

JAN 25 2006

S.B. NO. 2446

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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. Residents complain that Hawaii's bottle  
2 recycling centers are inconvenient, scarce, and inaccessible.  
3 Redeemers also endure long lines during inconvenient hours.  
4 Additionally, consumers who live in apartments or condominiums  
5 do not have the space to store empty containers for very long.  
6 The legislature finds that many individuals believe that they  
7 should be able to return their cans and bottles to the store  
8 where they were bought.

9           The original "bottle bill" included retail stores giving  
10 refunds at their stores. However, this was taken out in order  
11 to appease store owners. Retail stores do not want to store  
12 empty containers because of the tremendous amount of space and  
13 labor involved. In Hawaii's tight land market, stores do not  
14 want to give up space where they could be selling their  
15 products. Recycled containers are also dirty and attract bugs  
16 and rodents if stored for too long.

17           In Hawaii, the law requires that stores send the five-cent  
18 deposits plus a non-refundable one-cent handling fee to the



1 State. The State puts this money into the deposit beverage  
 2 container deposit special fund which is used to contract with  
 3 recycling companies to set up redemption centers. The public  
 4 subsequently redeems their bottles and cans for cash at these  
 5 centers. The legislature believes that the current system is  
 6 too bureaucratic and cumbersome for consumers.

7 Therefore, the purposes of this Act are to make recycling  
 8 more convenient for consumers and help create a cleaner  
 9 environment by requiring supermarkets to refund recycling  
 10 deposits.

11 SECTION 2. Section 342G-111, Hawaii Revised Statutes, is  
 12 amended to read as follows:

13 **"§342G-111 Sales of beverages in deposit beverage**  
 14 **containers; distributor report; fee and deposit payment. (a)**

15 By [~~January 1, 2005,~~] January 1, 2007, every deposit beverage  
 16 distributor who pays a deposit to the department shall [~~charge~~]:

17 (1) Charge the dealer [~~or consumer~~] a deposit equal to the  
 18 refund value for each deposit beverage container

19 [~~sold~~] redeemed in Hawaii[~~-~~]; and

20 (2) Charge the consumer a deposit equal to the refund  
 21 value for each deposit beverage container sold in

22 Hawaii.



1 The deposit charge may appear as a separate line item on the  
2 invoice.

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 deposit beverage distributor shall generate and  
8 submit to the department a monthly report on:

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

12 (2) The number of deposit beverage containers, by  
13 container size and type, exported and intended for  
14 consumption out of the State during the reporting  
15 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) Payment of the deposit beverage container fee and  
20 deposits as described in section 342G-110 shall be made monthly  
21 based on reports of the deposit beverage distributors under  
22 subsection (c).



1 (e) Beginning January 1, 2005, a deposit beverage  
2 distributor who annually imports or manufactures one hundred  
3 thousand or fewer deposit beverage containers may submit reports  
4 and payments required under subsections (c) and (d) on a semi-  
5 annual basis; provided that the semi-annual report and payment  
6 period shall end on June 30 and December 31 of each year.

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

15 (g) The department may allow dealers to charge customers  
16 the refund value beginning November 1, 2004; provided that the  
17 deposit beverage containers are clearly marked with the refund  
18 value and the deposit beverage distributor has paid the refund  
19 value on each container to the department. The dealer shall  
20 inform customers that the deposits paid prior to January 1,  
21 2005, shall not be redeemable until January 1, 2005.



1           (h) To the extent determined to be allowable by the  
2 department, dealers may expend deposit amounts paid by  
3 consumers, but not redeemed, for operations and equipment costs  
4 related to deposit beverage container redemption, including but  
5 not limited to the purchase of reverse vending machines, the  
6 hiring of staff, and the acquisition of storage space for  
7 redeemed containers."

8           Section 3. Section 342G-113, Hawaii Revised Statutes, is  
9 amended by amending subsections (a), (b), and (c) to read as  
10 follows:

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

- 12           (1) Operate a redemption center by [~~July 1, 2005,~~] January  
13           1, 2007, and shall accept all types of empty deposit  
14           beverage containers with a Hawaii refund value;  
15           (2) Pay to the redeemer the full refund value for all  
16           deposit beverage containers that bear a valid Hawaii  
17           refund value; and  
18           (3) Ensure each deposit beverage container collected is  
19           recycled, and forward documentation necessary to  
20           support claims for payment as stated in section 342G-  
21           119 or rules adopted under this part.

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



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

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

6       ~~(3)]~~ (1) Who subcontracts with a certified redemption  
7           center to be operated on the dealer's premises;

8       ~~[(4)]~~ (2) Whose sales of deposit beverage containers are  
9           only via vending machines;

10       ~~[(5) Whose place of business is less than five thousand~~  
11           ~~square feet of interior space;~~

12       ~~(6)]~~ (3) Who can demonstrate physical or financial  
13           hardship, or both, based on specific criteria  
14           established by rule; or

15       ~~[(7)]~~ (4) Who meets other criteria established by the  
16           director.

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

21       ~~(c) Regardless of the square footage of a dealer's place~~  
22       ~~of business, dealers]~~ (c) Dealers who are ~~[not redemption~~



1 ~~centers]~~ exempt from subsection (a) requirements under  
2 subsections (b) (2), (3), and (4) shall post a clear and  
3 conspicuous sign at the primary public entrance of the dealer's  
4 place of business that specifies the name, address, and hours of  
5 operation of the closest redemption center locations."

6 SECTION 4. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8 SECTION 5. This Act shall take effect on July 1, 2006.

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INTRODUCED BY:



By Request



**SB 2446**

**Report Title:**

Deposit Beverage Container; Dealer Redemption Centers

**Description:**

Requires dealers to redeem deposit beverage containers. Allows dealers to expend deposit amounts received from consumers but not redeemed, for operations, equipment, and maintenance costs related to deposit beverage container redemption, to the extent determined to be allowable by the department.

