
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 reverse vending machines 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 each reverse vending machine placed pursuant to paragraph (2).

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

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

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

- 18 (1) This Act shall be repealed on [~~June 30, 2006,~~
19 June 30, 2010, and section 342G-104, Hawaii Revised
20 Statutes, shall be reenacted in the form in which it
21 read on the day before the effective date of this Act;
22 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.

(SD2)

