

STAND. COM. REP. NO.

959

Honolulu, Hawaii

MAR 25 2009

RE: H.B. No. 574  
H.D. 2  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Madam:

Your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs, to which was referred H.B. No. 574, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE DEPOSIT BEVERAGE CONTAINER PROGRAM,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Extend the repeal date of the Reverse Vending Machine Rebate Program from June 30, 2009 to June 30, 2014, and revise the deadline by which a reverse vending machine (RVM) must be installed and operational to receive the rebate from December 31, 2007 to June 30, 2012;
- (2) Revise from fifty per cent to an unspecified percentage the rebate provided for the actual cost of each RVM, and establishing a new rebate of an unspecified percentage of the operating cost of each RVM during the first two years of operation; and
- (3) Appropriating an unspecified amount for fiscal year 2009-2010 for grants-in-aid to the counties to plan and operate county recycling programs.

Testimony in support of the measure was submitted by two county departments and two private organizations. Testimony in



support of the measure, with suggested amendments, was submitted by one private organization. Testimony in opposition to this measure was submitted by one state department. Comments were submitted by three private individuals. Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the Deposit Beverage Container program has proven to be extremely successful, with a statewide diversion rate of beverage containers of seventy-two per cent for the fiscal year 2008. Nonetheless, beverage container redemption rates could be improved by increasing the public's access to RVMs and redemption centers by extending and improving the RVM grant program.

Your Committees have heard concerns about the amounts appropriated for grants-in-aid to the counties and percentages for RVM rebates and believe that the dialogue on these matters should be continued by the Committee on Ways and Means, where fiscal matters are more appropriately addressed. Nonetheless, while your Committees have left unspecified the percentages for the rebates provided for the actual cost of each RVM and the rebate of the operating cost of each RVM in this measure, your Committees suggest that the rebate for the actual cost of each RVM be fifty per cent (the figure in the current version of section 342G-102.5, Hawaii Revised Statutes) and seventy-five per cent for the operating cost of each RVM during the first two years of operation (the figure proposed in H.B. No. 574, H.D. 1). Your Committees have also left unspecified the appropriation amounts for grants-in-aid to the counties, but would recommend the restoration of the appropriation of \$1,750,000 from the deposit beverage container deposit special fund as grants-in-aid to the counties of \$1,000,000 to the City and County of Honolulu and \$250,000 to each of the other three counties, as originally proposed in H.B. No. 574, H.D. 1.

Your Committees also find that another method of increasing the beverage container redemption rate is by requiring large retailers operate redemption centers, as proposed in S.B. No. 243, S.D. 1. Your Committees find that retail dealers in other states with similar redemption programs are also required to be redemption centers.

Your Committees have amended this measure by:



- (1) Adding a new part to this measure that amends section 342G-113, Hawaii Revised Statutes, to require retail dealers with more than seventy-five thousand square feet of retail space to operate redemption centers, as contained in section 2 of S.B. No. 243, S.D. 1;
- (2) Changing the effective date of the measure to July 1, 2009, except for the provisions of the measure containing the retail dealer redemption center requirements, which shall be effective as of October 1, 2009;
- (3) Including an expenditure clause in the measure, allowing the counties to expend sums appropriated for the grants-in-aid; and
- (4) Making a nonsubstantive, technical change for formatting.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation, International and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 574, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 574, 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  
Committees on Energy and  
Environment and Transportation,  
International and  
Intergovernmental Affairs,

  
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J. KALANI ENGLISH, Chair

  
\_\_\_\_\_  
MIKE GABBARD, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

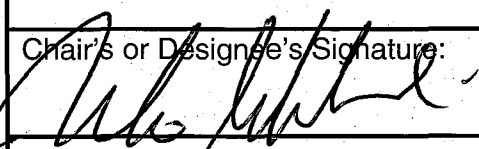
**Record of Votes**  
**Committee on Energy and Environment**  
**ENE**

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>HB 574 HD2</i>	<i>ENE/TIA, WAM</i>	<i>19 March 2009</i>		
<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)	/			
ENGLISH, J. Kalani (VC)	/			
GREEN, M.D., Josh				/
HOOSER, Gary L.	/			
IHARA, Jr., Les				/
KOKUBUN, Russell S.	/			
HEMMINGS, Fred				/
<b>TOTAL</b>	<b>4</b>			<b>3</b>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>J. Kalani English</i>				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes

The Senate  
 Twenty-Fifth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Transportation, International and Intergovernmental Affairs**  
**TIA**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 574, HD2	ENE/TIA, WAM	3-19-09.		
<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
ENGLISH, J. Kalani (C)	✓			
GABBARD, Mike (VC)	✓			
ESPERO, Will				✓
NISHIHARA, Clarence K.				✓
SLOM, Sam			✓	
<b>TOTAL</b>	2	-	1	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original    Yellow    Pink    Goldenrod File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy				

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