

STAND. COM. REP. NO.

1254

Honolulu, Hawaii

March 16, 2007

RE: S.B. No. 1702
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Energy & Environmental Protection, to which was referred S.B. No. 1702, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE DEPOSIT BEVERAGE CONTAINER PROGRAM,"

begs leave to report as follows:

The purpose of this bill is to make changes to improve the deposit beverage container program.

Specifically, this bill:

- (1) Changes the exemption for dealers to redeem empty beverage containers as follows:
 - (A) Eliminates the exemption for dealers located in:
 - (i) High density population areas within two miles of certified redemption centers operated independently of a dealer; or
 - (ii) Rural areas;
 - (B) Clarifies the exemption for a dealer who subcontracts with a certified redemption center by allowing the exemption if:



- (i) The center is to be operated within one thousand feet of the dealer's premises; or
 - (ii) Dealers in the same shopping center share a coordinated redemption center within the shopping center's premises; and
- (C) Changes the maximum ceiling for interior square footage of exempt businesses from "five thousand" to "ten thousand";
- (2) Requires redemption centers in high density populations to remain open at least thirty-five hours per week, including at least five hours on the weekends;
 - (3) Allows consumers to request the refund value to be computed by container count for loads less than two hundred containers;
 - (4) Clarifies that reverse vending machines used by redemption centers and dealers to satisfy the redemption requirements must be properly operated and maintained; provided that the reverse vending machine is operational and accessible during normal business hours of the center or store where it is located; and
 - (5) Clarifies that dealers, as well as redemption centers, may refuse to pay the refund on certain non-conforming containers.

Your Committee received testimony in support of this measure from the Sierra Club. Testimony in opposition to this measure was received from the Department of Health, ABC Stores, Safeway, Inc., Reynolds Recycling, Retail Merchants of Hawaii, Legislative Information Services of Hawaii, Hawaii Food Industry Association, Longs Drug Stores, Goodwill Industries of Hawaii, and Windward Ahupua'a Alliance. Comments on this measure were received from the University of Hawaii Environmental Center.

Your Committee finds that the deposit beverage container program is necessary to help preserve Hawaii's natural environment and reduce the amount of waste flowing into the State's landfills. Your Committee further finds that the success of the program may be continued with changes that improve accessibility to consumers.



Accordingly, your Committee has amended this measure, by:

- (1) Removing the provision in section 1 that exempts a retailer that contracts for a redemption center to be operated within one thousand feet of the premises;
- (2) Increasing the size of the retailers exempted from section 342G-113(a), Hawaii Revised Statutes, from "ten thousand" to "seventy-five thousand" square feet; and
- (3) Deleting section 2 of this measure and renumbering remaining sections consecutively because the amendments found in this section are addressed in Senate Bill No. 1026, H.D. 1.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1702, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1702, S.D. 2, H.D. 1, and be referred to the Committee on Economic Development & Business Concerns.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



HERMINA MORITA, Chair



