

Honolulu, Hawaii

March 18, 2010

RE: S.B. No. 2559
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committees on Energy & Environmental Protection and Economic Revitalization, Business, & Military Affairs, to which was referred S.B. No. 2559, S.D. 2, entitled:

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

beg leave to report as follows:

The purpose of this measure is to prohibit certain businesses from distributing non-biodegradable single-use plastic checkout bags to their customers at the point of sale beginning January 1, 2012.

This measure would also establish penalties for violations and provide for injunctive and other relief. However, it would exempt sales of certain products and, for a limited time, entities for which the prohibition would cause undue hardship.

Your Committees distributed a proposed House Draft 1 that requires businesses to collect an offset fee for non-disposable checkout bags. Specifically, the proposed H.D. 1:

- (1) Makes amendments to the statement of purpose in section 1 to clarify the intent of the measure;
- (2) Beginning January 1, 2011, requires businesses to collect a five cent offset fee for each non-disposable checkout bag that is distributed to customers;



- (3) Requires businesses to remit each month to the Department of Health forty per cent of the offset fees collected during the previous month;
- (4) Requires offset fees collected by the Department of Health to be deposited into the general fund;
- (5) Specifies that the amount of offset fees retained by businesses are taxable revenue; and
- (6) Imposes fines for violations.

Your Committees received testimony in support of the proposed House Draft from Aloha Analytics, Conservation Council for Hawaii, Sierra Club - Hawaii Chapter, Surfrider Foundation, Zero Waste Kauai, and thirty-six concerned individuals. Your Committee received testimony in opposition to the proposed House Draft from the Department of Health, American Chemistry Council, and Petland, Inc. Written comments on the proposed House Draft were received from the Environmental Center at the University of Hawaii at Manoa, Hawaii Food Industry Association, and Retail Merchants of Hawaii.

Your Committees find that disposable checkout bags are a threat to Hawaii's natural environment, because they pollute the oceans, endanger marine life, clog landfills with non-biodegradable waste, and require fossil fuels to manufacture. Your Committees find that more environmentally-friendly alternatives are readily available. Your Committees further find that the offset fee proposed by this measure provides a modest incentive to encourage consumers and businesses in the State to use environmentally-friendly reusable bags instead of disposable checkout bags.

Accordingly, your Committees have amended this measure by:

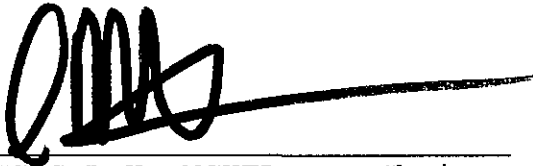
- (1) Specifying that the definition of "disposable checkout bag" does not include plastic laundry bags provided by hotels to their guests and plastic bags containing fish or live animals, such as those provided by pet stores;
- (2) Providing that the measure preempts the power of the counties to regulate the use of disposable checkout bags; and



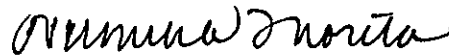
- (3) Increasing the amount of offset fees to be remitted to the department of health and deposited into the general fund from forty percent to sixty per cent.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2559, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2559, S.D. 2, 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, & Military Affairs,



ANGUS L.K. MCKELVEY, Chair



HERMINA MORITA, Chair



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State of Hawaii
House of Representatives
The Twenty-fifth Legislature

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Record of Votes of the Committee on Energy & Environmental Protection *3-16-10 De*

Bill/Resolution No.: <i>SB 2559, SD 2</i>	Committee Referral: <i>EEPIEBM, CPETSOD, FIN</i>	Date: <i>3-9-10</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> 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				✓
4. CHANG, Jerry L.				✓
5. CHONG, Pono	✓			
6. HAR, Sharon E.	✓			
7. HERKES, Robert N.	✓			
8. ITO, Ken				✓
9. LEE, Chris	✓			
10. LUKE, Sylvia	✓			
11. SAGUM, Roland D., III	✓			
12. CHING, Corinne W.L.	✓			
13. THIELEN, Cynthia	✓			
TOTAL (13)	10	0	0	3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u><i>Denny Coffman</i></u>				
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