STAND. COM. REP. NO.

Honolulu, Hawaii Fes 18 , 2011

RE: H.B. No. 998 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committees on Energy & Environmental Protection and Economic Revitalization & Business, to which was referred H.B. No. 998 entitled:

"A BILL FOR AN ACT RELATING TO ENVIRONMENTAL PROTECTION, "

beg leave to report as follows:

The purpose of this bill is to protect Hawaii's environment and address the inherent economic and environmental costs associated with the use of disposable checkout bags. Among other things, this measure:

- (1) Requires businesses in the State to charge and collect a 10-cent fee for each plastic disposable checkout bag provided to a customer and remit the fees collected to the Department of Health (DOH) on a monthly basis which shall deposit the fees into the Energy Sustainability Special Fund;
- (2) Authorizes businesses that develop their own disposable plastic checkout bag recycling program to retain 50 percent of the fees collected;
- (3) Provides penalties for businesses that violate the provisions of the disposable checkout bag fee law;



STAND. COM. REP. NO. Page 2

- (4) Preempts the ability of a county to regulate the use of disposable checkout bags unless the use of the bags are currently regulated by county ordinance; and
- (5) Establishes the Energy Sustainability Special Fund.

The Conservation Council for Hawaii, Na Pualani Learning Ohana, Surfrider Foundation, Windward Ahupua'a Alliance, and numerous concerned individuals testified in support of this bill. The Sierra Club-Hawaii Chapter, Hawaii Food Industry Association, Retail Merchants of Hawaii testified in support of the intent of this measure. DOH, the American Chemistry Council, and a concerned individual testified in opposition to this bill. The Department of Budget and Finance, Hawaii Restaurant Association, The Safeway Companies, and Times Supermarket provided comments.

Though disposable plastic checkout bags provide a convenient means of transporting goods for consumers, they are taxing on Hawaii's unique natural environment and ultimately taxing to our economy. Unfortunately, disposable plastic can frequently be found littering our roadways and taking up valuable space in overflowing landfills. Disposable plastic checkout bags also contribute greatly to marine debris, often posing a threat to marine life. Reducing the use of disposable plastic checkout bags will address these issues.

While your Committees recognize that the 10-cent fee may have an impact on businesses, a balance between the concerns of business and protecting the environment can be achieved.

Your Committee has amended this bill by:

- (1) Changing the term "disposable checkout bag" to "singleuse checkout bag";
- (2) Including a paper package or sack in the definition of a "single use checkout bag";
- (3) Provides an exemption for bags used to transport prepared foods or bakery goods;
- (4) Reducing the fee required to be charged by businesses for each plastic disposable checkout bag provided to a customer from 10 cents per bag to 5 cents per bag;



STAND. COM. REP. NO. **483** Page 3

- (5) Deleting the provision that authorizes businesses to develop their own disposable plastic checkout bag recycling program and retain 50 percent of the fees collected if they establish such a program;
- (6) Requiring the fees to be deposited to the general fund rather than the Energy Sustainability Special Fund;
- (7) Providing that, in counties where an ordinance regulating single-use checkout bags is in effect, the single use checkout bag fee shall be applicable only to single-use checkout bags made of paper; and
- (8) Deleting language establishing the Energy Sustainability Special Fund.

Technical, nonsubstantive amendments have also been made for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Economic Revitalization & Business that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 998, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 998, H.D. 1, and be referred to the Committee on Finance.

> Respectfully submitted on behalf of the members of the Committees on Energy & Environmental Protection and Economic Revitalization & Business,

ANGUS L.K. MCKELVEY, Chair

Denny Coffman Vice Chair

for HERMINA MORITA, Chair



State of Hawaii House of Representatives The Twenty-sixth Legislature

Utsce 483

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.:	Committee Referral:		Date: 2-15-2011				
HB 998 EEP/ERB, FIN 2-19-2011 In The committee is reconsidering its previous decision on the measure.							
The recommendation is to: □ Pass, unamended (as is) Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)							
EEP Members	Ayes	Ayes (WR)	Nays	Excused			
1. MORITA, Hermina M. (C)							
2. COFFMAN, Denny (VC)							
3. CABANILLA, Rida T.R.				V			
· · · · · · · · ·							
4. CARROLL, Mele							
5. CHANG, Jerry L.							
S. CHARO, Jerry D.							
6. CHONG, Pono							
			WAX-				
7. HAR, Sharon E.			¥V-				
8. HERKES, Robert N.							
9. ITO, Ken							
10. NAKASHIMA, Mark M.							
11. RIVIERE, Gil							
12 THEFEN Canthia							
12. THIELEN, Cynthia							
	4	2	0	4			
The recommendation is: Adopted Not Adopted If joint referral,							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO							

State of Hawaii House of Representatives The Twenty-sixth Legislature

Asce 483

Record of Votes of the Committee on Economic Revitalization& Business

Bill/Resolution No.: HB 998 FEP FRB, F/N Date: 2/15/11							
The committee is reconsidering its previous decision on the measure.							
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit) 							
ERB Members	Ayes	Ayes (WR)	Nays	Excused			
1. McKELVEY, Angus L.K. (C)	V						
2. CHOY, Isaac W. (VC)							
2. Ch01, isaac w. (vc)							
3. AWANA, Karen L.			-				
4 PROWER Tom							
4. BROWER, Tom							
5. EVANS, Cindy	~						
6. HASHEM, Mark J.							
6. HASHEM, Mark J.							
7. NISHIMOTO, Scott Y.	\checkmark						
		i I					
8. TOKIOKA, James Kunane							
9. TSUJI, Clift							
10 MADUMOTO Derberg C							
10. MARUMOTO, Barbara C.			V				
11. PINE, Kymberly Marcos			. <u></u>				
	-						
TOTAL (11)	4	4	/				
The recommendation is: Adopted Instruction If joint referral,							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO							

Ę