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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 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 2007;



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

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

8           (1) \$30,000 per retail site over five thousand square feet  
9           but less than ten thousand square feet;  
10          (2) \$60,000 per retail site over ten thousand square feet  
11          but less than seventy-five thousand square feet; or  
12          (3) \$90,000 per retail site over seventy-five thousand  
13          square feet.

14          (d) Prior to the purchase of a reverse vending machine, an  
15 application for rebate shall be made to the department on forms  
16 provided by the department to certify eligibility for a rebate.  
17 The application shall contain information determined by the  
18 department to be required; provided that at a minimum, the  
19 application shall require the applicant to provide the  
20 following:

21          (1) The applicant's name;



- 1           (2) The location where each reverse vending machine will  
2           be installed and operated;
- 3           (3) A projection of the number of customers expected to  
4           use each reverse vending machine;
- 5           (4) The requested rebate amount;
- 6           (5) Proof of certification of the applicant's redemption  
7           center or, in the case of a dealer that is serviced by  
8           a recycler, the executed service agreement between the  
9           recycler and dealer; and
- 10          (6) The projected installation date of each reverse  
11          vending machine.
- 12          (e) The dealer or recycler providing the certified  
13 redemption service shall comply with all rules of the  
14 department. If any dealer or recycler is found by the  
15 department to be not in compliance with the department's rules,  
16 the dealer shall reimburse the department for the full amount of  
17 the rebate. The department may institute an action pursuant to  
18 chapter 91 to recover any rebate paid under this section if the  
19 dealer, or the recycler that has a contract with the dealer to  
20 service the reverse vending machine, fails to comply with the  
21 requirements of this part or any rule adopted pursuant to it.



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

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

8 (h) Any dealer participating in the rebate program shall  
9 not be eligible to participate in the redemption center and  
10 recycling infrastructure improvement program under section  
11 342G-114.5.

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

15 (j) There shall be another rebate available to any person  
16 who:

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

20 (2) Places a reverse vending machine and a machine that  
21 redeems vouchers from the reverse vending machine on



1           the person's business premises in an area accessible  
2           to the general public;

3 provided that the person shall not be a dealer or a recycler.

4           The rebate shall be fifty per cent of the actual cost of  
5 the reverse vending machine.

6           A person applying for a rebate before January 1, 2007 shall  
7 not be required to apply for the rebate prior to obtaining the  
8 machine as set forth in subsection (d); provided that the person  
9 certifies to the operations and placement under paragraphs (1)  
10 and (2). A person applying on or after January 1, 2007 shall  
11 apply for the rebate under subsection (d). The director shall  
12 adopt any forms necessary to implement this subsection."

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

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

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

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

5           SECTION 3. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

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

**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, 2010.

(SD1)

