

JAN 19 2007

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# A BILL FOR AN ACT

RELATING TO ETHANOL.

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

1           SECTION 1. (a) The legislature finds that Brazil was the  
2 first country to become energy independent, in large part by  
3 taking actions necessary for ethanol market development to  
4 occur. Brazil thus provides Hawaii with examples of government  
5 actions necessary to create an interim level of demand  
6 sufficient to jump-start the State's ethanol industry, which  
7 would in turn assist the ethanol industry in providing an  
8 indispensable transitional fuel pending the development of a  
9 hydrogen-fuel economy. Increased state action would also  
10 fulfill existing legislative mandates to:

- 11           (1) Facilitate the long-term dedication of important  
12                agricultural lands through the use of incentives; and  
13           (2) Contribute to the State's economic base by producing  
14                agricultural commodities for export or local  
15                consumption.

16           (b) The legislature further finds that energy independence  
17 is a national security issue and that Hawaii cannot become



1 energy independent without the development of an in-state market  
2 for ethanol. To this end, the conversion of rental car fleets  
3 to E85 flexible or alternative fuel vehicles could stimulate  
4 demand for ethanol, speed the distribution of flexible fuel  
5 vehicles among the general population in Hawaii, and reduce fuel  
6 costs for consumers. For example, rental car companies  
7 generally resell the vehicles in their fleets to private owners  
8 after the vehicles have been used a short while. Development of  
9 an ethanol market in Hawaii, and the resulting lower ethanol  
10 prices, would motivate Hawaii residents to purchase these E85  
11 flexible fuel rental vehicles. In addition, conversion of  
12 rental fleets to E85 flexible fuel vehicles will assist the  
13 United States automobile industry, as General Motors and Ford  
14 Motor Company are the primary manufacturers of the four million  
15 seven hundred fifty thousand flexible fuel vehicles already on  
16 United States highways.

- 17 (c) The purpose of this Act is to:
- 18 (1) Create a demand for ethanol; and
- 19 (2) Increase the number of flexible fuel vehicles in
- 20 Hawaii.



1 SECTION 2. Chapter 437D, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§437D- Flexible or alternative fuel vehicles. (a)  
5 Beginning January 1, 2008, and thereafter, any lessor with fifty  
6 or more rental motor vehicles shall purchase only flexible or  
7 alternative fuel vehicles when purchasing replacement or  
8 additional vehicles.

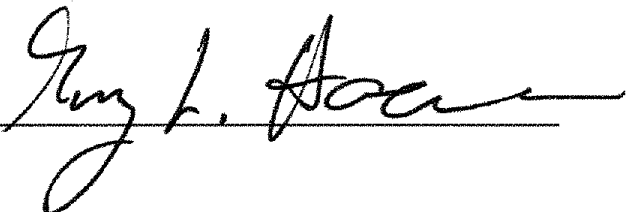
9 (b) For the purposes of this section:

10 "Flexible or alternative fuel vehicle" means any vehicle  
11 designed to run on E85 ethanol fuel, which is a mixture of  
12 approximately eighty-five per cent ethyl alcohol and gasoline."

13 SECTION 3. New statutory material is underscored.

14 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: 

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**Report Title:**

Alternative Fuels; Rental Vehicles

**Description:**

Requires rental car companies with more than fifty vehicles to purchase flexible fuel vehicles.

