

Honolulu, Hawaii

February 20, 2015

RE: H.B. No. 1087

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1087 entitled:

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

begs leave to report as follows:

The purpose of this measure is to address the potential leaks of underground storage tanks and the risk of contamination to freshwater supplies.

Specifically, this measure:

- (1) Increases the barrel tax allocation to the environmental response revolving fund to 15 cents of the tax on each barrel of petroleum product sold;
- (2) Requires the Director of Health to establish a task force to:
 - (A) Establish a time frame to assess the condition of all field-constructed underground storage tanks in Hawaii that are older than seventy years in age; and
 - (B) Take steps to protect freshwater supplies from those storage tanks; and



- (3) Requires the Director of Health to submit a report to the Legislature on the task force's findings and recommendations by November 30, 2015.

Your Committee received testimony in support of this measure from the Department of Health, City and County of Honolulu Board of Water Supply, The Nature Conservancy, Hawaii Green Growth, and Conservation Council for Hawaii. The Navy Region Hawaii and Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that the current per barrel allocation to the environmental response revolving fund is insufficient to fund all forty-one environmental response positions, including positions for oil spill responses, research, and hazardous waste management. Increasing the appropriation will help to provide the Department of Health with funds necessary for proper regulatory oversight and protection of groundwater aquifers.

Your Committee further finds that establishing a task force to assess the condition of underground storage tanks will help to prevent incidents such as the 2014 fuel leak at the Red Hill Underground Storage Facility.

Your Committee has amended this measure by:

- (1) Replacing the amount of the allocation to the environmental response revolving fund with an unspecified amount;
- (2) Extending the deadline for the task force to submit its report to the Legislature to no later than twenty days prior to the convening of the Regular Session of 2016; and
- (3) Making technical nonsubstantive changes for purposes of clarity and style.

Should the Committee on Finance decide to hear this measure, your Committee respectfully requests that it consider allocating 15 cents of the tax on each barrel of petroleum product into the environmental response revolving fund established under section 128D-2, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and



purpose of H.B. No. 1087, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1087, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



CHRIS LEE, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HSCR 411

Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.: HB 1087	Committee Referral: EEP, FIN	Date: 2/17/15		
<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)				
EEP Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)	✓			
2. LOWEN, Nicole E. (VC)	✓			
3. CULLEN, Ty J.K.	✓			
4. EVANS, Cindy	✓			
5. ING, Kaniela				✓
6. NISHIMOTO, Scott Y.	✓			
7. SAY, Calvin K.Y.	✓			
8. YAMANE, Ryan I.	✓			
9. POUHA, Feki				✓
10. THIELEN, Cynthia	✓			
TOTAL (10)	8	0	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 10pt;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u>Nicole E. Lower</u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				