

STAND. COM. REP. NO.

2369

Honolulu, Hawaii

FEB 17 2012

RE: S.B. No. 2511

S.D. 1

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committees on Energy and Environment and Economic Development and Technology and Water, Land, and Housing, to which was referred S.B. No. 2511 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to ameliorate the environmental impacts of single-use checkout bags by establishing a ten cent fee for each single-use checkout bag and using fees collected primarily to fund watershed protection, restoration, and acquisition.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of Health, City and County of Honolulu Board of Water Supply, Maui County Department of Water Supply, Hawaii Food Industry Association, West Maui Mountains Watershed Partnership, Coordinating Group on Alien Pest Species, The Nature Conservancy, Surfrider Foundation, Zero Waste Kauai, Sierra Club, Citizens for Equal Rights, Conservation Council for Hawaii, Pearl City Highlands Elementary School Student Council, Retail Merchants of Hawaii, Sustainable UH, League of Women Voters, Safeway, Times Supermarkets, Down to Earth, Castle & Cooke Resorts, LLC, National Tropical Botanical Garden, Tamura's Market, Maui Land & Pineapple Company Inc., and forty-seven individuals. Your Committees received testimony in opposition to this measure from the Department of Budget and Finance and Renewable Bag Council. Your Committees received comments on this measure from the Department

2012-1203 SSCR SMA.doc



of Taxation, Office of Informational Practices, Tax Foundation of Hawaii, Verizon Wireless, and one individual.

Your Committees find that maintaining a healthy environment free of single-use checkout bag litter is critical to the economic growth of the State and does not unreasonably impinge on individual freedom of choice. Single-use checkout bag usage degrades the ocean environment to the detriment of marine animals and plants, recreational ocean users, and beach users. The economy of the State depends in large part upon its pristine natural environment, which draws visitors from around the world. This measure places Hawaii on par with other nations around the world that have embraced a fee on single-use checkout bags to curb the unsustainable proliferation of unsightly litter.

Your Committees recognize the need to sustain a clean, fresh water supply for the people of Hawaii and future generations. As recognized by the Legislature in Act 152, Session Laws of Hawaii 2000, fresh water is a finite resource, and its high quality, quantity, and sustainability depend upon forested watersheds. By providing that a percentage of the fees from single-use checkout bags be used to fund watershed protection, this measure ensures that fresh water is available for future generations.

Your Committees have amended this measure by:

- (1) Inserting a definition for the term "proprietary information";
- (2) Inserting language excluding bags used to transport chemical pesticides, drain-cleaning chemicals, or other caustic chemicals from the definition of "single-use checkout bag", provided that this exemption is limited to one bag per customer;
- (3) Clarifying that taxes imposed on fees retained by businesses are not to be charged to any consumer;
- (4) Replacing language requiring \$800,000 of fees collected annually to be deposited into a special account in the general fund, \$11,000,000 of the fees collected annually to be deposited into the natural area reserve fund, and any remaining fees to be deposited in the general fund with language requiring all fees collected to be



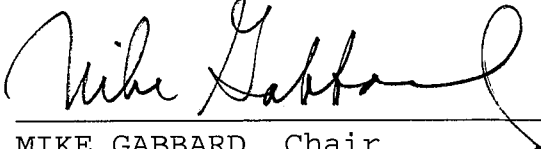
deposited into a special account in the environmental management special fund, of which:

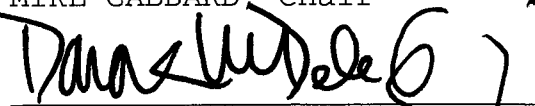
- (A) The first \$800,000 per year shall be expended by the Department of Health; and
- (B) Any remaining balance shall be distributed to:
  - (i) The environmental response revolving fund; or
  - (ii) The natural area reserve fund;
- (5) Including administrative, audit, compliance, and enforcement activities and educational outreach associated with the single-use checkout bag fee among the purposes of the environmental management special fund; and
- (6) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development and Technology and Water, Land, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2511, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2511, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Energy and Environment and Economic Development and Technology and Water, Land, and Housing,

  
CAROL FUKUNAGA, Chair

  
MIKE GABBARD, Chair

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

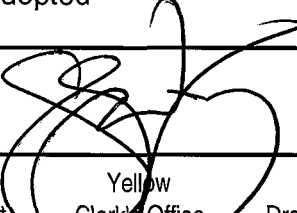
**Record of Votes**  
**Committee on Energy and Environment**  
**ENE**

Bill / Resolution No.:* <b>SB 2511</b>	Committee Referral: <b>ENE/EDT/WLH, WAM</b>	Date: <b>14 Feb 2012</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>2</b>	<b>2</b>	<b>1</b>	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>J. Kalani English</i>				
<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

The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

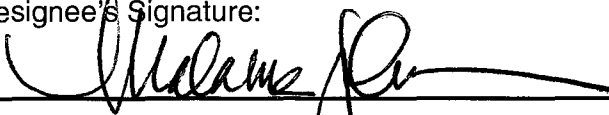
**Record of Votes**  
**Committee on Economic Development and Technology**  
**EDT**

Bill / Resolution No.:* <b>SB 2511</b>	Committee Referral: <b>ENE/EDT/WLH, WAM</b>	Date: <b>2/14/12</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
FUKUNAGA, Carol (C)	✓			
WAKAI, Glenn (VC)		✓		
BAKER, Rosalyn H.		✓		
SOLOMON, Malama		✓		
SLOM, Sam			✓	
<b>TOTAL</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>0</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:     Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes

The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Water, Land and Housing**  
**WLH**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB2511	ENE/EDT/WLH, WAM	2/14/12		
<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
DELA CRUZ, Donovan M. (C)	✓			
SOLOMON, Malama (VC)		✓		
FUKUNAGA, Carol	✓			
RYAN, Pohai		✓		
SHIMABUKURO, Maile				✓
TOKUDA, Jill N.		✓		
SLOM, Sam			✓	
<b>TOTAL</b>	2	3	1	1
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