

STAND. COM. REP. NO. 1075

Honolulu, Hawaii

March 20, 2009

RE: S.B. No. 1260
S.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 1260, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AIR POLLUTION FEES,"

begs leave to report as follows:

The purpose of this measure is to eliminate a loophole that exempts covered source permit holders from paying fees to the Department of Health for emissions of a regulated air pollutant in excess of four thousand tons per year.

Your Committee received testimony in support of this measure from Blue Planet Foundation and the Sierra Club, Hawaii Chapter. Testimony in opposition was received from the Department of Health.

Your Committee finds that under the current law, covered source permit holders are not assessed for emissions of a regulated air pollutant in excess of four thousand tons per year. Your Committee finds that the exemption is inequitable for covered source permit holders that emit fewer than four thousand tons of pollutants per year. Moreover, your Committee finds that this exception is a disincentive to large polluters to reduce pollution once their emissions exceed four thousand tons annually. Further, your Committee estimates that the Department of Health will realize approximately \$230,000 in additional revenues as a result of the removal of the exemption.



As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1260, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,

Hermina Morita

HERMINA MORITA, Chair



