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# 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 fifty  
6 per cent of the actual cost of [purchasing a] each reverse  
7 vending machine, including shipping and general excise tax,  
8 purchased by a ~~[dealer:]~~ person:

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

12 or

13 (2) That is serviced by a recycler that is a certified  
14 redemption center~~[-; provided that the dealer]~~ ; and

15 (3) That has entered into a service agreement with the  
16 recycler for a minimum period of two years~~[-];~~

17 provided that rebates shall not exceed \$3,000,000 in the

18 aggregate in any fiscal year.



1 (b) ~~[The]~~ A rebate provided under this section shall be  
2 granted for a reverse vending ~~[machines]~~ machine that:

3 (1) ~~[Are]~~ Is installed and operational by December 31,  
4 ~~[2005,]~~ 2007;

5 ~~[(2) Are located on the dealer's premises;~~

6 ~~(3) Are]~~ (2) Is accessible to the general public; and

7 ~~[(4) Tender]~~ (3) Tenders vouchers or receipts for the  
8 returned containers that are redeemable by the  
9 ~~[dealer]~~ person at a location on the ~~[dealer's]~~  
10 person's premises that is accessible to the general  
11 public.

12 ~~[(c) Each dealer may receive a rebate of not more than:~~

13 ~~(1) \$30,000 per retail site over five thousand square feet~~  
14 ~~but less than ten thousand square feet;~~

15 ~~(2) \$60,000 per retail site over ten thousand square feet~~  
16 ~~but less than seventy-five thousand square feet; or~~

17 ~~(3) \$90,000 per retail site over seventy-five thousand~~  
18 ~~square feet.~~

19 ~~(d) Prior to the purchase of a reverse vending machine,~~

20 ~~an]~~ (c) An application for a rebate shall be made to the

21 department on forms provided by the department to certify

22 eligibility for a rebate. The application shall contain



1 information determined by the department to be required[~~+~~  
2 ~~provided that at a minimum, the application shall require the~~  
3 ~~applicant to provide the following], including:~~

- 4 (1) The applicant's name;
- 5 (2) The location where each reverse vending machine will  
6 be installed and operated;
- 7 (3) A projection of the number of customers expected to  
8 use each reverse vending machine;
- 9 (4) The requested rebate amount;
- 10 (5) Proof of certification of the applicant's redemption  
11 center or, in the case of a [~~dealer~~] person that is  
12 serviced by a recycler, the executed service agreement  
13 between the recycler and [~~dealer;~~] the person; and
- 14 (6) The projected installation date of each reverse  
15 vending machine.

16 [~~+~~] (d) The [~~dealer or recycler~~] person or contracted  
17 recycler providing the certified redemption service shall comply  
18 with all rules of the department. [~~If any dealer or recycler~~  
19 ~~is~~] A person or contracted recycler found by the department to  
20 be not in compliance with the department's rules [~~, the dealer~~]  
21 shall reimburse the department for the full amount of the  
22 rebate. The department may institute an action pursuant to



1 chapter 91 to recover any rebate paid under this section if the  
2 [~~dealer,~~] person, or the recycler that has a contract with the  
3 [~~dealer~~] person to service the reverse vending machine, fails to  
4 comply with the requirements of this part or any rule adopted  
5 pursuant to it.

6 [~~(f)~~] (e) Amounts received under this section shall not be  
7 treated as income for purposes of chapter 235 or gross proceeds  
8 or gross income for purposes of chapter 237.

9 [~~(g)~~] (f) A reverse vending machine shall not be  
10 considered a depreciable asset and no person may claim  
11 depreciation therefor, at least to the extent that the reverse  
12 vending machine has been purchased with rebate funds.

13 [~~(h)~~] (g) Any [~~dealer participating in the rebate program~~  
14 ~~shall not be eligible to participate in the]~~ person receiving  
15 funding to cover the cost of purchase for reverse vending  
16 machines through the redemption center and recycling  
17 infrastructure improvement program under section 342G-114.5[-]  
18 shall not be eligible for this rebate.

19 [~~(i)~~] (h) The director shall include in the deposit  
20 beverage container program annual report to the legislature, a  
21 report on the reverse vending machine rebate program."



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

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

5 (1) This Act shall be repealed on [~~June 30, 2006,~~  
6 June 30, 2009, and section 342G-104, Hawaii Revised  
7 Statutes, shall be reenacted in the form in which it  
8 read on the day before the effective date of this Act;  
9 and

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

14 SECTION 3. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

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

SB3105, SD2, HD2, CD1

**Report Title:**

Deposit Beverage Container Program

**Description:**

Extends reverse vending machine rebate program to persons who are not dealers or recyclers. Extends time for new rebate. Extends sunset date of Act 228, SLH 2005, to June 30, 2009.  
(CD1)

