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# A BILL FOR AN ACT

RELATING TO THE SUSTAINABLE AVIATION FUEL PROGRAM.

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

1           SECTION 1. Chapter 206M, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§206M-       Sustainable aviation fuel program special fund.

5           (a) There is established the sustainable aviation fuel program  
6 special fund, into which shall be deposited:

7           (1) The portion of the environment response, energy, and  
8 food security tax specified under section 243-3.5; and

9           (2) Appropriations made by the legislature into the  
10 special fund.

11           (b) Moneys in the special fund shall be administered by  
12 the development corporation for purposes of the sustainable  
13 aviation fuel program established pursuant to section 206M-24.

14           (c) The development corporation shall submit an update as  
15 part of its annual report submitted pursuant to section 206M-3.5  
16 detailing all the funds received and monies disbursed out of the  
17 special fund.



1        (d) All unexpended and unencumbered moneys remaining in  
2 the special fund at the close of each fiscal year that are  
3 deemed, by the director of finance, to be in excess of the  
4 moneys necessary to carry out the purpose of this section over  
5 the next following fiscal year shall lapse to the credit of the  
6 state general fund."

7        SECTION 2. Section 243-3.5, Hawaii Revised Statutes, is  
8 amended by amending subsection (a) to read as follows:

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

18        (1) 5 cents of the tax on each barrel shall be deposited  
19                into the environmental response revolving fund  
20                established under section 128D-2;



1 (2) 4 cents of the tax on each barrel shall be deposited  
2 into the energy security special fund established  
3 under section 201-12.8;

4 (3) 8 cents of the tax on each barrel shall be deposited  
5 into the energy systems development special fund  
6 established under section 304A-2169.1; [~~and~~]

7 [†] (4) [†] 3 cents of the tax on each barrel shall be deposited  
8 into the electric vehicle charging system subaccount  
9 established pursuant to section 269-33(e) [↔]; and

10 (5)        cents of the tax on each barrel shall be  
11 deposited into the sustainable aviation fuel program  
12 special fund established pursuant to section 206M- .

13 The tax imposed by this subsection shall be paid by the  
14 distributor of the petroleum product."

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, 2022.

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INTRODUCED BY:  \_\_\_\_\_



# S.B. NO. 2866

**Report Title:**

Hawaii Technology Development Corporation; Sustainable Aviation Fuel Program; Special Fund; Environmental Response, Energy, and Food Security Tax

**Description:**

Creates the Sustainable Aviation Fuel Program Special Fund. Allocates an unspecified portion of the Environmental Response, Energy, and Food Security Tax to fund the Sustainable Aviation Fuel Program.

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

