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# A BILL FOR AN ACT

RELATING TO ENERGY.

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

1       SECTION 1. The legislature finds that the intent of the  
2       ten per cent ethanol requirement under section 486J-10, Hawaii  
3       Revised Statutes, was to provide energy independence from  
4       foreign oil, reduce statewide gasoline consumption, and  
5       establish industrial plants to produce ethanol locally.

6       The State of Hawaii imports all of its ethanol, along with  
7       crude oil, from overseas. Act 257, Session Laws of Hawaii 1997,  
8       requires that gasoline sold in the State contain ten per cent  
9       ethanol. Despite several planned ethanol plants and an  
10      abundance of vacant sugar cane land, no plants have been built.  
11      The legislature finds that the intent of Act 257 remains  
12      unfulfilled.

13      The purpose of this Act is to change the existing law  
14      requiring ten per cent ethanol fuel content in gasoline to a  
15      requirement that biofuels account for at least five per cent of  
16      all liquid transportation fuel sales.

17      SECTION 2. Section 486J-10, Hawaii Revised Statutes, is  
18      amended to read as follows:



1       "§486J-10   ~~[Ethanol]~~ Biofuel content requirement. (a) The  
2 director shall adopt rules in accordance with chapter 91 to  
3 require that ~~[gasoline]~~ liquid fuels sold in the State for use  
4 in motor vehicles contain ~~[ten]~~ at least five per cent ~~[ethanol]~~  
5 biofuel by volume. The amounts of ~~[gasoline]~~ motor fuel sold in  
6 the State containing ~~[ten per cent ethanol]~~ biofuel shall be in  
7 accordance with rules as the director may deem appropriate. The  
8 director may authorize the sale of ~~[gasoline]~~ fuel that does not  
9 meet these requirements as provided in subsection ~~[(d)]~~ (b).

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

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

21       ~~[(d)]~~ (b) The director may authorize the sale of ~~[gasoline]~~  
22 fuel that does not meet the provisions of this section:



1 (1) To the extent that sufficient quantities of  
2 competitively-priced [~~ethanol~~] biofuel are not  
3 available to meet the minimum requirements of this  
4 section; or

5 (2) In the event of any other circumstances for which the  
6 director determines compliance with this section would  
7 cause undue hardship.

8 [~~(e)~~] (c) Each distributor, at reporting dates as the  
9 director may establish, shall file with the director, on forms  
10 prescribed, prepared, and furnished by the director, a certified  
11 statement [~~showing~~:-

12 ~~(1) The price and amount of ethanol available;~~

13 ~~(2) The amount of ethanol blended fuel sold by the~~  
14 ~~distributor;~~

15 ~~(3) The amount of non ethanol blended gasoline sold by the~~  
16 ~~distributor; and~~

17 ~~(4) Any]~~ providing fuel types and quantities sold by the  
18 distributor and any other information the director  
19 [~~shall~~] may require for the purposes of compliance  
20 with this section.

21 [~~(f)~~] (d) Provisions with respect to confidentiality of  
22 information shall be the same as provided in section 486J-6.



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

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

8        (g) As used in this section, "biofuel" means liquid or  
9 gaseous fuels produced from organic sources, such as biomass  
10 crops; agricultural residues; oil crops, including but not  
11 limited to algae, canola, jatropha, palm, soybean, and  
12 sunflower; other agricultural crops; grease and waste cooking  
13 oil; food wastes; municipal solid wastes and industrial wastes;  
14 and produced animal residues and wastes."

15        SECTION 3. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

17        SECTION 4. This Act shall take effect on July 1, 2013.



**Report Title:**

Biofuel; Ethanol; Gasoline

**Description:**

Changes existing gasoline requirement of ten per cent ethanol fuel content to at least five per cent biofuel content. Alters the reporting requirements for biofuel distributors. (SD1)

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

