

**ACT 76**

S.B. NO. 2131

A Bill for an Act Relating to Energy.

*Be It Enacted by the Legislature of the State of Hawaii:*

**PART I**

SECTION 1. Section 243-1, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

““Power-generating facility” means any electricity-generating facility that requires a permit issued under the federal Clean Air Act (42 U.S.C. 7401 through 7671q), the Hawaii air pollution control law (chapter 342B), or both.”

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

“(a) Every distributor shall, in addition to any other taxes provided by law, pay a license tax to the department of taxation for each gallon of liquid fuel refined, manufactured, produced, or compounded by the distributor and sold or

used by the distributor in the State or imported by the distributor, or acquired by the distributor from persons who are not licensed distributors, and sold or used by the distributor in the State. Any person who sells or uses any liquid fuel, knowing that the distributor from whom it was originally purchased has not paid and is not paying the tax thereon, shall pay such tax as would have applied to such sale or use by the distributor. The rates of tax ~~hereby~~ imposed are as follows:

- (1) For each gallon of diesel oil, 1 cent;
- (2) For each gallon of gasoline or other aviation fuel sold for use in or used for airplanes, 1 cent;
- (3) For each gallon of naphtha sold for use in a power-generating facility, 2 cents;
- ~~[(3)]~~ (4) For each gallon of liquid fuel, other than fuel mentioned in paragraphs (1) ~~and~~, (2), and ~~(3), and~~ other than an alternative fuel, sold or used in the city and county of Honolulu, or sold in any county for ultimate use in the city and county of Honolulu, 16 cents state tax, and in addition thereto ~~such~~ an amount, to be known as the “city and county of Honolulu fuel tax”, as shall be levied pursuant to section 243-5;
- ~~[(4)]~~ (5) For each gallon of liquid fuel, other than fuel mentioned in paragraphs (1) ~~and~~, (2), and ~~(3), and~~ other than an alternative fuel, sold or used in the county of Hawaii, or sold in any county for ultimate use in the county of Hawaii, 16 cents state tax, and in addition thereto ~~such~~ an amount, to be known as the “county of Hawaii fuel tax”, as shall be levied pursuant to section 243-5;
- ~~[(5)]~~ (6) For each gallon of liquid fuel, other than fuel mentioned in paragraphs (1) ~~and~~, (2), and ~~(3), and~~ other than an alternative fuel, sold or used in the county of Maui, or sold in any county for ultimate use in the county of Maui, 16 cents state tax, and in addition thereto ~~such~~ an amount, to be known as the “county of Maui fuel tax”, as shall be levied pursuant to section 243-5; and
- ~~[(6)]~~ (7) For each gallon of liquid fuel, other than fuel mentioned in paragraphs (1) ~~and~~, (2), and ~~(3), and~~ other than an alternative fuel, sold or used in the county of Kauai, or sold in any county for ultimate use in the county of Kauai, 16 cents state tax, and in addition thereto ~~such~~ an amount, to be known as the “county of Kauai fuel tax”, as shall be levied pursuant to section 243-5.

If it is shown to the satisfaction of the department, based upon proper records and from ~~such~~ any other evidence as the department may require, that liquid fuel, other than fuel mentioned in paragraphs (1) ~~and~~, (2), and (3), is used for agricultural equipment that does not operate upon the public highways of the State, the user thereof may obtain a refund of all taxes thereon imposed by this section in excess of 1 cent per gallon. The department shall adopt rules to administer such refunds.”

## PART II

SECTION 3. Section 206M-15.5, Hawaii Revised Statutes, is amended to read as follows:

“**§206M-15.5 High technology special fund.** There is established in the state treasury a fund to be known as the high technology special fund, into which shall be deposited, except as otherwise provided by section 206M-17~~, and~~”:

- (1) Any appropriations or other funds required to be deposited by law;  
and
  - (2) All moneys, fees, and equity from tenants, qualified persons, or other users of the development corporation's industrial parks, projects, other leased facilities, and other services and publications;
- provided that the total amount of moneys in the fund shall not exceed \$3,000,000 at the end of any fiscal year. All moneys in the fund are appropriated for the purposes of and shall be expended by the development corporation for the operation, maintenance, and management of its industrial parks, projects, facilities, services, and publications, and to pay the expenses in administering the special purpose revenue bonds of the development corporation or in carrying out its project agreements.”

**PART III**

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval; provided that section 2 shall be applied retroactively and shall be effective on and after January 1, 2016.

(Approved June 20, 2016.)