HB 2938
RELATING TO ENVIRONMENTAL PROTECTION

House Committees on
Energy and Environmental Protection,

Joint Public Hearing - February 7, 1996
8:30 A.M., Room 312, State Capitol

By
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HB 2938 would amend Chapter 235, HRS to establish a tax checkoff for environmental protection and conservation programs to go into the environmental response revolving fund.

Our comments on this measure are compiled from voluntarily submitted opinions of the listed academic sources, and as such, do not constitute an institutional position of the University of Hawaii.

We have reservations regarding this measure on a number of counts. First and foremost, the problem it addresses is much deeper than a simple funding insufficiency for emergency response programs. When the emergency response revolving fund was established, there was a clear nexus between revenues to the fund generated by oil import fees and the intent of the fund to support oil and other hazardous material spill response and cleanup programs. Since that time, other environmental management programs, lacking self-supporting mechanisms, have been allowed to tap into it. It seems that, having successfully diluted the output utilization of the fund, the intent now is to similarly dilute the source. However, the real purpose of this fund is for emergency response. We are concerned that dilution of the purpose of this fund will promote its perception as an environmental general fund, and it will rapidly become vulnerable to attachment for programs which fail to find support elsewhere.

More generally, we suggest that this measure inappropriately singles out one particular use for tax revenue without any indication that such revenues are better spent on environmental programs in general or on these programs in particular. A better approach to environmental programs is to curb wasteful activities, such as mandatory secondary treatment for sewage facilities, and redirect the resources where the environmental benefits are greater.