

Honolulu, Hawaii

FEB 07 2013

RE: S.B. No. 1131
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 S.B. No. 1131 entitled:

"A BILL FOR AN ACT RELATING TO RECYCLING,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a tiered glass advanced disposal fee system based on the capacity of a glass container.

Your Committee received testimony in support of this measure from the Department of Health; Department of Environmental Services; Conservation Council of Hawaii; Sierra Club, Hawaii Chapter; and Zero Waste Kauai. Your Committee received testimony in opposition to this measure from the Hawaii Food Industry Association, Retail Merchants of Hawaii, Tax Foundation of Hawaii, Distilled Spirits Council of the United States, Wine Institute, and The Legislative Center.

Your Committee finds that the glass advance disposal fee program was created as a state program in 1994. Under the program, the Department of Health collects a fee of 1.5 cents per container from the distributors of non-deposit glass containers sold in the State. The majority of the funds are passed to the counties in amounts proportional to population for the operation of glass buyback programs.

Your Committee further finds that glass recycling lags behind other materials because of its lower material value and the fact

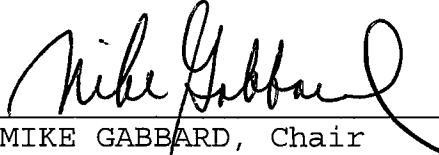


that its higher density leads to higher shipping costs. In an effort to increase glass recycling volumes, the City and County of Honolulu increased its payout rate in fiscal year 2011-2012. The higher subsidy rate had the intended effect of increasing the amount of glass collected, due in part to the increased availability of glass recycling opportunities for the general public. For the majority of the program's existence, collections have focused nearly exclusively on the commercial sector. However, the higher payout rate encouraged recyclers to begin offering collection to the general public. The increased collections forced the City and County of Honolulu to reduce the payout rate mid-year so that funds could last the duration of the fiscal year. Without sufficient funding support for non-deposit containers through a subsidy program, the opportunities for glass recycling are very limited.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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 S.B. No. 1131, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1131, 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



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Energy and Environment
ENE

Bill / Resolution No.:* SB 1131	Committee Referral: ENE, WAM	Date: 1/31/13		
<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)	X			
RUDERMAN, Russell E. (VC)	X			
CHUN OAKLAND, Suzanne	X			
IHARA, Jr., Les	X			
SLOM, Sam			X	
TOTAL	4	0	1	0
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