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COUNTY COUNCIL
COUNTY OF MAUI
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April 4, 2016

MEMO TO: Patrick K. Wong
Corporation Counsel

F R O M: Riki Hokama, Chair 
Budget and Finance Committee

SUBJECT: **FISCAL YEAR ("FY") 2017 BUDGET** (CC-6) (BF-1)

The Mayor has proposed an increase to the biodiesel fuel tax, from \$0.09 to \$0.115 per gallon.

Section 243-5, Hawaii Revised Statutes, relating to the county fuel tax, provides in pertinent part: "The amount fixed for alternative fuels may be proportional to the energy contents of the fuels, as determined by their lower heating values, times one-half."

1. Please advise whether this calculation must be used in fixing the amount of the biodiesel fuel tax. May the Council choose to establish the biodiesel fuel tax proposed by the Mayor without running afoul of the HRS provision?
2. Are there any legal limitations on the amount of the biodiesel fuel tax established in the FY 2017 budget?

May I further request you transmit your response no later than **April 11, 2016**, to enable the Committee to comprehensively review the FY 2017 budget. To ensure efficient processing, please duplicate the coding in the subject line above for easy reference.

Should you have any questions, please contact me or the Committee staff (Steve Selee at ext. 7687, Michele Yoshimura at ext. 7663, Shelly Espeleta at ext. 7134, or Yvette Bouthillier at ext. 7758).

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cc: Jeffrey Ueoka, Deputy Corporation Counsel
Budget Director