

STAND. COM. REP. NO.

914

Honolulu, Hawaii

MAR 24 2011

RE: H.B. No. 786  
H.D. 2  
S.D. 1

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Energy and Environment, to which was referred H.B. No. 786, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO SOLID WASTE,"

begs leave to report as follows:

The purpose and intent of this measure is to provide the Department of Health with revenues for the administration and operation of its Solid Waste Regulatory Program by increasing the solid waste management surcharge from 35 cents to 70 cents per ton of solid waste.

Your Committee received testimony in support of this measure from Loretta J. Fuddy, Department of Health; Gene Parola, Unitarian Church Social Justice Council; Michael Gach; Anthony Aalto; and Damian Sempio. Your Committee received testimony in opposition to this measure from General Contractors Association of Hawaii; and Gary Slovin, PVT Land Company.

Your Committee finds that the disposition of solid waste is regulated by the Department of Health through its Solid Waste Regulatory Program. To cover the costs of this Program, a surcharge was initiated in 1993 at a rate of 25 cents per ton, which was increased to 35 cents per ton in 1997, the last time it was increased. This surcharge is the main source of funding for the Solid Waste Regulatory Program. At present, annual revenue from the surcharge is approximately \$525,000 while program expenses are approximately \$940,000 annually. To fully fund the

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Program, an increase of the surcharge to approximately 70 cents per ton is necessary. Your Committee further finds that the Program should be fully funded through this surcharge in order to eliminate the General Fund appropriation for this Program.

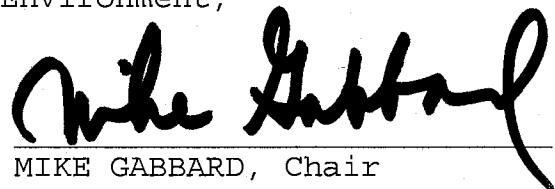
Your Committee further finds that there is an ever-growing amount of solid waste that is being recycled or used for energy production and that a recent meeting of various stakeholders began discussions of the possibility of a tiered rate structure. The Department of Health is working out the potential amounts for such a structure and is planning to report and discuss its findings with the stakeholders and members of your Committee prior to conference.

Your Committee has amended this measure by:

- (1) Increasing the amount of the solid waste management surcharge from 70 cents to 75 cents per ton of solid waste; and
- (2) Inserting an effective date of July 1, 2050, to allow for further discussion.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 786, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 786, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Energy and  
Environment,

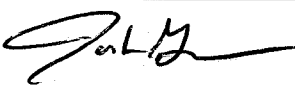


MIKE GABBARD, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Energy and Environment**  
**ENE**

Bill / Resolution No.:* <b>HB 786, HD2</b>	Committee Referral: <b>ENE, WAM</b>	Date: <b>3/22/11</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	✓			
ENGLISH, J. Kalani (VC)				✓
GREEN, M.D., Josh	✓			
IHARA, Jr., Les	✓			
SLOM, Sam				✓
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes