

JAN 28 2009

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# A BILL FOR AN ACT

RELATING TO FUNDING OF KEIKI FIRST STEPS TRUST FUND.

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

1           SECTION 1. The legislature reaffirms its findings in Act  
2 51, Session Laws of Hawaii 2004, that:

3           *Although many responsibilities are laid upon education,*  
4           *ultimately education must do no less than advance the*  
5           *endowment of human culture itself, so that each succeeding*  
6           *generation finds itself further along the road towards*  
7           *peace, social justice, and environmental sustainability in*  
8           *a society guided by creativity, compassion, and curiosity.*

9           The legislature also reaffirms its findings in Act 14,  
10 Special Session Laws of Hawaii 2008, that:

11           *Hawaii's children, starting at birth, need support and*  
12           *guidance from families, caregivers, and teachers to reach*  
13           *their full potential as citizens.*

14           Act 14, Special Session Laws of Hawaii 2008, established  
15 the State's early learning council and the keiki first steps  
16 trust fund to address the needs of Hawaii's keiki.



1           The legislature finds that funding an early learning system  
2 of programs is a vital part of the sustainability and future  
3 prosperity of the State.

4           The legislature also finds that charging a fee for each  
5 plastic bag will discourage their use and diminish their  
6 deleterious effect on the environment and that discouraging  
7 their use is a vital part of the sustainability and future  
8 prosperity of the State.

9           The legislature finds use of moneys in the deposit beverage  
10 container deposit special fund under chapter 342G, Hawaii  
11 Revised Statutes, to fund the keiki first steps trust fund, is  
12 in the public's interest, advancing the sustainability and  
13 future prosperity of the State of Hawaii.

14           SECTION 2. Chapter 342G, Hawaii Revised Statutes, is  
15 amended by adding a new part to be appropriately designated and  
16 to read as follows:

17                           **"PART . PLASTIC SHOPPING BAG PROGRAM**

18           **§342G-A Definitions.** As used in this part:

19           "Customer" means a person who buys goods in the State.

20           "Distributor" means a person or entity that sells or  
21 distributes plastic shopping bags to stores in the State.



1 "Plastic shopping bag" means a bag that is made from non-  
2 compostable plastic or compostable plastic, that is not  
3 specifically designed and manufactured for multiple reuse, and  
4 is provided by a store to a customer at the point of sale.

5 "Store" means any establishment or person engaged in the  
6 sale of any goods, merchandise, beverages, unprepared food, or  
7 prepared food for takeout, located within the State.

8 **§342G-B Plastic shopping bag fee.** Beginning on July 1,  
9 2009, every distributor who sells and distributes plastic  
10 shopping bags to stores for use by customers in the State shall  
11 pay to the department of health a plastic shopping bag fee of  
12 five cents per shopping bag. This fee shall be collected by the  
13 department and remitted to the keiki first steps trust fund  
14 established in section 302L-5.

15 **§342G-C Administration.** The department shall adopt rules  
16 pursuant to chapter 91 to implement this part, including without  
17 limitation the collection of the plastic shopping bag fee.

18 **§342G-D Penalties.** The enforcement of and penalties for  
19 violation of this part shall be in accordance with Part VI of  
20 this chapter."

21 SECTION 3. Section 342G-104, Hawaii Revised Statutes, is  
22 amended to read as follows:



1           "§342G-104   Deposit into deposit beverage container deposit  
2   **special fund; use of funds.** (a) There is established in the  
3 state treasury the deposit beverage container deposit special  
4 fund, into which shall be deposited:

5           (1) All revenues generated from the deposit beverage  
6           container fee as described under sections 342G-102 and  
7           342G-105;

8           (2) All revenues generated from the deposit beverage  
9           container deposit as described under sections 342G-105  
10          and 342G-110; and

11          (3) All accrued interest from the fund.

12          (b) Moneys in the deposit beverage container deposit  
13 special fund shall be used to reimburse refund values, pay  
14 handling fees to redemption centers, fund the reverse vending  
15 machine rebate program under section 342G-102.5, and fund the  
16 redemption center and recycling infrastructure improvement  
17 program established pursuant to section 342G-114.5. The  
18 department may also use the money to:

19          (1) Fund administrative, audit, and compliance activities  
20          associated with collection and payment of the deposits  
21          and handling fees of the deposit beverage container  
22          program;



- 1           (2) Conduct recycling education and demonstration
- 2                 projects;
- 3           (3) Promote recyclable market development activities;
- 4           (4) Support the handling and transportation of the deposit
- 5                 beverage containers to end-markets;
- 6           (5) Hire personnel to oversee the implementation of the
- 7                 deposit beverage container program, including
- 8                 permitting and enforcement activities; and
- 9           (6) Fund associated office expenses.

10           (c) Any funds that accumulate in the deposit beverage  
11 container deposit special fund shall be retained in the fund  
12 unless determined by the auditor to be in excess, after  
13 adjustments to the deposit beverage fee, pursuant to the  
14 management and financial audits conducted in accordance with  
15 section 342G-107.

16           (d) Ten per cent of the unredeemed refund value, as  
17 reported by the auditor in management and financial audits  
18 conducted in accordance with section 342G-107, shall be paid to  
19 the keiki first steps trust fund established under section 302L-  
20 5."

21           SECTION 4. Section 342G-107, Hawaii Revised Statutes, is  
22 amended to read as follows:



1            "[+]§342G-107[+] **Management and financial audit.** The  
2 auditor shall conduct a management and financial audit of the  
3 program for fiscal years 2004-2005 and 2005-2006, and for each  
4 fiscal year thereafter ending in an even-numbered year. The  
5 auditor shall submit the audit report, including the amount of  
6 unredeemed refund value, the amount of unredeemed refund value  
7 allocated for the keiki first steps trust fund in accordance  
8 with section 342G-104, and recommendations, to the legislature  
9 and the department no later than twenty days prior to the  
10 convening of [+]the[+] next regular session. The costs incurred  
11 by the auditor for the audit shall be reimbursed by the deposit  
12 beverage container program special fund. The auditor may  
13 contract the audit services of a third party to conduct the  
14 audit."

15            SECTION 5. In codifying the new sections added by section  
16 1 of this Act, the revisor of statutes shall substitute  
17 appropriate section numbers for the letters used in designating  
18 the new sections in this Act.

19            SECTION 6. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.



1 SECTION 7. This Act shall take effect on July 1, 2009.

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**Report Title:**

Keiki First Steps Trust Fund; Plastic Shopping Bag Fee

**Description:**

Requires distributors that sell and distribute plastic shopping bags to stores for use by consumers to pay to the department of health a fee of 5 cents per shopping bag. Requires the fees collected to be remitted to the keiki first steps trust fund.

