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A BILL FOR AN ACT

RELATING TO SOLID WASTE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purposes of this Act are to:

2 (1) Clarify that the solid waste management surcharge  
3 applies to solid waste shipped outside the State for  
4 disposal;

5 (2) Clarify that the solid waste management surcharge  
6 applies to solid waste disposed of at waste-to-energy  
7 facilities; and

8 (3) Increase the solid waste management surcharge using a  
9 tiered structure commensurate with the impact of the  
10 means of disposal on the department.

11 SECTION 2. Section 342G-1, Hawaii Revised Statutes, is  
12 amended by adding a new definition to be appropriately inserted  
13 and to read as follows:

14 "Waste-to-energy facility" means a facility that uses a  
15 waste source either to create energy in the form of electricity  
16 or heat or to derive a form of fuel through processes that  
17 include incineration, gasification, thermal depolymerization,

1 pyrolysis, plasma arc gasification, anaerobic digestion,  
2 fermentation, and mechanical biological treatment."

3 SECTION 3. Section 342G-62, Hawaii Revised Statutes, is  
4 amended by amending subsection (a) to read as follows:

5 "(a) There is established a solid waste management  
6 surcharge. The solid waste management surcharge shall be [35  
7 cents]:

8 (1) \$1.25 per ton of solid waste disposed of within the  
9 State at permitted or unpermitted [~~solid waste~~  
10 ~~disposal facilities.] Landfills or transferred to~~  
11 solid waste reduction facilities within the State that  
12 collect solid waste for transport to an out-of-state  
13 landfill or incineration facility; provided that there  
14 shall be no surcharge for ash originating from waste-  
15 to-energy facilities within the State that is disposed  
16 of at any permitted or unpermitted landfill within the  
17 State; and

18 (2) 60 cents per ton of solid waste disposed of within the  
19 State at permitted or unpermitted waste-to-energy  
20 facilities; provided that there shall be no surcharge  
21 for solid waste disposed of within the State at  
22 permitted or unpermitted waste-to-energy facilities

1           that accept less than 150,000 tons of solid waste  
2           annually.

3   The surcharge shall be paid by the person or entity doing the  
4   disposal[-] at a permitted or unpermitted landfill or at a  
5   waste-to-energy facility, or the person or entity responsible  
6   for the preparation of the out-of-state transfer of collected  
7   solid waste, as the case may be. The owner or operator of the  
8   facility shall transfer all moneys collected from the surcharge  
9   to the department through a quarterly reporting and payment  
10  schedule. Estimates of quarterly solid waste disposal shall be  
11  submitted prior to the first day of each quarter and the  
12  transfer of moneys collected shall occur within thirty days of  
13  the end of each quarter."

14           SECTION 4. Statutory material to be repealed is bracketed  
15  and stricken. New statutory material is underscored.

16           SECTION 5. This Act shall take effect on January 1, 2013.

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INTRODUCED BY:

Colvin K. Boy

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BY REQUEST  
JAN 23 2012

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H.B. NO. 2561

**Report Title:**

Solid Waste; Disposal Surcharge

**Description:**

Increases the solid waste management surcharge to \$1.25 per ton of solid waste disposed of in landfills or shipped out-of-state; increases the solid waste management surcharge to 60 cents per ton of solid waste disposed of at waste-to-energy facilities that accept 150,000 tons or more of solid waste annually; provides for no surcharges to waste-to-energy facilities that accept less than 150,000 tons of solid waste annually and for ash disposed of in landfills that originates from a waste-to-energy facility, and defines "waste-to-energy facility".

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

DEPARTMENT: Health

TITLE: A BILL FOR AN ACT RELATING TO SOLID WASTE.

PURPOSE: To increase the solid waste management surcharge to \$1.25 per ton of solid waste disposed of in landfills or shipped out-of-state; increase the solid waste management surcharge to 60 cents per ton of solid waste disposed of at waste-to-energy facilities that accept 150,000 tons or more of solid waste annually, and to provide for no surcharges to waste-to-energy facilities that accept less than 150,000 tons of solid waste annually and for ash disposed of in landfills that originates from a waste-to-energy facility.

MEANS: Amend sections 342G-1 and 342G-62(a), Hawaii Revised Statutes.

JUSTIFICATION: The surcharge was instituted in 1993 at 25 cents per ton and increased to its current rate of 35 cents per ton in 1997.

Current revenue is approximately \$500,000 annually based on 1,500,00 tons of landfilled and incinerated waste. Current program expenses exceed \$600,000 with personnel and fringe costs increasing.

The program has maintained operations through savings from vacancies, furloughs, and salary reductions.

The RIFs have reduced staffing to two permit engineers, three inspectors and one supervisor who provide oversight to about 300 permitted solid waste management facilities; process between 100 and 150 permit applications; and respond to between 150 and 200 complaints (including open dumping complaints) per year.

The Solid Waste Section does not have staff on the neighbor islands, and all work is based from Honolulu. Basic services are being maintained by "borrowing" the services of personnel assigned to other sections within the branch and by unpaid work by the remaining SWS engineers.

The program estimates that approximately \$950,000 would fund all program positions (including 2 current vacancies) and maintain current service levels - with the reminder that current service levels are maintained through "borrowing" the services of two engineers from outside the program.  
 Salary and Fringe for 12 FTEs: \$880,000  
 Other Current Expenses: \$65,000

### **2011 Legislative History**

Most of the tip fee increase work was concentrated on HB 786.

HB 786 HD2 SD2, Relating to Solid Waste Bill was heard and amended by committees in both houses and referred to conference committee;

Two stakeholder meetings were held on March 21, 2011 and April 6, 2011. Representatives of the Legislature, City & County of Honolulu, PVT Landfill, Honua, and the DOH attended both meetings. The following new tiered surcharge rate structure was agreed to at the second meeting:

Recycling/bioconversion (of less than 150,000 tons per year):	\$0.00
Energy (H-Power):	\$0.60/ton
Landfill:	\$1.25/ton

All language for the proposed tip fee increase was inserted into **SB 725** by the conference committee. The informal conference "DRAFT 3" was prepared but not voted on.

Impact on the public: The commercial sector may experience increases in tipping fees at the affected facilities.

Impact on the department and other agencies: Programs which handle waste may experience increases in the tipping fees at the affected facilities.

GENERAL FUND: No general fund impact.

OTHER FUNDS: Estimated \$500,000 per year in additional revenue to the Environmental Management Special Fund.

PPBS PROGRAM  
DESIGNATION: HTH-840/FJ.

OTHER AFFECTED  
AGENCIES: Landfill operators, including all four counties, will pay a higher tip fee surcharge.

EFFECTIVE DATE: January 1, 2013.