 3 the consumer advocate, shall be available only to the attorney
- 4 general, the attorney general's authorized representatives, the
- 5 department of business, economic development, and tourism, and
- 6 the commission and shall be treated in a confidential manner."
- 7 SECTION 8. Section 486J-9, Hawaii Revised Statutes, is
- 8 amended by amending subsections (a), (b), and (c) to read as
- 9 follows:
- 10 "(a) The [commission] department shall notify those
- 11 persons who have failed to timely provide the information
- 12 specified in section 486J-3[, 486J-4, or 486J-4.5] or requested
- 13 by the [commission] department under section 486J-3[, 486J-4, or
- 14 486J-4.5]. If, within five business days after being notified
- 15 of the failure to provide the specified or requested
- 16 information, the person fails to supply the specified or
- 17 requested information, the person shall be subject to a civil
- 18 penalty of not less than \$50,000 per day nor more than \$100,000
- 19 per day for each day the submission of information is refused or
- 20 delayed.
- 21 (b) Any person, or any employee of any person, who
- 22 wilfully makes any false statement, representation, or



-	continuation in any record, report, pran, or other document
2	filed with the [commission] department shall be subject to a
3	civil penalty not to exceed \$500,000 and shall be deemed to have
4	committed an unfair or deceptive act or practice in the conduct
5	of a trade or commerce and subject to the penalties specified in
6	chapters 480 and 486B.
7	(c) The [commission] department shall refer any matter
8	under subsection (a) or (b) to the attorney general, who may
9	exercise any appropriate legal or equitable remedies that may be
10	available to the State."
11	SECTION 9. Section 486J-4, Hawaii Revised Statutes, is
12	repealed.
13	["§486J-4 Informational reports. (a) Each major oil
14	producer, refiner, marketer, oil transporter, and oil storer
15	shall-submit to the commission, in a form as the commission
16	shall prescribe, information—that—includes the following:
17 ,	(1) Major oil transporters shall report on petroleum by
18	reporting the capacities of each major transportation
19	system, the amount transported by each system, and
20	inventories thereof The provision of the information
21	shall not be construed to increase and decrease any
22	authority the commission may otherwise have;

1	(2)	Major oil storers shall report on storage capacity,
2		inventories, receipts and distributions, and methods
3		of transportation of receipts and distributions;
4	(3)	Refiners shall report on facility capacity and
5		utilization and method of transportation of refinery
6		receipts and distributions; and
7	(4)	Major-oil-marketers shall report on facility-capacity
8		and methods of transportation of receipts and
9		distributions.
10	(b)	-The commission may require additional information as
11	and when-	the commission deems necessary to perform the
12	commissio	n's responsibilities under this chapter."]
13	SECT	ION 10. Section 486J-4.5, Hawaii Revised Statutes, is
14	repealed.	
15	[" §4	86J-4.5 Informational cost reports. (a) Each
16	refiner,	on-a-semi annual basis, at reporting dates-as the
17	commissio	n-may establish, shall file with the commission, on
18	forms pre	scribed, prepared, and furnished by the commission, a
19	certified	statement of operating and overhead costs for the
20	refiner's	Hawaii operations that shall include but not be
21	limited t	e the following:
22	(1)	Crude oil costs and sources;

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        (2) Other-feedstock costs and sources;
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             Refinery operating expenses;
         (4) Marketing operating expenses by petroleum product;
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4
         (5) Distribution-expenses by petroleum product; and
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        (6) Corporate overhead expenses.
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         (b) In addition to the reporting required under subsection
7
    (a), each distributor shall file with the commission all
8
    Securities and Exchange Commission Forms 10-K, 10-Q, annual
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    reports, quarterly reports, and earnings supplements published
10
    by the distributor.
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         (c) Each distributor, except a distributor who is so
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    defined solely by criteria in paragraph (4) of that definition
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    in-section-486J-1, who sells liquid fuel only at retail and is
14
    not a refiner, shall file with the commission, on a semi-annual
15
    basis at reporting dates as the commission may establish, on
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    forms prescribed, prepared, and furnished by the commission, a
17
    certified statement of operating and overhead costs that shall
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    include the following:
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         (1) Gasoline purchases and exchanges and sources;
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         (2) Diesel purchases and exchanges and sources;
21
         (3) Marketing-expenses; and
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         (4) Distribution expenses."]
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1	SECTION 11. Section 486J-5, Hawaii Revised Statutes, is
2	repealed.
3	["\$486J-5- Analysis of information; summary reports. (a)
4	The commission, with the commission's own staff and other
5	support staff with expertise and experience in, or with, the
6	petroleum industry, shall gather, analyze, and interpret the
7	information submitted to it pursuant to sections 486J-3, 486J-4,
8	and 486J 4.5 and other information relating to the supply,
9	prices, margins, and profits of petroleum-products, with
10	particular emphasis on motor vehicle fuels, including but not
i İ	limited to all of the following:
12	(1) The nature, cause, and extent of any petroleum or
13	petroleum product situation or condition affecting
14	supply, price, margins, or profits;
15	(2) The prices, with particular emphasis on wholesale and
16	retail motor vehicle fuel prices, and any significant
17	changes in prices charged by the petroleum industry
18	for petroleum or petroleum products sold in Hawaii and
19	the reasons for the changes;
20	(3) The income, expenses, margins, and profits in Hawaii,
21	both before and after taxes, of each distributor and
22	the income, expenses, margins, and profits, both

1	before and after taxes, of major oil companies in
2	other regions of the United States and other
3	countries; and
4	(4) The emerging trends relating to supply, demand, price,
5	margins, and profits.
6	(b) The commission shall analyze the effects of state and
7	federal policies, rules, and regulations upon the supply and
8	pricing-of-petroleum-products.
9	(c) The commission shall publish annually and submit to
10	the governor and the legislature twenty days prior to the first
11	day of each regular legislative session a summary, including any
12	analysis and interpretation of the information submitted to it
13	pursuant to this chapter, and any other activities taken by the
14	commission, including civil penalties imposed and referrals of
15	violations to the attorney general under section 486J-9. Any
16	person may submit comments in writing regarding the accuracy or
17	sufficiency of the information submitted."]
18	SECTION 12. Section 486J-5.3, Hawaii Revised Statutes, is
19	repealed.
20	["[§486J-5.3] Use and analysis of information by the
21	department of business, economic development, and tourism. The
22	department, with its own staff and other support staff with
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1	relevant expertise and experience, shall use the information
2	obtained under this chapter to effectuate the purposes of
3	chapters 125C, 196, and other relevant laws."]
4	SECTION 13. Section 486J-5.6, Hawaii Revised Statutes, is
5	repealed.
6	["-[\$486J-5.6] Petroleum industry monitoring, analysis, and
7	reporting special fund. (a) There is established a petroleum
8	industry monitoring, analysis, and reporting special fund to be
9	administered by the commission.
10	(b) The legislature may make appropriations—from the
11	general revenues of the State of Hawaii, not to exceed
12	\$2,000,000 in any fiscal year, for the petroleum industry
13	monitoring, analysis, and reporting special fund.
14	(c) Moneys in the special fund shall be used to:
15	(1) Administer the petroleum industry monitoring,
16	analysis, and reporting program pursuant to this
17	chapter; and
18	(2) Establish full-time staff positions in the
19	commission to implement and maintain the petroleum
20	industry monitoring, analysis, and reporting program,
21	including the automated petroleum industry information
22	reporting system established by section 486J 5.5."]

1 SECTION 14. Section 486J-8, Hawaii Revised Statutes, is 2 repealed. 3 ["§486J-8 Sharing of information obtained by the 4 commission. (a) Except—as—provided in subsections (b) and (c), 5 the commission shall make any information-obtained by the commission under this chapter, including-confidential 6 7 information, available only to the attorney general, the department of taxation, the consumer advocate, the department of 8 9 business, economic development, and tourism, an appropriate 10 legislative committee, and the authorized representative of 11 each, who shall safeguard the confidentiality of all 12 confidential information received. 13 (b) The commission shall disclose to the public, using the 14 best readily available technology, the information contained in 15 the statements that are filed pursuant to section 486J-3, except 16 to the extent that disclosure is prohibited under section 17 486J-6. The commission shall publicly report this information 18 within fourteen days pursuant to the reporting dates established 19 by the commission under section 486J-3. 20 (c) Nothing in this section shall be construed to prohibit 21 the implementation of the petroleum industry-monitoring, 22 analysis, and reporting program under section 486J 5.5 or the HB2631 CD1 HMS 2010-3255

- 1 public disclosure of the analysis of information and reports
- 2 described in-section-486J-5."]
- 3 SECTION 15. Statutory material to be repealed is bracketed
- 4 and stricken. New statutory material is underscored.
- 5 SECTION 16. This Act shall take effect on July 1, 2010.

Report Title:

Petroleum Industry; Information

Description:

Repeals the Petroleum Industry Monitoring, Analysis, and Reporting Program, and its special fund; establishes the Energy Data Collection Program; requires refiners and distributors to report monthly to the Research and Economic Analysis Division of DBEDT, on fuel imported, exported, transferred, used, refined, manufactured, compounded, and distributed. Effective July 1, 2010. (HB2631 CD1)

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