

JAN 23 2008

A BILL FOR AN ACT

RELATING TO AUTOMOBILE PARTS RECYCLING.

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

1 SECTION 1. The legislature finds that a deposit placed on
2 automobile tires and batteries would create an incentive for
3 compliance with the law requiring their return for recycling
4 pursuant to sections 342I, parts I and II, Hawaii Revised
5 Statutes.

6 SECTION 2. Chapter 342I, Hawaii Revised Statutes, is
7 amended by adding a new part to be appropriately designated and
8 to read as follows:

9 **"PART . LEAD ACID BATTERY DEPOSIT PROGRAM**

10 **§342I-A Definitions.** As used in this part, unless the
11 context requires otherwise:

12 "Customer" means a person who buys a lead acid battery from
13 a lead acid battery dealer.

14 "Department" means the department of health.

15 "Lead acid battery dealer" means a person who engages in
16 the commercial retail sale of lead acid batteries.



1 **§342I-B Lead acid battery deposit program, established;**
2 **deposit; dealer requirement to charge; customer requirement to**
3 **pay; implementation.** There is established the lead acid battery
4 deposit program under which, each dealer shall charge and each
5 customer shall pay, at the point of sale, a deposit equal to the
6 refund value for lead acid batteries. The deposit charge shall
7 appear as a separate line item on the sale invoice. For
8 purposes of this section, the "refund value" of every lead acid
9 battery sold in this State shall be \$.

10 The program shall be administered by the department. Full
11 implementation of the program shall be accomplished no later
12 than July 1, 2009.

13 **§342I-C Deposit refund; battery disposal.** Pursuant to
14 chapter 342I, part I, dealers shall accept a quantity of used
15 lead acid batteries from the customer at least equal in number
16 to the lead acid batteries purchased by the customer. The
17 dealer shall pay the customer a deposit refund on each battery
18 that is returned by the customer to the dealer; provided that
19 the battery is identified with the official stamp, label, or
20 marking required for a deposit refund as provided in section
21 342I-D. The dealer shall dispose of and recycle lead acid
22 batteries as set forth in section 342I-2.5.



1 **§342I-D Labeling.** The department shall develop an
2 official uniform stamp, label, or other mark that clearly
3 indicates the deposit refund value of the lead acid battery and
4 identifies the battery's inclusion in the lead acid deposit
5 program. This official stamp, label, or other mark shall be
6 visibly affixed to every lead acid battery sold or offered for
7 retail sale in the State. Only batteries identified with this
8 official stamp, label, or mark shall be eligible for a deposit
9 refund.

10 **§342I-E Transfer of deposit funds to department; use of**
11 **deposit funds.** (a) Each dealer shall submit the deposit funds
12 collected by the dealer to the department for deposit into the
13 lead acid battery deposit program sub-account of the environment
14 management special fund established under section 342G-63. All
15 interest earned or accrued on moneys deposited in the sub-
16 account shall become part of the sub-account.

17 (b) Deposit moneys deposited into the lead acid battery
18 deposit sub-account of the environmental management special fund
19 shall be used by the department to:

20 (1) Reimburse dealers for deposit refunds paid to
21 customers pursuant to section 342I-C; and



1 (2) Pay the dealers a reasonable handling fee, as
2 determined by the department.
3 Deposit moneys in excess of what is required to reimburse
4 dealers for deposit refunds and pay dealer handling fees may be
5 used to help defray the department's administrative costs for
6 administering the program, including but not limited to
7 providing support for permitting, monitoring, and enforcement
8 activities; and audit, compliance and reporting activities
9 pursuant to this part.

10 **§342I-F Rules.** The department shall adopt rules, pursuant
11 to chapter 91, needed to implement and administrate the lead
12 acid battery deposit program pursuant to this part.

13 **§342I-G Management and financial audit.** (a) The
14 department shall conduct a management and financial audit of the
15 program for each fiscal year ending in an even-numbered year.

16 (b) The department shall submit the audit report,
17 including the amount of unredeemed refund value and
18 recommendations, to the legislature no later than twenty days
19 prior to the convening of the regular session of the year
20 following the year of each audit. The costs incurred by the
21 department for the audit shall be reimbursed by the lead acid



1 battery deposit sub-account of the environmental management
2 special fund.

3 (c) The department may contract the audit services of a
4 third party to conduct the audit.

5 (d) The records of lead acid battery dealers and recycling
6 facilities shall be made available, upon request, for inspection
7 by the department or duly authorized agent of the department;
8 provided that any proprietary information shall be kept
9 confidential and shall not be disclosed to any other person,
10 except:

11 (1) As may be reasonably required in an administrative or
12 judicial proceeding to enforce any provision of this
13 chapter or any rule adopted pursuant to this chapter;
14 or

15 (2) Under an order issued by a court or administrative
16 agency hearings officer.

17 **§342I-H Penalties.** Violations of this part pertaining to
18 lead acid batteries are subject to section 342I-8. Collected
19 moneys from fines and penalties incurred are subject to section
20 342I-9.

21 **§342I-I Department reporting requirement.** (a) The
22 department shall provide an annual report on the program to the



1 legislature no later than twenty days prior to the convening of
2 each regular session. The report shall contain but not be
3 limited to:

- 4 (1) Performance indicators;
- 5 (2) Measures of effectiveness;
- 6 (3) Organization charts;
- 7 (4) Position descriptions of every type of position
8 created and actual salaries paid to each employee;
- 9 (5) Amounts collected and distributed under the program;
10 and
- 11 (6) Recommended legislation for statutory changes.

12 (b) The department shall obtain input on the state level
13 as well as assess the impact on each county and on customers,
14 dealers, and the automotive parts industry."

15 SECTION 3. Chapter 342I, Hawaii Revised Statutes, is
16 amended by adding a new part to be appropriately designated and
17 to read as follows:

18 **"PART . MOTOR VEHICLE TIRE DEPOSIT PROGRAM**

19 **§342I-J Definitions.** As used in this part, unless the
20 context requires otherwise:

21 "Customer" means a person who buys a motor vehicle tire
22 from a motor vehicle tire dealer.



1 "Department" means the department of health.

2 "Motor vehicle tire" means any tire that is used or
3 designed for use on a motorized vehicle, including but not
4 limited to an automobile, bus, motorcycle, truck, or heavy
5 equipment.

6 "Motor vehicle tire dealer" means a person who engages in
7 the commercial retail sale of motor vehicle tires.

8 **§342I-K Motor vehicle tire deposit program, established;**
9 **deposit; dealer requirement to charge; customer requirement to**
10 **pay; implementation.** (a) There is established the motor
11 vehicle tire deposit program under which, each dealer shall
12 charge and each customer shall pay, at the point of sale, a
13 deposit equal to the refund value for motor vehicle tires. The
14 deposit charge shall appear as a separate line item on the sale
15 invoice. For purposes of this section, the "refund value" of
16 every motor vehicle tire sold in this State shall be \$.

17 The program shall be administered by the department. Full
18 implementation of the program shall be accomplished no later
19 than July 1, 2009.

20 **§342I-L Deposit refund; tire disposal.** Pursuant to
21 chapter 342I, part II, dealers shall accept a quantity of used
22 motor vehicle tires from the customer at least equal in number



1 to the motor vehicle tires purchased by the customer. The
2 dealer shall pay the customer a deposit refund on each motor
3 vehicle tire that is returned by the customer to the dealer;
4 provided that the motor vehicle tire is identified with the
5 official stamp, label, or marking required for a deposit refund
6 as provided in section 342I-M. Collected motor vehicle tires
7 shall be transported to an authorized tire collection facility
8 or authorized tire recycler as defined in section 342I-21,
9 Hawaii Revised Statutes, for recycling or disposal within ninety
10 days of collection.

11 **§342I-M Labeling.** The department shall develop an
12 official uniform stamp, label, or other mark that clearly
13 indicates the deposit refund value of the motor vehicle tire and
14 identifies the tire's inclusion in the motor vehicle tire
15 deposit program. This official stamp, label, or other mark
16 shall be visibly affixed to every motor vehicle tire sold or
17 offered for retail sale in the State. Only tires identified
18 with this official stamp, label, or mark shall be eligible for a
19 deposit refund.

20 **§342I-N Transfer of deposit funds to department; use of**
21 **deposit funds.** (a) Each dealer shall submit the deposit funds
22 collected by the dealer to the department for deposit into the



1 motor vehicle tire deposit program sub-account of the
2 environment management special fund established under section
3 342G-63. All interest earned or accrued on moneys deposited in
4 the sub-account shall become part of the sub-account.

5 (b) Deposit moneys deposited into the motor vehicle tire
6 deposit sub-account of the environmental management special fund
7 shall be used by the department to:

8 (1) Reimburse dealers for deposit refunds paid to
9 customers pursuant to section 342I-L; and

10 (2) Pay the dealers a reasonable handling fee, as
11 determined by the department.

12 Deposit moneys in excess of what is required to reimburse
13 dealers for deposit refunds and pay dealer handling fees may be
14 used to help defray the department's administrative costs for
15 administering the program, including but not limited to
16 providing support for permitting, monitoring, and enforcement
17 activities; and audit, compliance and reporting activities
18 pursuant to this part.

19 **§342I-O Rules.** The department shall develop rules,
20 pursuant to chapter 91, needed to implement and administrate the
21 motor vehicle tire deposit program pursuant to this part.



1 **§342I-P Management and financial audit.** (a) The
2 department shall conduct a management and financial audit of the
3 program for each fiscal year ending in an even-numbered year.

4 (b) The department shall submit the audit report,
5 including the amount of unredeemed refund value and
6 recommendations, to the legislature no later than twenty days
7 prior to the convening of the next regular session. The costs
8 incurred by the department for the audit shall be reimbursed
9 from the motor vehicle tire deposit sub-account of the
10 environmental management special fund.

11 (c) The department may contract the audit services of a
12 third party to conduct the audit.

13 (d) The records of motor vehicle tire dealers and
14 recycling facilities shall be made available, upon request, for
15 inspection by the department or duly authorized agent of the
16 department; provided that any proprietary information shall be
17 kept confidential and shall not be disclosed to any other
18 person, except:

19 (1) As may be reasonably required in an administrative or
20 judicial proceeding to enforce any provision of this
21 chapter or any rule adopted pursuant to this chapter;
22 or



1 (2) Under an order issued by a court or administrative
2 agency hearings officer.

3 **§342I-Q Penalties.** Violations of this part pertaining to
4 motor vehicle tires shall be subject to section 342I-34;
5 collected moneys from fines and penalties incurred shall be
6 subject to section 342I-35.

7 **§342I-R Department reporting requirement.** (a) The
8 department shall provide an annual report on the program to the
9 legislature no later than twenty days prior to the convening of
10 each regular session. The report shall contain but not be
11 limited to:

- 12 (1) Performance indicators;
- 13 (2) Measures of effectiveness;
- 14 (3) Organization charts;
- 15 (4) Position descriptions of every type of position
16 created and actual salaries paid to each employee;
- 17 (5) Amounts collected and distributed under the program;
18 and
- 19 (6) Recommended legislation for statutory changes.

20 (b) The department shall obtain input on the state level
21 as well as assess the impact on each county and on customers,
22 dealers, and the automotive parts industry."



1 SECTION 4. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so
3 much thereof as may be necessary for fiscal year 2008-2009 for
4 the implementation of the lead acid battery and motor vehicle
5 tire deposit programs.

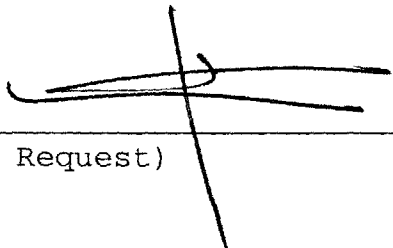
6 The sum appropriated shall be expended by the department of
7 health for the purposes of this Act.

8 SECTION 5. In codifying the new sections added by sections
9 2 and 3 of this Act, the revisor of statutes shall substitute
10 appropriate section numbers for the letters used in designating
11 the new sections in this Act.

12 SECTION 6. This Act shall take effect upon its approval;
13 provided that section 4 shall take effect on July 1, 2008.

14

INTRODUCED BY:



(By Request)



Report Title:

Recycle; Motor Vehicle Tire; Lead Acid Battery; Disposal;
Appropriation

Description:

Requires a deposit on automobile tires and batteries as
incentive to return them after use for recycling.

