

JAN 26 2009

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# A BILL FOR AN ACT

RELATING TO ETHANOL.

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

1           SECTION 1. The legislature finds that all gasoline sold in  
2 the State for use in motor vehicles must contain at least ten  
3 per cent ethanol by volume. As James Madison wrote in *The*  
4 *Federalist, No. 20*, "Experience is the oracle of truth". Since  
5 enactment of the ethanol content requirement, Hawaii has  
6 experienced increased prices and further dependence on imported  
7 oil for our fuel supply.

8           The legislature finds that Hawaii's experience with a ten  
9 per cent ethanol content requirement has not yielded the lower  
10 fuel prices or energy independence that was expected when the  
11 law was passed. The legislature further finds that, to the  
12 contrary, the ethanol content requirement has helped keep fuel  
13 prices high by forcing refiners to import the ethanol additive.  
14 Ethanol has yet to be produced in Hawaii in any meaningful  
15 quantity, so gasoline prices in the State must also bear the  
16 added expense of purchasing ethanol from foreign suppliers and  
17 transporting it to the State. The legislature further finds



1 that motor vehicles get lower gas mileage when using ethanol-  
2 treated fuel, and this forces drivers to refuel more frequently  
3 and use yet more expensive gasoline. The legislature further  
4 finds that ethanol-treated gasoline is damaging to marine  
5 engines and small gasoline engines, resulting in expensive  
6 repairs for individuals who own small boats, watercraft, and  
7 gas-powered tools. The legislature further finds that,  
8 recently, fuel crops have replaced food crops, and this has  
9 increased the prices of staple foods, and in some parts of the  
10 world it has resulted in food shortages and social unrest.  
11 Additionally, the consensus among the scientific community is  
12 that there is no net energy gain from the use of ethanol over  
13 traditional fossil fuels. The production cycle of ethanol,  
14 including growing, harvesting, and refining, requires more  
15 energy input from fossil fuels than the energy output of the  
16 finished ethanol product. This paradox has the undesirable  
17 effect of increasing our use of fossil fuels, making us more  
18 dependent on foreign sources of fuels and increasing our overall  
19 greenhouse gas emissions.

20 Accordingly, the purpose of this Act is to repeal section  
21 486J-10, Hawaii Revised Statutes.



1 SECTION 2. Section 486J-10, Hawaii Revised Statutes, is  
2 repealed.

3 [~~"§486J-10 Ethanol content requirement. (a) The director~~  
4 ~~shall adopt rules in accordance with chapter 91 to require that~~  
5 ~~gasoline sold in the State for use in motor vehicles contain ten~~  
6 ~~per cent ethanol by volume. The amounts of gasoline sold in the~~  
7 ~~State containing ten per cent ethanol shall be in accordance~~  
8 ~~with rules as the director may deem appropriate. The director~~  
9 ~~may authorize the sale of gasoline that does not meet these~~  
10 ~~requirements as provided in subsection (d).~~

11 ~~(b) Gasoline blended with an ethanol based product, such~~  
12 ~~as ethyl tertiary butyl ether, shall be considered to be in~~  
13 ~~conformance with this section if the quantity of ethanol used in~~  
14 ~~the manufacture of the ethanol based product represents ten per~~  
15 ~~cent, by volume, of the finished motor fuel.~~

16 ~~(c) Ethanol used in the manufacture of ethanol based~~  
17 ~~gasoline additives, such as ethyl tertiary butyl ether, may be~~  
18 ~~considered to contribute to the distributor's conformance with~~  
19 ~~this section, provided that the total quantity of ethanol used~~  
20 ~~by the distributor is an amount equal to or greater than the~~  
21 ~~amount of ethanol required under this section.~~



- 1       ~~(d) The director may authorize the sale of gasoline that~~  
2 ~~does not meet the provisions of this section.~~
- 3       ~~(1) To the extent that sufficient quantities of~~  
4           ~~competitively priced ethanol are not available to meet~~  
5           ~~the minimum requirements of this section; or~~
- 6       ~~(2) In the event of any other circumstances for which the~~  
7           ~~director determines compliance with this section would~~  
8           ~~cause undue hardship.~~
- 9       ~~(e) Each distributor, at reporting dates as the director~~  
10 ~~may establish, shall file with the director, on forms~~  
11 ~~prescribed, prepared, and furnished by the director, a certified~~  
12 ~~statement showing:~~
- 13       ~~(1) The price and amount of ethanol available;~~  
14       ~~(2) The amount of ethanol blended fuel sold by the~~  
15           ~~distributor;~~
- 16       ~~(3) The amount of non ethanol blended gasoline sold by the~~  
17           ~~distributor; and~~
- 18       ~~(4) Any other information the director shall require for~~  
19           ~~the purposes of compliance with this section.~~
- 20       ~~(f) Provisions with respect to confidentiality of~~  
21 ~~information shall be the same as provided in section 486J-6.~~



1       ~~(g) Any distributor or any other person violating the~~  
 2       ~~requirements of this section shall be subject to a fine of not~~  
 3       ~~less than \$2 per gallon of nonconforming fuel, up to a maximum~~  
 4       ~~of \$10,000 per infraction.~~

5       ~~(h) The director, in accordance with chapter 91, shall~~  
 6       ~~adopt rules for the administration and enforcement of this~~  
 7       ~~section."]~~

8       SECTION 3. Statutory material to be repealed is bracketed  
 9       and stricken.

10       SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

*[Handwritten signatures]*  
 [Signature 1]  
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 Michelle N. Kidani



**Report Title:**

Ethanol

**Description:**

Repeals the requirement for gasoline sold in the State to contain 10% ethanol.

