

JAN 24 2024

---

# A BILL FOR AN ACT

RELATING TO INFRASTRUCTURE.

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

1           SECTION 1. The legislature finds that, as Lahaina recovers  
2 from the 2023 wildfires, lessons were learned that should be  
3 incorporated into rebuilt critical infrastructure. Power was  
4 lost at key locations in west Maui for days, leaving trapped  
5 residents without critical assistance or support and hampering  
6 search and rescue and recovery efforts. Purpose-built  
7 infrastructure to prevent extended power loss, such as electric  
8 microgrids running on independent solar and batteries, or  
9 similar on-site generation at critical civil defense shelters,  
10 emergency service centers, schools, cell towers, and elsewhere,  
11 can help ensure that power will remain available at key  
12 locations. Islandable microgrids can allow power to be shared  
13 and continue to flow where it is needed throughout individual  
14 neighborhoods to homes and businesses where it is safe, even  
15 after a disaster such as the August 8, 2023, Lahaina wildfires,  
16 but must be purposely planned and built into each community.  
17 Rebuilding an entire area such as Lahaina presents an



# S.B. NO. 3240

1 opportunity to help reduce the impact of future disasters, save  
2 lives, and serve as a model for other communities.

3       The legislature further finds that unlike most agencies,  
4 the Hawaii state energy office has the expertise in its existing  
5 project development pipelines to plan and implement innovative  
6 electric resiliency strategies and technologies. Accordingly,  
7 the purpose of this Act is to empower coordination so rebuilt  
8 infrastructure in Maui county is resilient by:

9       (1) Requiring the Hawaii state energy office to establish  
10 a five-year pilot program to:

11       (A) Plan, develop, and engage with other public  
12 infrastructure agencies to ensure rebuilt Maui  
13 infrastructure is more resilient;

14       (B) Provide for resiliency hubs at critical emergency  
15 infrastructure sites in Maui county, such as  
16 civil defense shelters, hospitals, and other key  
17 sites; and

18       (C) Develop replicable models for other communities;

19       (2) Establishing the Maui infrastructure resiliency  
20 revolving fund to fund the five-year pilot program;  
21 and



1           (3) Increasing the environmental response, energy, and  
 2           food security tax and allocate the increase to the  
 3           Maui infrastructure resiliency revolving fund.

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

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

15           (1) 5 cents of the tax on each barrel shall be deposited  
 16           into the environmental response revolving fund  
 17           established under section 128D-2;

18           (2) 4 cents of the tax on each barrel shall be deposited  
 19           into the energy security special fund established  
 20           under section 201-12.8;



1 (3) 5 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;

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

7 (5) 3 cents of the tax on each barrel shall be deposited  
8 into the hydrogen fueling system subaccount  
9 established pursuant to section 269-33(f) [~~-~~]; and

10 (6)        cents of the tax on each barrel shall be  
11 deposited into the Maui infrastructure resiliency  
12 revolving fund established by Act \_\_\_\_\_, Session Laws  
13 of Hawaii 2024.

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

16 SECTION 3. There is established within the Hawaii state  
17 energy office a five-year pilot program to:

18 (1) Plan, develop, and engage with other public  
19 infrastructure agencies to ensure rebuilt Maui  
20 infrastructure is more resilient;



- 1           (2) Provide for resiliency hubs at critical emergency
- 2                    infrastructure sites in Maui county, such as civil
- 3                    defense shelters, hospitals, and other key sites; and
- 4           (3) Develop replicable models for other communities.

5           SECTION 4. There is established the Maui infrastructure  
6 resiliency revolving fund for the purpose of funding the five-  
7 year pilot program established within the Hawaii state energy  
8 office by section 3 of this Act.

9           The Maui infrastructure resiliency revolving fund shall be  
10 abolished on June 30, 2029, and all unencumbered balances shall  
11 lapse to the credit of the general fund.

12           SECTION 5. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

14           SECTION 6. This Act shall take effect on July 1, 2024, and  
15 shall be repealed on July 1, 2029; provided that section  
16 243-3.5(a), Hawaii Revised Statutes, shall be reenacted in the  
17 form in which it read on the day before the effective date of  
18 this Act.

19

INTRODUCED BY: 

# S.B. NO. 3240

**Report Title:**

HSEO; Infrastructure Resiliency; Maui Infrastructure Resiliency Revolving Fund; Pilot Program; Barrel Tax

**Description:**

Requires the Hawaii State Energy Office to establish a five-year pilot program to work with other public infrastructure agencies to ensure rebuilt Maui infrastructure is more resilient, provide for resiliency hubs at critical emergency infrastructure sites in Maui, and develop replicable models for other communities. Establishes the Maui Infrastructure Resiliency Revolving Fund to fund the five-year pilot program. Increases the environmental response, energy, and food security tax and allocates the increase to the Maui Infrastructure Resiliency Revolving Fund.

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

