

Honolulu, Hawaii

, 2020

FEB 14

RE: H.B. No. 2404
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 2404, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO GRANTS FOR LOCAL RECYCLING FACILITIES,"

begs leave to report as follows:

The purpose of this measure is to incentivize the development of new recycled products manufacturing, bioconversion, or composting businesses within the State by establishing a Recycled Products Manufacturing Grant Program (Program), to be administered by the Office of Solid Waste Management within the Department of Health.

Your Committee received testimony in support of this measure from the Department of Health, Reynolds Recycling, 350Hawaii, and two individuals. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that Hawaii's small population, prohibitive land and infrastructure costs, and current recycling participation rates create significant challenges to operating new recycling facilities. Grants for the manufacturing of recycled products using the local waste stream and commercial composting using the local waste stream can help close the loop of inputs and



outputs, thereby creating a circular economy for Hawaii's solid waste stream.

Your Committee has amended this measure by:

- (1) Requiring grants awarded under the Program to meet a standard to be determined by the Department of Health;
- (2) Exempting grants made under the Program from Chapter 103D, Hawaii Revised Statutes, relating to the Hawaii Public Procurement Code;
- (3) Directing the appropriation of general revenues to be deposited into the Environmental Management Special Fund, and appropriating an unspecified amount from the Special Fund for the Program, to be expended by the Department of Health; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that this measure was amended to require the Department of Health to establish standards for which grants are awarded under the Program and will be contained within the rules of the Department, so as to satisfy Hawaii constitutional concerns raised by the Department of the Attorney General in its testimony.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2404, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 2404, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business,



ANGUS L.K. MCKELVEY, Chair



