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## A BILL FOR AN ACT

RELATING TO ENVIRONMENTAL RESPONSE.

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

1           SECTION 1. Section 128D-2, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3           "(a) There is created within the state treasury an  
4 environmental response revolving fund, which shall consist of  
5 moneys appropriated to the fund by the legislature, moneys paid  
6 to the fund as a result of departmental compliance proceedings,  
7 moneys paid to the fund pursuant to court-ordered awards or  
8 judgments, moneys paid to the fund in court-approved or out-of-  
9 court settlements, all interest attributable to investment of  
10 money deposited in the fund, moneys deposited in the fund from  
11 the environmental response[, energy, and food security] tax  
12 pursuant to section 243-3.5, and moneys allotted to the fund  
13 from other sources."

14           SECTION 2. Section 141-10, Hawaii Revised Statutes, is  
15 amended by amending subsection (b) to read as follows:

16           "(b) The following moneys shall be deposited into the  
17 special fund:



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- 1       ~~[(1) The portion of the environmental response, energy, and~~  
2           ~~food security tax specified under section 243-3.5;~~  
3       ~~(2)]~~ (1) Any appropriation by the legislature into the  
4           special fund;  
5       ~~[(3)]~~ (2) Any grant or donation made to the special fund;  
6           and  
7       ~~[(4)]~~ (3) Any interest earned on the balance of the special  
8           fund."

9           SECTION 3. Section 201-12.8, Hawaii Revised Statutes, is  
10 amended by amending subsection (a) to read as follows:

11       "(a) There is created within the state treasury an energy  
12 security special fund, which shall consist of:

- 13       ~~[(1) The portion of the environmental response, energy, and~~  
14           ~~food security tax specified under section 243-3.5;~~  
15       ~~(2)]~~ (1) Moneys appropriated to the fund by the  
16           legislature;  
17       ~~[(3)]~~ (2) All interest attributable to investment of money  
18           deposited in the fund; and  
19       ~~[(4)]~~ (3) Moneys allotted to the fund from other sources,  
20           including under section 196-6.5."



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1 SECTION 4. Section 243-3.5, Hawaii Revised Statutes, is  
2 amended as follows:

3 1. By amending its title and subsections (a) and (b) to  
4 read:

5 **"§243-3.5 Environmental response[~~, energy, and food~~**  
6 **security] tax; uses.** (a) In addition to any other taxes  
7 provided by law, subject to the exemptions set forth in section  
8 243-7, there is hereby imposed a state environmental response[~~,~~  
9 ~~energy, and food security]~~ tax on each barrel or fractional part  
10 of a barrel of petroleum product sold by a distributor to any  
11 retail dealer or end user of petroleum product, other than a  
12 refiner. The tax shall be \$1.05 on each barrel or fractional  
13 part of a barrel of petroleum product that is not aviation fuel;  
14 provided that of the tax collected pursuant to this  
15 subsection[~~+~~],   

16 [~~(1)~~] 5 cents of the tax on each barrel shall be deposited  
17 into the environmental response revolving fund  
18 established under section 128D-2[~~+~~

19 ~~(2) 5 cents of the tax on each barrel shall be deposited~~  
20 ~~into the energy security special fund established~~  
21 ~~under section 201-12.8;~~



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1       ~~(3) 10 cents of the tax on each barrel shall be deposited~~  
2           ~~into the energy systems development special fund~~  
3           ~~established under section 304A-2169.1; and~~

4       ~~(4) 15 cents of the tax on each barrel shall be deposited~~  
5           ~~into the agricultural development and food security~~  
6           ~~special fund established under section 141-10].~~

7           The tax imposed by this subsection shall be paid by the  
8 distributor of the petroleum product.

9           (b) In addition to subsection (a), the tax shall also be  
10 imposed on each one million British thermal units of fossil fuel  
11 sold by a distributor to any retail dealer or end user, other  
12 than a refiner, of fossil fuel. The tax shall be 19 cents on  
13 each one million British thermal units of fossil fuel[; ~~provided~~  
14 ~~that of the tax collected pursuant to this subsection:~~

15       ~~(1) 4.8 per cent of the tax on each one million British~~  
16           ~~thermal units shall be deposited into the~~  
17           ~~environmental response revolving fund established~~  
18           ~~under section 128D-2;~~

19       ~~(2) 14.3 per cent of the tax on each one million British~~  
20           ~~thermal units shall be deposited into the energy~~



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1           ~~security special fund established under section 201-~~  
2           ~~12.8;~~  
3           ~~(3) 9.5 per cent of the tax on each one million British~~  
4           ~~thermal units shall be deposited into the energy~~  
5           ~~systems development special fund established under~~  
6           ~~section 304A-2169.1; and~~  
7           ~~(4) 14.3 per cent of the tax on each one million British~~  
8           ~~thermal units shall be deposited into the agricultural~~  
9           ~~development and food security special fund established~~  
10           ~~under section 141-10].~~

11           The tax imposed by this subsection shall be paid by the  
12 distributor of the fossil fuel."

13           2. By amending subsection (f) to read:

14           "(f) Notwithstanding section 248-8 to the contrary, the  
15 environmental response[~~, energy, and food security~~] tax  
16 collected under this section shall be deposited into the general  
17 fund; provided that taxes collected for deposit into the  
18 environmental response revolving fund pursuant to subsection (a)  
19 shall be paid over to the director of finance for deposit [as  
20 provided in subsection (a) or (b), as the case may be]."



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1 SECTION 5. Section 304A-2169.1, Hawaii Revised Statutes,  
2 is amended by amending subsection (b) to read as follows:

3 "(b) Deposits into the special fund may be from the  
4 following:

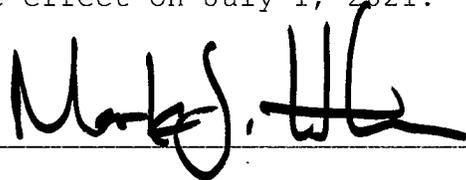
- 5 (1) Appropriations from the legislature; and  
6 [~~(2)~~ ~~A portion of the environmental response, energy, and~~  
7 ~~food security tax pursuant to section 243-3.5; and~~  
8 ~~(3)~~ (2) Investment earnings, gifts, donations, or other  
9 income received by the Hawaii natural energy  
10 institute."

11 SECTION 6. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 7. This Act shall take effect on July 1, 2021.

14

INTRODUCED BY:



JAN 26 2021



# H.B. NO. 1207

**Report Title:**

Environmental Response; Barrel Tax; Fossil Fuels; General Fund

**Description:**

Renames the environmental response, energy, and food security tax the environmental response tax. Repeals the deposit of taxes collected on barrels of petroleum products into the energy security special fund, energy systems development special fund, and agricultural development and food security special fund. Requires all taxes collected on each one million British thermal units of fossil fuels to be deposited into the general fund.

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