

Honolulu, Hawaii

FEB 17, 2012

RE: H.B. No. 2260

H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Economic Revitalization & Business, to which was referred H.B. No. 2260, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to prevent the excessive use of single-use checkout bags by:

- (1) Requiring businesses in the State to collect a fee for single-use checkout bags provided to the customer;
- (2) Disbursing the collected fees amongst the businesses, natural area reserve fund, and general fund; and
- (3) Requiring a report to the legislature.

Hawaii Food Industry Association, Safeway, Times Supermarket, Nature Conservancy, Trust for Public Land, Conservation Council for Hawaii, Landscape Industry Council of Hawaii, Hawaii Endangered Bird Conservation Program, Princeville Utilities Company, Coordinating Group on Alien Pest Species, Namahana Farms, Ben A. Drye Family Limited Partnership, National Tropical Botanical Garden, Zero Waste Kauai, Kauai Watershed Alliance, Retail Merchants of Hawaii, Pacific Reserve Partnership, Sierra Club Hawaii Chapter, Surfrider Foundation, Environmental Center at the University of Hawaii at Manoa, and numerous individuals testified in support of this measure. Renewable Bag Council and



two individuals testified in opposition to this measure. The Department of Land and Natural Resources, Department of Health, Department of Taxation, Office of Information Practices, and Tax Foundation of Hawaii provided comments.

Your Committee respectfully requests that the Committee on Finance examine the possibility of amending the measure to remit a portion of the fees to the Department of Taxation.

Your Committee has amended this measure by:

- (1) Changing the fee amount charged for single-use checkout bags to customers;
- (2) Allowing businesses in counties that have already placed bans on single-use plastic bags to retain up to 40 percent of the fees collected from the single-use checkout bag fee, beginning January 1, 2013;
- (3) Specifying that businesses may, rather than shall, be subject to penalties and interests for late and unpaid fees;
- (4) Removing the requirement that all business that are required to charge and collect single-use checkout bag fees shall annually report to the department the number of reusable bags provided to customers;
- (5) Amending the distribution of the single-use checkout bag fees to include the Agricultural Development and Food Security Special Fund;
- (6) Changing the effective date of this measure to July 1, 2112, for the purposes of facilitating further discussion; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2260, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as H.B. No. 2260, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Economic
Revitalization & Business,



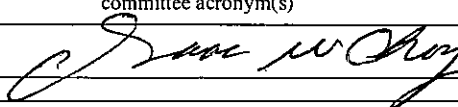
ANGUS L.K. MCKELVEY, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HSCR 611-12

Record of Votes of the Committee on Economic Revitalization & Business

Bill/Resolution No.: HSCR HB 2260 HD1 171-12		Committee Referral: EEP, ERB, FIN		Date: 7/16/12	
<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)					
ERB Members		Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)		✓			
2. CHOY, Isaac W. (VC)		✓			
3. AWANA, Karen L.		✓			
4. BROWER, Tom		✓			
5. EVANS, Cindy		✓			
6. HASHEM, Mark J.		✓			
7. NISHIMOTO, Scott Y.		✓			
8. TOKIOKA, James Kunane			✓		
9. TSUJI, Clift		✓			
10. MARUMOTO, Barbara C.			✓		
11. PINE, Kymerly Marcos		✓			
TOTAL (11)		9	2	—	—
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: 					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					