

STAND. COM. REP. NO.

981

Honolulu, Hawaii

MAR 22 2013

RE: H.B. No. 899
H.D. 2
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Energy and Environment, to which was referred H.B. No. 899, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO RECYCLING,"

begs leave to report as follows:

The purpose and intent of this measure is to exempt the deposit beverage container special fund from the five percent central services deduction in section 36-27, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Health; County of Hawaii, Department of Environmental Management; County of Kauai, Department of Public Works; Sierra Club; and one individual.

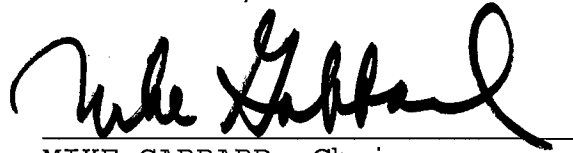
Your Committee finds that the deposit beverage container special fund was originally exempted from the central services deduction so that the entire amount of monies collected through the deposit beverage container program could be used for redemption and program operation. In 2009, the exemption was removed to increase general fund revenues to address the shortfall the State was facing at the time. Your Committee further finds that it is necessary to reinstate the exemption from the five percent central services deduction because deposit revenues should be earmarked solely for return to consumers consistent with the intent of the original legislation and because the deduction has already significantly drained the program's reserve fund.



Your Committee has amended this measure by changing the effective date to July 1, 2013.

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. 899, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 899, 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



