

STAND. COM. REP. NO.

923

Honolulu, Hawaii

March 1

, 2013

RE: H.B. No. 357  
H.D. 3

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 357, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE ENVIRONMENT,"

begs leave to report as follows:

The purpose of this measure is to reduce the adverse impact of single-use checkout bag waste on Hawaii's natural environment, including through preserving and protecting Hawaii's watersheds and freshwater supply by establishing the Single-Use Checkout Bag Fee Program to, among other things:

- (1) Require certain businesses in the State to collect a 10 cent fee effective January 1, 2014, for single-use checkout bags that are provided to customers excluding those customers participating in federally approved nutrition assistance programs;
- (2) Increase the fee charged for single-use checkout bags to 25 cents effective January 1, 2017, if the Department of Health has found that the distribution of single-use checkout bags has not decreased by at least 75 percent by July 1, 2016;
- (3) Allow businesses to retain a specified amount of the fees collected to reimburse costs associated with implementing the Program; and

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- (4) Allocate fee revenues to the Department of Health to reimburse administrative costs and to the Department of Health and the Department of Land and Natural Resources to fund programs to mitigate the environmental effects of single-use checkout bags.

The Office of Hawaiian Affairs; Department of Land and Natural Resources; an individual councilmember of the Hawaii County Council; Environmental Center of the University of Hawaii; Oahu Invasive Species Committee; Kauai Watershed Alliance; Sustainable Island Products, LLC; Coordinating Group on Alien Pest Species; Surfrider Foundation; Ben Dyre Family Ltd. Partnership; MauiGrown Coffee, Inc.; Hawaii Invasive Species Council; The Nature Conservancy; Jurassic Kahili Ranch; Conservation Council for Hawaii; Hawaii Green Growth Initiative; Slow Food Oahu; West Maui Mountains Watershed Partnership; Sierra Club, Hawaii Chapter; League of Women Voters of Hawaii; Princeville Utilities Company, Inc.; Sustainable Coastlines Hawaii; and numerous individuals provided testimony in support of this measure. Retail Merchants of Hawaii, Verizon, and an individual provided testimony in opposition to this measure. The Department of Health, Tax Foundation of Hawaii, and Hawaii Food Industry Association provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing to unspecified the amounts of the fees charged per single-use checkout bag;
- (2) Changing to unspecified the amounts of the fees collected to be expended by the Department of Health for administrative and enforcement purposes;
- (3) With respect to fee percentages required to be deposited into specific funds of the Department of Health and Department of Land and Natural Resources, deleting the percentage amounts;
- (4) Deleting the amount of the appropriation; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

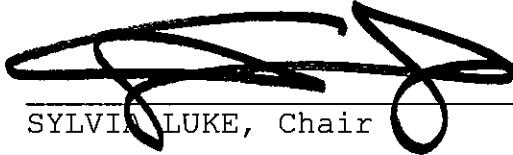


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Your Committee finds that it may be prudent to remove the punitive portions of this measure as its purpose is to encourage a reduction in the use of non-reusable products and it is not primarily intended to serve a punitive function.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 357, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 357, H.D. 3.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,



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SYLVIA LUKE, Chair



