

# H.B. NO. 2383

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## A BILL FOR AN ACT

RELATING TO SOLID WASTE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The purpose of this Act is to allow dealers to  
2 manage the deposit beverage container program. The Act will  
3 facilitate the deposit beverage container program by increasing  
4 opportunities and locations where the public may redeem empty  
5 deposit containers.

6           SECTION 2. Section 342G-103, Hawaii Revised Statutes, is  
7 amended by amending subsection (b) to read as follows:

8           "(b) ~~[All]~~ For deposit beverage containers sold through June  
9 30, 2007, all deposit beverage distributors shall maintain  
10 records until June 30, 2008, reflecting the manufacture of their  
11 beverages in deposit beverage containers as well as the  
12 importation and exportation of deposit beverage containers. The  
13 records shall be made available, upon request, for inspection by  
14 the department; provided that any proprietary information  
15 obtained by the department shall be kept confidential and shall  
16 not be disclosed to any other person, except:

17           (1) As may be reasonably required in an administrative or  
18           judicial proceeding to enforce any provision of this

1 chapter or any rule adopted pursuant to this chapter;

2 or

3 (2) Under an order issued by a court or administrative  
4 agency hearings officer."

5 SECTION 3. Section 342G-104, Hawaii Revised Statutes, is  
6 amended to read as follows:

7 **"§342G-104 Deposit into deposit beverage container deposit**  
8 **special fund; use of funds.** (a) There is established in the state  
9 treasury the deposit beverage container deposit special fund,  
10 into which shall be deposited:

11 (1) All revenues generated from the deposit beverage  
12 container fee as described under sections 342G-102  
13 and 342G-105;

14 (2) All revenues generated from the deposit beverage  
15 container deposit as described under sections 342G-  
16 105 and 342G-110; and

17 (3) All accrued interest from the fund.

18 (b) Moneys in the deposit beverage container deposit  
19 special fund shall be used to reimburse refund values, pay  
20 handling fees to redemption centers, [~~fund the reverse vending~~  
21 ~~machine rebate program under section 342G-102.5,~~] and fund the  
22 redemption center and recycling infrastructure improvement

1 program established pursuant to section 342G-114.5. The  
2 department may also use the money to:

- 3 (1) Fund administrative, audit, and compliance activities  
4 associated with collection and payment of the deposits  
5 and handling fees of the deposit beverage container  
6 program;
- 7 (2) Conduct recycling education and demonstration projects;
- 8 (3) Promote recyclable market development activities;
- 9 (4) Support the handling and transportation of the deposit  
10 beverage containers to end-markets;
- 11 (5) Hire personnel to oversee the implementation of the  
12 deposit beverage container program, including  
13 permitting and enforcement activities; ~~and~~
- 14 (6) Fund associated office expenses;
- 15 (7) Fund grants-in-aid to the counties for litter control;  
16 and
- 17 (8) Fund the department's efforts to assist dealers in the  
18 implementation of the deposit beverage container  
19 program.

20 ~~[(e) Any funds that accumulate in the deposit beverage~~  
21 ~~container deposit special fund shall be retained in the fund~~  
22 ~~unless determined by the auditor to be in excess, after~~

1 ~~adjustments to the deposit beverage fee, pursuant to the~~  
2 ~~management and financial audits conducted in accordance with~~  
3 ~~section 342G-107.]”~~

4 SECTION 4. Section 342G-105, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 " ~~[+]§342G-105[+]~~ **Deposit beverage container inventory report**  
7 **and payment.** (a) Beginning October 1, 2002, for deposit beverage  
8 containers that distributors sell before July 1, 2007, payment of  
9 the deposit beverage container fee and deposits as described in  
10 section 342G-110 shall be made monthly based on inventory reports  
11 of the deposit beverage distributors. All deposit beverage  
12 distributors shall submit to the department documentation in  
13 sufficient detail that identifies:

14 (1) The number of beverages in deposit beverage containers,  
15 by container size and type, manufactured in or imported  
16 to the State; and

17 (2) The number of these deposit beverage containers, by  
18 container size and type, exported and intended for  
19 consumption out of the State during the reporting  
20 period.

21 (b) ~~[The]~~ For deposit beverage containers that distributors  
22 sell before July 1, 2007, the amount due from deposit beverage

1 distributors shall be the net number of deposit beverage  
2 containers imported or manufactured into the State (the total  
3 number of containers imported or manufactured less the total  
4 number of containers exported for consumption outside the State)  
5 multiplied by the sum of the prevailing deposit beverage  
6 container fee and the refund value of 5 cents. Payment shall be  
7 made by check or money order payable to the "Department of  
8 Health, State of Hawaii". All inventory reports and payments  
9 shall be made no later than the fifteenth day of the month  
10 following the end of the payment period of the previous month.

11 SECTION 5. Section 342G-107, Hawaii Revised Statutes, is  
12 amended to read as follows:

13 "**§342G-107 Management and financial audit.** The auditor shall  
14 conduct a management and financial audit of the program for  
15 fiscal years 2004-2005, ~~[and] 2005-2006, and [for each fiscal~~  
16 ~~year thereafter ending in an even numbered year.]~~ 2006-2007. The  
17 auditor shall submit the audit report, including the amount of  
18 unredeemed refund value and recommendations, to the legislature  
19 and the department no later than twenty days prior to the  
20 convening of [the] next regular session. The costs incurred by  
21 the auditor for the audit shall be reimbursed by the deposit

1 beverage container program special fund. The auditor may contract  
2 the audit services of a third party to conduct the audit."

3 SECTION 6. Section 342G-110, Hawaii Revised Statutes, is  
4 amended by amending subsection (c) to read as follows:

5 "(c) The deposit on each filled deposit beverage container  
6 shall be paid by the deposit beverage distributor who, prior to  
7 July 1, 2007, manufactures or imports beverages in deposit  
8 beverage containers. Payment and reporting of the deposits shall  
9 be in accordance with section 342G-105. The deposits shall be  
10 deposited into the deposit beverage container deposit special  
11 fund as described in section 342G-104."

12 SECTION 7. Section 342G-111, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 **"§342G-111 Sales of beverages in deposit beverage**  
15 **containers; distributor [~~report~~] and dealer reports; fee and**  
16 **deposit payment.** (a) By January 1, 2005, every deposit beverage  
17 distributor who pays a deposit to the department shall charge the  
18 dealer or consumer a deposit equal to the refund value for each  
19 deposit beverage container sold in Hawaii before July 1, 2007.  
20 The deposit charge may appear as a separate line item on the  
21 invoice. On July 1, 2007, every deposit beverage distributor

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1 shall cease to pay or charge a deposit on the deposit beverage  
2 container sold to a dealer.

3 (b) Each dealer shall charge the consumer the deposit  
4 beverage container deposit at the point of sale of the beverage,  
5 excluding sales for on-premises consumption. The deposit charge  
6 may appear as a separate line item on the invoice.

7 (c) ~~Each~~ For deposit beverage containers it sells before  
8 July 1, 2007, each deposit beverage distributor shall generate  
9 and submit to the department a monthly report on:

10 (1) The number of deposit beverage containers, by container  
11 size and type, manufactured in or imported into the  
12 State; and

13 (2) The number of deposit beverage containers, by container  
14 size and type, exported and intended for consumption  
15 out of the State during the reporting period.

16 All information contained in the reports, including confidential  
17 commercial and financial information, shall be treated as  
18 confidential and protected to the extent allowed by state law.

19 (d) For deposit beverage containers it sells after June 30,  
20 2007, each deposit beverage dealer shall generate and submit to  
21 the department a quarterly report on:

1        (1) The number of deposit beverage containers sold and  
2                redeemed, by container size and type, and

3        (2) The recycler or other entity or facility to which the  
4                deposit beverage containers were delivered for  
5                recycling.

6        The report shall be submitted within one month after the end of  
7        the quarter.

8        All information contained in the reports, including  
9        confidential commercial and financial information, shall be  
10       treated as confidential and protected to the extent allowed by  
11       state law.

12       ~~[(d)]~~ (e) Payment of the deposit beverage container fee and  
13       deposits as described in section 342G-110 shall be made monthly  
14       based on reports of the deposit beverage distributors under  
15       subsection (c). These payments will cease for deposit beverage  
16       containers sold after June 30, 2007.

17       ~~[(e)]~~ (f) Beginning January 1, 2005~~[7]~~ for containers sold  
18       through June 30, 2007, a deposit beverage distributor who  
19       annually imports or manufactures one hundred thousand or fewer  
20       deposit beverage containers may submit reports and payments  
21       required under subsections (c) and (d) on a semi-annual basis;

1 provided that the semi-annual report and payment period shall end  
2 on June 30 and December 31 of each year.

3 ~~[(f)]~~ (g) ~~[The]~~ For deposit beverage containers that a  
4 distributor sells before July 1, 2007, the amount due from a  
5 deposit beverage distributor shall be the net number of deposit  
6 beverage containers sold multiplied by the sum of the prevailing  
7 deposit beverage container fee and the deposit value of 5 cents.  
8 Payment shall be made by check or money order payable to the  
9 "Department of Health, State of Hawaii". All reports and payments  
10 shall be made no later than the fifteenth day of the month  
11 following the end of the previous payment period.

12 ~~[(g) The department may allow dealers to charge customers~~  
13 ~~the refund value beginning November 1, 2004; provided that the~~  
14 ~~deposit beverage containers are clearly marked with the refund~~  
15 ~~value and the deposit beverage distributor has paid the refund~~  
16 ~~value on each container to the department. The dealer shall~~  
17 ~~inform customers that the deposits paid prior to January 1, 2005,~~  
18 ~~shall not be redeemable until January 1, 2005.]"~~

19 SECTION 8. Section 342G-112, Hawaii Revised Statutes, is  
20 amended to read as follows:

21 **"§342G-112 Deposit beverage container requirements. (a)**  
22 Except as provided in subsection (b), every deposit beverage

1 container sold in the State shall clearly indicate the refund  
2 value of the container and the word "Hawaii" or the letters "HI".  
3 The names or letters representing the names of other states with  
4 comparable deposit legislation may also be included in the  
5 indication of refund value. The refund value on every deposit  
6 beverage container shall be clearly, prominently, and indelibly  
7 marked by painting, printing, scratch embossing, raised letter  
8 embossing, or securely affixed stickers and shall be affixed on  
9 the top or side of the container in letters at least one-eighth  
10 inch in size.

11 (b) Subsection (a) does not apply to any type of refillable  
12 glass deposit beverage container which has a brand name  
13 permanently marked on it and which has the equivalent of a refund  
14 value of at least 5 cents which is paid upon receipt of the  
15 container by a dealer or deposit beverage distributor.

16 ~~[(c) All deposit beverage containers that do not indicate~~  
17 ~~the Hawaii refund value by January 1, 2005, and are intended for~~  
18 ~~sale shall be sold with stickers as specified in subsection (d).~~

19 ~~— (d) Stickers that indicate the Hawaii refund value may be~~  
20 ~~purchased from the department from November 1, 2004, to December~~  
21 ~~31, 2004. Surplus stickers may be redeemed at the department by~~

1 ~~March 1, 2005. The cost of a sticker shall be equal to the Hawaii~~  
2 ~~refund value.]"~~

3 SECTION 9. Section 342G-113, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 **"§342G-113 Redemption of empty deposit beverage containers.**

6 (a) Except as provided in subsection (b), a dealer shall:

7 (1) ~~[Operate a redemption center by July 1, 2005, and~~  
8 ~~accept]~~ Accept all types of empty deposit beverage  
9 containers with a Hawaii refund value; except as  
10 excused by section 342G-116;

11 (2) Pay to the redeemer the full refund value, in either  
12 cash or redeemable voucher, for all deposit beverage  
13 containers that bear a valid Hawaii refund value;  
14 except as excused by section 342G-116; and

15 (3) Ensure each deposit beverage container collected is  
16 recycled, and forward to the department documentation  
17 necessary to ~~[support claims for payment as stated in~~  
18 ~~section 342G-119 or rules adopted under this~~  
19 ~~part.]~~ verify that such recycling has occurred.

20 (b) Subsection (a) shall not apply to any dealer:

21 (1) Who is located in a high density population area as  
22 defined by the director in rules, and within two miles

1 of a certified redemption center that is operated  
2 independently of a dealer;

3 (2) Who is located in a rural area as defined by rule;

4 (3) Who subcontracts with a certified redemption center to  
5 be operated on the dealer's premises;

6 (4) Whose sales of deposit beverage containers are only via  
7 vending machines;

8 (5) Whose place of business is less than five thousand  
9 square feet of interior space; or

10 (6) Who can demonstrate physical or financial hardship, or  
11 both, based on specific criteria established by rule[~~+~~

12 ~~or~~

13 ~~(7) Who meets other criteria established by the director.~~

14 ~~Notwithstanding paragraphs (1) and (2), the director may allow~~  
15 ~~the placement of redemption centers at greater than prescribed~~  
16 ~~distances to accommodate geographical features while ensuring~~  
17 ~~adequate consumer convenience.]~~

18 ~~[(c) Regardless of the square footage of a dealer's place of~~  
19 ~~business, dealers who are not redemption centers shall post a~~  
20 ~~clear and conspicuous sign at the primary public entrance of the~~  
21 ~~dealer's place of business that specifies the name, address, and~~  
22 ~~hours of operation of the closest redemption center locations.~~

1 ~~(d) If there is no redemption center within the two-mile~~  
2 ~~radius of a dealer due to the criteria described in subsection~~  
3 ~~(b), then the respective county and the State shall determine the~~  
4 ~~need for a redemption center in that area. If a redemption center~~  
5 ~~is deemed necessary, then the State, with assistance from the~~  
6 ~~county, shall establish the redemption center with funding from~~  
7 ~~the deposit beverage container deposit special fund.~~

8 ~~(e) Businesses that sell deposit beverages for on-premises~~  
9 ~~consumption, such as hotels, bars, and restaurants, shall collect~~  
10 ~~used deposit beverage containers from the patron and either use a~~  
11 ~~certified redemption center for the collection of containers or~~  
12 ~~become a certified redemption center.]"~~

13 SECTION 10. Section 342G-115, Hawaii Revised Statutes, is  
14 amended to read as follows:

15 **"§342G-115 Reverse vending machine requirements. [Reverse]**  
16 Properly operated and maintained reverse vending machines may be  
17 used by redemption center and dealers to satisfy the requirements  
18 of section 342G-113. Reverse vending machines shall accept any  
19 type of empty deposit beverage container and pay out the full  
20 refund value in either cash or a redeemable voucher for those  
21 containers that bear a valid Hawaii refund value. [~~If the reverse~~  
22 ~~vending machine is unable to read the barcode then the reverse~~

1 ~~vending machine shall reject the container. The reverse vending~~  
2 ~~machine shall be routinely serviced to ensure proper operation~~  
3 ~~and continuous acceptance of empty deposit beverage containers~~  
4 ~~and payment of the refund value.]"~~

5 SECTION 11. Section 342G-116, Hawaii Revised Statutes, is  
6 amended to read as follows:

7 **"§342G-116 Refusal of refund value payment for a deposit**  
8 **beverage container.** Redemption centers [~~shall~~] and dealers may  
9 refuse to pay the refund value on any broken, corroded, or  
10 dismembered deposit beverage container, or any deposit beverage  
11 container that:  
12 (1) Contains a free-flowing liquid;  
13 (2) Does not properly indicate a refund value; [~~or~~]  
14 (3) Contains a significant amount of foreign material[~~or~~] i  
15 (4) Is not of the kind, size, and brand sold by the dealer;  
16 or  
17 (5) Exceeds more than 144 individual deposit beverage  
18 containers returned to the dealer by any one person  
19 during one day."

20 SECTION 12. Section 342G-103, Hawaii Revised Statutes, is  
21 repealed.

1           ~~["Deposit beverage distributors; registration, recordkeeping~~  
2 ~~requirements. (a) By September 1, 2002, all deposit beverage~~  
3 ~~distributors operating within the State shall register with the~~  
4 ~~department, using forms prescribed by the department, and shall~~  
5 ~~notify the department of any change in address or other~~  
6 ~~information previously submitted. After September 1, 2002, any~~  
7 ~~person who desires to conduct business in the State as a deposit~~  
8 ~~beverage distributor shall register with the department no later~~  
9 ~~than one month prior to the commencement of the business.~~

10           ~~(b) For deposit beverage containers sold through June 30,~~  
11 ~~2007, all deposit beverage distributors shall maintain records~~  
12 ~~until June 30, 2008, reflecting the manufacture of their~~  
13 ~~beverages in deposit beverage containers as well as the~~  
14 ~~importation and exportation of deposit beverage containers. The~~  
15 ~~records shall be made available, upon request, for inspection by~~  
16 ~~the department; provided that any proprietary information~~  
17 ~~obtained by the department shall be kept confidential and shall~~  
18 ~~not be disclosed to any other person, except:~~

19           ~~(1) As may be reasonably required in an administrative or~~  
20 ~~judicial proceeding to enforce any provision of this chapter~~  
21 ~~or any rule adopted pursuant to this chapter; or~~

1       ~~(2) Under an order issued by a court or administrative~~  
2       ~~agency hearings officer." ]~~

3       SECTION 13. Section 342G-105, Hawaii Revised Statutes, is  
4       repealed.

5       ~~[ "Deposit beverage container inventory report and payment.~~

6       ~~(a) Beginning October 1, 2002, for deposit beverage containers~~  
7       ~~that distributors sell before July 1, 2007, payment of the~~  
8       ~~deposit beverage container fee and deposits as described in~~  
9       ~~section 342G-110 shall be made monthly based on inventory reports~~  
10       ~~of the deposit beverage distributors. All deposit beverage~~  
11       ~~distributors shall submit to the department documentation in~~  
12       ~~sufficient detail that identifies:~~

13       ~~(1) The number of beverages in deposit beverage containers,~~  
14       ~~by container size and type, manufactured in or imported to~~  
15       ~~the State; and~~

16       ~~(2) The number of these deposit beverage containers, by~~  
17       ~~container size and type, exported and intended for~~  
18       ~~consumption out of the State during the reporting period.~~

19       ~~(b) For deposit beverage containers that distributors sell before~~  
20       ~~July 1, 2007, the amount due from deposit beverage distributors~~  
21       ~~shall be the net number of deposit beverage containers imported~~  
22       ~~or manufactured into the State (the total number of containers~~

1 ~~imported or manufactured less the total number of containers~~  
2 ~~exported for consumption outside the State) multiplied by the sum~~  
3 ~~of the prevailing deposit beverage container fee and the refund~~  
4 ~~value of 5 cents. Payment shall be made by check or money order~~  
5 ~~payable to the "Department of Health, State of Hawaii". All~~  
6 ~~inventory reports and payments shall be made no later than the~~  
7 ~~fifteenth day of the month following the end of the payment~~  
8 ~~period of the previous month.]~~

9 SECTION 14. Section 342G-111 is amended to read as follows:

10 **"§342G-111 Sales of beverages in deposit beverage**  
11 **containers; ~~distributor and dealer reports report~~; fee and**  
12 **deposit payment.** (a) ~~By January 1, 2005, every deposit beverage~~  
13 ~~distributor who pays a deposit to the department shall charge the~~  
14 ~~dealer or consumer a deposit equal to the refund value for each~~  
15 ~~deposit beverage container sold in Hawaii before July 1, 2007.~~  
16 ~~The deposit charge may appear as a separate line item on the~~  
17 ~~invoice. On July 1, 2007, every deposit beverage distributor~~  
18 ~~shall cease to pay or charge a deposit on the deposit beverage~~  
19 ~~container sold to a dealer.~~

20 ~~(b)~~ Each dealer shall charge the consumer the deposit  
21 beverage container deposit at the point of sale of the beverage,

1 excluding sales for on-premises consumption. The deposit charge  
2 may appear as a separate line item on the invoice.

3 ~~(c) For deposit beverage containers sold before July 1,~~  
4 ~~2007, each deposit beverage distributor shall generate and submit~~  
5 ~~to the department a monthly report on:~~

6 ~~(1) The number of deposit beverage containers, by container~~  
7 ~~size and type, manufactured in or imported into the~~  
8 ~~State; and~~

9 ~~(2) The number of deposit beverage containers, by container~~  
10 ~~size and type, exported and intended for consumption~~  
11 ~~out of the State during the reporting period.~~

12 [~~(d)~~] (b) For deposit beverage containers it sells after  
13 June 30, 2007, each deposit beverage dealer shall generate and  
14 submit to the department a quarterly report on:

15 (1) The number of deposit beverage containers sold and  
16 redeemed, by container size and type, and

17 (2) The recycler or other entity or facility to which the  
18 deposit beverage containers were delivered for  
19 recycling.

20 The report shall be submitted within one month after the end of  
21 the quarter.

1 All information contained in the reports, including  
2 confidential commercial and financial information, shall be  
3 treated as confidential and protected to the extent allowed by  
4 state law.

5 ~~[(e) Payment of the deposit beverage container fee and~~  
6 ~~deposits as described in section 342G-110 shall be made monthly~~  
7 ~~based on reports of the deposit beverage distributors under~~  
8 ~~subsection (c). These payments will cease for deposit beverage~~  
9 ~~containers sold after June 30, 2007.~~

10 ~~(f) Beginning January 1, 2005 for containers sold through~~  
11 ~~June 30, 2007, a deposit beverage distributor who annually~~  
12 ~~imports or manufactures one hundred thousand or fewer deposit~~  
13 ~~beverage containers may submit reports and payments required~~  
14 ~~under subsections (c) and (d) on a semi-annual basis; provided~~  
15 ~~that the semi-annual report and payment period shall end on June~~  
16 ~~30 and December 31 of each year.~~

17 ~~(g) For deposit beverage containers that a distributor sells~~  
18 ~~before July 1, 2007, the amount due from a deposit beverage~~  
19 ~~distributor shall be the net number of deposit beverage~~  
20 ~~containers sold multiplied by the sum of the prevailing deposit~~  
21 ~~beverage container fee and the deposit value of 5 cents. Payment~~  
22 ~~shall be made by check or money order payable to the "Department~~

1 ~~of Health, State of Hawaii". All reports and payments shall be~~  
2 ~~made no later than the fifteenth day of the month following the~~  
3 ~~end of the previous payment period.]"~~

4 SECTION 15. Sections 342G-113(b)(1), (2) and (3), Hawaii  
5 Revised Statutes, are repealed.

6 **"§342G-113 Redemption of empty deposit beverage containers.**

7 (a) Except as provided in subsection (b), a dealer shall:

8 (1) Accept all types of empty deposit beverage containers  
9 with a Hawaii refund value; except as excused by  
10 section 342G-116;

11 (2) Pay to the redeemer the full refund value, in either  
12 cash or redeemable voucher, for all deposit beverage  
13 containers that bear a valid Hawaii refund value;  
14 except as excused by section 342G-116; and

15 (3) Ensure each deposit beverage container collected is  
16 recycled, and forward to the department documentation  
17 necessary to verify that such recycling has occurred.

18 (b) Subsection (a) shall not apply to any dealer:

19 [~~(1) Who is located in a high density population area as~~  
20 ~~defined by the director in rules, and within two miles~~  
21 ~~of a certified redemption center that is operated~~  
22 ~~independently of a dealer;~~

1 ~~(2) Who is located in a rural area as defined by rule;~~

2 ~~(3) Who subcontracts with a certified redemption center to~~  
3 ~~be operated on the dealer's premises;~~

4 ~~[(4)]~~ (1) Whose sales of deposit beverage containers are  
5 only via vending machines;

6 ~~[(5)]~~ (2) Whose place of business is less than five thousand  
7 square feet of interior space; or

8 ~~[(6)]~~ (3) Who can demonstrate physical or financial  
9 hardship, or both, based on specific criteria  
10 established by rule."

11 SECTION 16. Section 342G-114, Hawaii Revised Statutes, is  
12 repealed.

13 ~~["§342G-114 Redemption centers. (a) Prior to operation,~~  
14 ~~redemption centers shall be certified by the department.~~

15 ~~(b) Applications for certification as a redemption center~~  
16 ~~shall be filed with the department on forms prescribed by~~  
17 ~~the department.~~

18 ~~(c) The department, at any time, may review the~~  
19 ~~certification of a redemption center. After written notice~~  
20 ~~to the person responsible for the establishment and~~  
21 ~~operation of the redemption center and to the dealers served~~  
22 ~~by the redemption center, the department, after it has~~

1 ~~afforded the redemption center operator a hearing in~~  
2 ~~accordance with chapter 91, may withdraw the certification~~  
3 ~~of the center if it finds that there has not been compliance~~  
4 ~~with applicable laws, rules, permit conditions, or~~  
5 ~~certification requirements.~~

6 ~~(d) Redemption centers shall:~~

7 ~~(1) Accept all types of empty deposit beverage containers~~  
8 ~~for which a deposit has been paid;~~

9 ~~(2) Verify that all containers to be redeemed bear a valid~~  
10 ~~Hawaii refund value;~~

11 ~~(3) Pay to the redeemer the full refund value in either cash~~  
12 ~~or a redeemable voucher for all deposit beverage containers,~~  
13 ~~except as provided in section 342G-116;~~

14 ~~(4) Ensure each deposit beverage container collected is~~  
15 ~~recycled through a contractual agreement with an out-of-~~  
16 ~~state recycler or an in-state recycling facility permitted~~  
17 ~~by the department; provided that this paragraph shall not~~  
18 ~~apply if the redemption center is operated by a recycler~~  
19 ~~permitted by the department; and~~

20 ~~(5) Forward the documentation necessary to support claims~~  
21 ~~for payment as stated in section 342G-119.~~

1 ~~(e) Redemption centers' redemption areas shall be maintained~~  
2 ~~in full compliance with applicable laws and with the orders and~~  
3 ~~rules of the department, including permitting requirements, if~~  
4 ~~deemed necessary, under chapter 342H.~~

5 ~~(f) The department shall develop procedures to facilitate~~  
6 ~~the exchange of information between deposit beverage container~~  
7 ~~manufacturers, distributors, and retailers and certified~~  
8 ~~redemption centers, including but not limited to universal~~  
9 ~~product code information for reverse vending machine purposes.~~  
10 ~~The procedures developed by the department shall allow for a~~  
11 ~~reasonable time period between the introduction of a new deposit~~  
12 ~~beverage product and the deadline for submitting universal~~  
13 ~~product code information to certified redemption centers~~  
14 ~~operating reverse vending machines. "]~~

15 SECTION 17. Section 342G-117, Hawaii Revised Statutes, is  
16 repealed. [~~§342G-117 Handling fees and refund values for~~  
17 ~~certified redemption centers.~~ (a) ~~The department shall pay to~~  
18 ~~each certified redemption center a handling fee of not less than~~  
19 ~~the prevailing deposit beverage container fee for each deposit~~  
20 ~~beverage container redeemed by a consumer that is:~~

21 ~~(1) Transported out of state;~~

1 ~~(2) Received by an approved in-state company for an approved~~  
2 ~~end use for recycling; or~~

3 ~~(3) Received by a department-permitted recycling facility.~~

4 ~~(b) The department shall evaluate the handling fee at least~~  
5 ~~once per year. If the department changes the amount of the~~  
6 ~~handling fee, the department shall publish notice of the~~  
7 ~~change within thirty days of its determination.~~

8 ~~(c) The handling fee shall be paid in addition to the refund~~  
9 ~~value of each empty deposit beverage container. Payments for~~  
10 ~~handling fees shall be based on redemption center reports~~  
11 ~~submitted to the department; provided that there is no~~  
12 ~~discrepancy in the reports. The department may choose to pay~~  
13 ~~the handling fee and refund value on the basis of the total~~  
14 ~~weight of the containers received by material type and the~~  
15 ~~average weight of each container type.~~

16 ~~(d) A handling fee and refund value may only be paid once~~  
17 ~~for each container redeemed by a consumer and claimed by a~~  
18 ~~redemption center in accordance with section 342G-119." ]~~

19 SECTION 18. Section 342G-119, Hawaii Revised Statutes, is  
20 repealed.

21 ~~[ "§342G-119 Redemption center reporting. The department~~  
22 ~~shall pay certified redemption centers handling fees and refund~~

1 ~~values as described in section 342G-117, based on collection~~  
2 ~~reports submitted by the redemption centers. All redemption~~  
3 ~~centers shall submit to the department the following information~~  
4 ~~on forms prescribed by the department, which information shall~~  
5 ~~include at a minimum:~~

6 ~~(1) The number or weight of deposit beverage containers of~~  
7 ~~each material type accepted at the redemption center for the~~  
8 ~~reporting period;~~

9 ~~(2) The amount of refunds paid out by material type;~~

10 ~~(3) The number or weight of deposit beverage containers of~~  
11 ~~each material type transported out of state or to a~~  
12 ~~permitted recycling facility; and~~

13 ~~(4) Copies of out of state transport and weight receipts or~~  
14 ~~acceptance receipts from permitted recycling facilities. If~~  
15 ~~the redemption center and the recycling facility are the~~  
16 ~~same entity, copies of out of state transport and weight~~  
17 ~~receipts, or documentation of end use accepted by the~~  
18 ~~department, shall also be included.~~

19 ~~The requests for payment shall be no less than two times per~~  
20 ~~month." ]~~

21 SECTION 19. Section 342G-121, Hawaii Revised Statutes, is  
22 repealed.

1 ~~["§342G-121] Audit authority. The records of the deposit~~  
2 ~~beverage distributor, dealer, redemption center, and recycling~~  
3 ~~facility shall be made available, upon request, for inspection by~~  
4 ~~the department, a duly authorized agent of the department, or the~~  
5 ~~auditor. Any proprietary information obtained by them shall be~~  
6 ~~kept confidential and shall not be disclosed to any other person,~~  
7 ~~except:~~

8 ~~(1) As may be reasonably required in an administrative or~~  
9 ~~judicial proceeding to enforce any provision of this chapter~~  
10 ~~or any rule adopted pursuant to this chapter; or~~  
11 ~~(2) Under an order issued by a court or administrative~~  
12 ~~agency hearings officer." ]~~

13 SECTION 20. Section 342G-122, Hawaii Revised Statutes, is  
14 repealed.

15 ~~["§342G-122] Advisory committee. The department shall~~  
16 ~~convene an advisory committee to assist it in developing any~~  
17 ~~rules needed to implement this chapter. The department shall~~  
18 ~~select members of the committee so as to obtain input on the~~  
19 ~~state level as well as assess the impact on each individual~~  
20 ~~county, consumers, recyclers, and the beverage industry. Members~~  
21 ~~of the committee shall be appointed by the director and shall~~  
22 ~~serve at the director's pleasure. A simple majority of the~~

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1 ~~committee members shall constitute a quorum for the purposes of~~  
2 ~~recommending rules and providing input to the director." ]~~

3 SECTION 21. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5 SECTION 22. Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11  
6 shall take effect upon approval. Sections 15, 16, 17, 18, 19,  
7 and 20 shall take effect on July 1, 2007. Sections 13, 14 shall  
8 take effect on December 31, 2007. Section 12 shall take effect  
9 on July 1, 2008.

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INTRODUCED BY:

Calvin H. Day

BY REQUEST

JAN 23 2006

JUSTIFICATION SHEET

DEPARTMENT: Health

TITLE: A BILL FOR AN ACT RELATING TO SOLID WASTE.

PURPOSE: The purpose of this measure is to change the deposit beverage container program to one where retailers will redeem deposit beverage containers with minimal government involvement.

MEANS: Amend Chapter 342G, Hawaii Revised Statutes.

JUSTIFICATION: Manufacturer, Distributor, Dealer run redemption system.

This language is similar to the Oregon deposit program model. Redemption is managed by the industry with minimal oversight by the Department of Health. In the Oregon model dealers are required to take back deposit containers from consumers and refund deposits to encourage convenience.

GENERAL FUND: None.

OTHER FUNDS: Deposit Beverage Container Special Fund.

PPBS PROGRAM DESIGNATION: None.

OTHER AFFECTED AGENCIES: None.

AFFECTED BUSINESS: Beverage manufacturers, distributors, and retailers.

EFFECTIVE DATE: Upon approval; change to new system on July 1, 2007.