A BILL FOR AN ACT

RELATING TO WATER.

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

1	PAR'T I
2	SECTION 1. The legislature finds that the water resources
3	of the state are held for the benefit of the citizens of the
4	state. The people of the state are beneficiaries of this public
5	trust resource and have a right to have the water protected for
6	their use and for the use of subsequent generations. Article
7	XI, section 7, of the Hawaii Constitution, declares that "[t]he
8	State has an obligation to protect, control and regulate the use
9	of Hawaii's water resources for the benefit of its people."
10	Several state and county agencies are responsible for carrying
11	out these duties. The commission on water resource management
12	has exclusive jurisdiction in all matters relating to the
13	implementation and administration of the state water code. The
14	boards of water supply of each county manages the respective
15	county's municipal water resources and distribution systems,
16	providing Hawaii residents with a reliable water system and safe
17	drinking water supply.

H.B. NO. 3445 H.D. 1

- 1 When the State Water Code was enacted in 1987, the concept
- 2 and potential of bottled water as a formidable export commodity
- 3 was not anticipated. In 1990, approximately 2,000,000,000
- 4 gallons of bottled water were sold worldwide. Since then, the
- 5 water industry has developed immensely. By 2003, more than
- 6 30,000,000,000 gallons of bottled water were sold globally with
- 7 sales topping more than \$35,000,000,000. All indicators show
- 8 continued growth in this industry worldwide.
- 9 Although over 40 per cent of bottled water sold in the
- 10 United States is municipal tap water run through filters and
- 11 treated with minerals or other additives, the remainder of the
- 12 bottled water is pumped directly from groundwater sources.
- 13 The legislature finds that because water is a public trust
- 14 resource, when affordable drinking water is repackaged and used
- 15 by private business for a profit, the State of Hawaii is
- 16 entitled to compensation.
- 17 The purpose of this part is to:
- 18 (1) Establish a royalty on Hawaii water when bottled for
- 19 profit; and
- **20** (2) Enable the proceeds to be used for the preservation
- and protection of each island's finite water supply.

H.B. NO. 3445 H.D. 1

1	SECTION 2. Chapter 174C, Hawaii Revised Statutes, is			
2	amended by adding a new section to part I to be appropriately			
3	designated and to read as follows:			
4	"§174C- Bottled water; royalties. (a) The board of			
5	water supply of each county shall impose and collect a fee			
6	of per gallon for water sold to a water bottling enterprise			
7	as a royalty for use of the state's water resources.			
8	(b) Fifty per cent of the fee collected under subsection			
9	(a) shall be used to:			
10	(1) Fund the administrative expenses of the board; and			
11	(2) Develop a water use and development plan for the			
12	county required under section 174C-31(a)(2).			
13	(c) Fifty per cent of the fee collected under subsection			
14	(a) shall be deposited into the water resource management fund			
15	established by section 174C-5.5.			
16	(d) The commission on water resource management shall			
17	assess and collect a fee of per gallon for water			
18	originating from water resources not under the direct control of			
19	any of the county boards of water supply used by a water			
20	bottling enterprise and shall be deposited into the water			
21	resource management fund established by section 174C-5.5.			

H.B. NO. 3445 H.D. 1

(e) As used in this section, "water bottling enterprise" 1 means an entity in the business of placing water in sealed 2 containers or packages and offering it for sale for human 3 consumption or other consumer uses." 4 PART II 5 SECTION 3. The legislature finds that the state currently 6 has no direct policy or regulation on bottled water originating 7 8 directly from groundwater sources. This consumptive use usually 9 results in bulk water exports with no known reasonable 10 beneficial use to citizens of the state who collectively own the state's groundwater as a public trust resource. 11 The purpose of this part is to declare a moratorium on 12 13 bottled water processors using water originating from groundwater resources not under the direct control of the county 14 boards of water supply until a policy is developed to quide the 15 development of this type of consumptive use of water. 16 17 SECTION 4. (a) Notwithstanding any law to the contrary, all manufacture, production, processing, and sales of bottled 18 water that originates from groundwater sources in the state that 19 are not under the control of any county boards of water supply, 20 is prohibited for a period of years, beginning on July 1, 21

HB3445 HD1 HMS 2008-1939

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- 1 During the moratorium provided under this part, the
- department of land and natural resources, with the assistance of 2
- 3 the boards of water supply of the counties of Hawaii, Maui, and
- Kauai, and the city and county of Honolulu, and any other 4
- federal, state, county, or private agency or party, as requested 5
- by the department of land and natural resources, shall develop 6
- appropriate policies, rules, and procedures, pursuant to chapter 7
- 91, Hawaii Revised Statutes, with respect to the manufacture, 8
- 9 production, processing, and sales of bottled water that
- originates from groundwater sources in the state that is not 10
- under the control of any county boards of water supply. 11
- The department of land and natural resources shall 12
- administer this part to ensure that provisions of this part are 13
- 14 met.
- 15 The department of land and natural resources shall
- report its findings and recommendations, including any proposed 16
- legislation, to the legislature not later than twenty days prior 17
- 18 to the convening of the 2009 regular session.
- 19 PART III
- SECTION 5. New statutory material is underscored. 20
- 21 SECTION 6. This Act shall take effect upon its approval.



Report Title:

Bottled Water; Royalty; Moratorium

Description:

Imposes a royalty on bottled water to protect the state's water supply. Also imposes a moratorium on bottled water originating from groundwater sources in the state that are not under the control of any county boards of water supply. (HB3445 HD1)