

Honolulu, Hawaii

Feb 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;



- (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 "single-use 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;

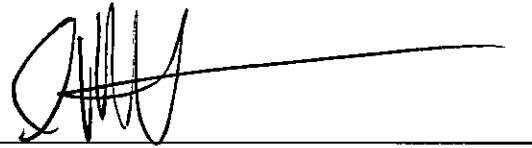


- (5) Deleting the provision that authorizes businesses to develop their own disposable plastic checkout bag recycling program and retain 50 percent of the fees collected if they establish such a program;
- (6) Requiring the fees to be deposited to the general fund rather than the Energy Sustainability 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



