

JAN 25 2006

---

---

# A BILL FOR AN ACT

RELATING TO DEPOSIT BEVERAGE CONTAINER PROGRAM.

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

1 SECTION 1. Section 342G-102.5, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "[+]§342G-102.5[+] **Reverse vending machine rebate program;**

4 **standards.** (a) The department shall provide a rebate, not to  
5 exceed \$3,000,000 in the aggregate in any fiscal year, of the  
6 cost of purchasing a reverse vending machine, including shipping  
7 and general excise tax, purchased by a dealer:

8 (1) That is a certified redemption center and that agrees  
9 to maintain operations as a certified redemption  
10 center for a minimum period of two years; or

11 (2) That is serviced by a recycler that is a certified  
12 redemption center; provided that the dealer has  
13 entered into a service agreement with the recycler for  
14 a minimum period of two years.

15 (b) The rebate provided under this section shall be  
16 granted for reverse vending machines that:

17 (1) Are installed and operational by December 31, 2005;

18 (2) Are located on the dealer's premises;



1 (3) Are accessible to the general public; and

2 (4) Tender vouchers or receipts for the returned  
3 containers that are redeemable by the dealer at a  
4 location on the dealer's premises that is accessible  
5 to the general public.

6 (c) Each dealer may receive a rebate of not more than:

7 (1) \$30,000 per retail site over five thousand square feet  
8 but less than ten thousand square feet;

9 (2) \$60,000 per retail site over ten thousand square feet  
10 but less than seventy-five thousand square feet; or

11 (3) \$90,000 per retail site over seventy-five thousand  
12 square feet.

13 (d) Prior to the purchase of a reverse vending machine, an  
14 application for rebate shall be made to the department on forms  
15 provided by the department to certify eligibility for a rebate.

16 The application shall contain information determined by the  
17 department to be required; provided that at a minimum, the  
18 application shall require the applicant to provide the  
19 following:

20 (1) The applicant's name;

21 (2) The location where each reverse vending machine will  
22 be installed and operated;

1           (3) A projection of the number of customers expected to  
2           use each reverse vending machine;

3           (4) The requested rebate amount;

4           (5) Proof of certification of the applicant's redemption  
5           center or, in the case of a dealer that is serviced by  
6           a recycler, the executed service agreement between the  
7           recycler and dealer; and

8           (6) The projected installation date of each reverse  
9           vending machine.

10          (e) The dealer or recycler providing the certified  
11 redemption service shall comply with all rules of the  
12 department. If any dealer or recycler is found by the  
13 department to be not in compliance with the department's rules,  
14 the dealer shall reimburse the department for the full amount of  
15 the rebate. The department may institute an action pursuant to  
16 chapter 91 to recover any rebate paid under this section if the  
17 dealer, or the recycler that has a contract with the dealer to  
18 service the reverse vending machine, fails to comply with the  
19 requirements of this part or any rule adopted pursuant to it.

20          (f) Amounts received under this section shall not be  
21 treated as income for purposes of chapter 235 or gross proceeds  
22 or gross income for purposes of chapter 237.

1 (g) A reverse vending machine shall not be considered a  
2 depreciable asset and no person may claim depreciation therefor,  
3 at least to the extent that the reverse vending machine has been  
4 purchased with rebate funds.

5 (h) Any dealer participating in the rebate program shall  
6 not be eligible to participate in the redemption center and  
7 recycling infrastructure improvement program under section  
8 342G-114.5.

9 (i) The director shall include in the deposit beverage  
10 container program annual report to the legislature, a report on  
11 the reverse vending machine rebate program.

12 (j) In addition to those eligible for a rebate under  
13 subsections (a) and (b), a rebate shall be available to any  
14 person who:

15 (1) Certifies to the director that the person agrees to  
16 maintain operations as a redemption center for a  
17 period of at least two years; and

18 (2) Places a reverse vending machine and a machine that  
19 redeems vouchers from the reverse vending machine on  
20 the person's business premises in an area accessible  
21 to the general public.

1        The rebate under this subsection shall be for fifty per  
2 cent of the actual cost of the reverse vending machine.

3        A person applying for a rebate before January 1, 2006 need  
4 not apply for the rebate prior to obtaining the machine as set  
5 forth in subsection (d) but shall certify as to the operations  
6 and placement under this subsection. A person applying on or  
7 after that date shall apply for the rebate under subsection (d).  
8 The director shall adopt any forms necessary to implement this  
9 subsection."

10        SECTION 2. Act 228, Session Laws of Hawaii 2005, is  
11 amended by amending section 6 to read as follows:

12        "SECTION 6. This Act shall take effect upon its approval;  
13 provided that:

14        (1) This Act shall be repealed on [~~June 30, 2006,~~]  
15        June 30, 2010, and section 342G-104, Hawaii Revised  
16        Statutes, shall be reenacted in the form in which it  
17        read on the day before the effective date of this Act;  
18        and

19        (2) Any action initiated by the department of health  
20        pursuant to section 342G-A(e), Hawaii Revised  
21        Statutes, shall be allowed to continue until final  
22        resolution of the action is achieved."

1 SECTION 3. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect on June 29, 2006.

4  
INTRODUCED BY: *as.ti*  
*Gay L. Howe*  
*J. Keith Gosh*

**Report Title:**

Deposit Beverage Container Program

**SB. NO. 3105**

**Description:**

Extends reverse vending machine rebate program to persons who are not dealers or recyclers. Extends back the time in which reverse vending machine qualifies for a rebate to January 1, 2005. Extends sunset date of Act 228, SLH 2005 to June 30, 2010.

