

**HB 574**

# LATE

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## Mr. K's Recycle & Redemption Center

DATE: April 2, 2009

TO: Energy & Environmental Protection Committee  
Chair: Hermina Morita  
Vice-Chair: Danny Coffman

SUBJECT: SB243/HB574/SB884

Aloha,

This testimony is in regards to SB243, which to us is also related to SB884. Both of these acts have the potential to dramatically change the face of the redemption program here in Hawaii. The paperwork involved in operating a Certified Redemption Center is not a small amount. In section 2-E of SB243, it states that all restaurants, hotels, and bars can now become redemption centers. With all these business' joining the redemption program, the state will be overwhelmed and understaffed to handle the paperwork.

SB 884, currently deferred, is seeking to transfer the "excess balance" from the deposit beverage container deposit special fund into the general fund. This will eliminate resources needed to operate an effective deposit beverage container program here in Hawaii. If SB243 calls for the State to assist Counties in creating Redemption centers where there is a need, as stated in SB243 section 2-D, these "excess" resources will be needed to fund future upcoming redemption centers. Instead of forcing supermarkets to become redemption centers, why not just help open more redemption centers where the state feels fit. Supermarkets will have to gain knowledge and spend more money learning how to recycle within their store. That is what redemption centers are for. If supermarkets become redemption centers, collecting recycled goods comes with a build-up of unsanitary goods, pests and bugs which supermarkets shouldn't be dealing with and could possibly violate health codes.

How can the state be looking at taking away from the deposit beverage container special fund (SB884), and ask the redemption program to expand at the same time (SB243)?

We are a small start-up business and having a small piece of the pie. If this bill goes through and the supermarkets work with a large recycling company instead of getting the RVMs, then all their supermarket branches will have to contract and work with the same large recycling company, and in time will shutdown small "mom-and-pop" redemption centers like us. We support opening more redemption centers and the redemption program is rising, so why not leave it alone. As a redemption center we are trained and knowledgeable with consumers recycling needs. The supermarkets will have to open another outlet to be able to educate and serve their customers with the correct information on recycling. Their expertise is groceries and redemption centers expertise is recycling. Let it be, and let everybody be the best at what they like to do. Why force supermarkets to be their cashiers and recycle handlers. People are going through financial hardships, and passing this bill will make supermarkets hire more people to handle their recycling needs. Small redemption centers like ourselves just opened a little over 2 months ago, and we are faced with the thought that we could be shutdown due to supermarkets new extended business.

In these hard times why make supermarkets spend more money to become a redemption center, in which they will higher prices to afford the added expense. In the long run the consumers will still have to pay the price. You are trying to encourage satellite redemption centers, yet you are encouraging supermarkets to become redemption centers.

Mr. K's Recycle & Redemption Center in Hilo is a small independently owned and operated redemption center in Downtown Hilo. We opened our doors this past January, 2009. Between SB884 and SB243, smaller redemption centers such as Mr. K's will not survive. In the actualization of economic stimulus, please recognize that these bills are not good for the local economy. As a new business, it's hard to survive, and now these small redemption operations may have to compete with large supermarkets for customers. The big will get bigger, and the small will fold.

Thanks for your time and attention to this matter

Thomas T. Kadota LTD, owner

Mr. K's Recycle & Redemption Center



# Sierra Club Hawai'i Chapter

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# LATE

## SENATE COMMITTEE ON WAYS AND MEANS

April 3, 2009, 9:45 A.M.  
(Testimony is 5 pages long)

### TESTIMONY IN SUPPORT OF HB 574, HD2, SD1

Aloha Chair Kim and Members of the Committee:

The Sierra Club, Hawai'i Chapter, with 5500 dues paying members statewide, strongly supports HB 574, HD2, SD1, extending the reverse vending machine rebate program and increasing financial incentives and requiring big-box retailers to take back deposit containers at their store.

**The single best way to ensure easy, convenient redemption for Hawaii's consumers is to mandate that grocery stores and retailers of a certain size take back the bottles and cans that they sell, just like every other deposit law state.**

Hawaii's bottle law has proven to be an overwhelming success for Hawaii's environment, with three billion bottles and cans being diverted from Hawaii's landfills. Beyond waste diversion, the new recycling law reduced litter, created jobs, and provided new opportunities for churches, charities, and schools to fundraise. The recycling program proves that a little change can make a big difference.

Despite its success with redeeming over three billion beverage containers, **the bottle law can be improved**. Residents have rightfully complained about the cumbersome redemption process, with infrequent redemption centers and spotty hours of operation (and service).<sup>1</sup> A recent Department of Health study indicated 29% of respondents would prefer to redeem their containers at stores or the place where the bottles were bought. To this end, 27% of respondents complained in a recent study that it was "too much of a hassle" to redeem containers. "When respondents were asked how much of the redemption center they normally use changed in the past year, 66% of them said that it worsened a little.

Hawai'i is currently the only state with a bottle law that does not require grocery stores to 'close the loop' on recycling. Hawai'i should require that stores over a certain size (or over a certain sales threshold) provide redemption, exempting most "mom and pop" stores. SB 243 will do this, requiring that large, "big box" stores over 75,000 square feet provide for redemption. Stores would not need to staff a redemption center; they could simply install "reverse vending machines" at the store or in the parking lot.

Such an improvement to our bottle law will streamline the redemption process and provide residents with convenient recycling where they shop, when they shop.

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<sup>1</sup> See "Tracking Participation In and Attitudes Toward the HI-5 Deposit Beverage Container Recycling Program" (April 2008), available at [http://hawaii.gov/health/environmental/waste/sw/sw/hi5/support/hi5\\_2008SurveyReport.pdf](http://hawaii.gov/health/environmental/waste/sw/sw/hi5/support/hi5_2008SurveyReport.pdf)

**We strongly recommend, however, that this measure be amended to include regular grocery stores in the beverage container redemption program. We recommend that stores 10,000 feet and larger be required to take back bottles and cans,** just like they do in every other bottle law state (see attached pages on take-back requirements from other states). Setting the size limit at 10,000 square feet would provide more opportunities to recycle for residents (at the Foodlands, Safeways, etc. where they shop) while excluding the smaller, mom-and-pop stores (for comparison, most “7-11” stores in Hawai’i are smaller than 10,000 square feet).

As a reminder to this Committee, the legislature has tried previously to encourage the voluntary use of reverse vending machines by offering rebates to retailers and recyclers who use them. The rebates ranged from \$30,000 to \$90,000 (depending on store size), effectively covering a majority of the cost of such machines. These enticements failed to increase the number of stores participating in the redemption program. It is unfortunate that the retailers and grocery stores have refused to play a role in Hawaii’s beverage container program by providing easy, convenient recycling – just as they do in the other bottle law states where they operate. HB 574—properly amended to include more of the everyday grocery stores that residents patronize—will ensure that they participate in this recycling program to keep the products that they profit from out of our landfills and off our beaches.

Please review the attached listing of retailer “take back” requirements from other bottle law states. We hope this committee amends HB 574 to include more stores in Hawaii’s bottle law program.

Thank you for the opportunity to testify.

## REVIEW OF REGULATIONS FROM OTHER BOTTLE LAW STATES

### 1. Maine

- Anyone who sells, beverages in redeemable containers, including vending machines, is a dealer. Me. Rev. Stat. Ann. tit. 32, §1862(5).
- “[A] dealer may not refuse to accept from any consumer or other person not a dealer any empty, unbroken and reasonably clean beverage container of the kind, size and brand sold by the dealer . . .” Me. Rev. State. Ann. tit. 32, §1866(1).
- A dealer may refuse to accept containers if the type of the container and the dealer are covered by an order permitting a redemption center. Me. Rev. State. Ann. tit. 32, §1866(2).
- **LIMIT:** 240 containers per person per day. Me. Rev. State. Ann. tit. 32, §1866(2-A).
- A dealer may refuse to accept containers during no more than 3 hours each day. If the dealer chooses to do this, the hours during which he or she will not accept containers must be posted. Me. Rev. State. Ann. tit. 32, §1866(2-B).
- The only exemption is for apple cider produced in the state. Code. Me. R. §01-001-15.

Link to Statute: <http://janus.state.me.us/legis/statutes/32/title32sec1867.html>

Link to Regulations: <http://www.maine.gov/sos/cec/rules/01/001/001c360.doc>

### 2. Vermont

- The Vermont statute requires all **retailers** to accept and pay the refund for any beverage containers “of the kind, size and brand sold by the retailer . . .” 10 V.S.A. §1523(a)(1).
- Containers may be redeemed during no less than 40 hours per week, during regular operating hours. 10 V.S.A. § 1522(d).

- A retailer may refuse to accept containers, with the prior approval of the Secretary of the Agency of Natural Resources, if there is a redemption center serving the public need. 10 V.S.A. § 1523(b).
- Retailers may refuse to accept containers that are dirty, broken, or were not purchased in Vermont. 10 V.S.A. § 1532(c).

Website Statute: <http://www.leg.state.vt.us/statutes/sections.cfm?Title=10&Chapter=053>

### 3. Massachusetts

- Any dealer must accept any empty beverage container of the size, brand, and type which the dealer sells and pay the customer the refund for the container. Mass. Gen. Laws Ch. 94 §323(b).
- Dealers must accept containers during their normal business hours. Id.
- Dealers may refuse to accept containers contaminated with foreign material. Mass. Gen. Laws Ch. 94 §323(f).
- In addition to retail establishments, any person can establish a redemption center. Mass. Gen. Laws Ch. 94 §323(e).
  - A redemption center may choose what containers it will accept. Id.

Link to Massachusetts General Law: <http://www.mass.gov/legis/laws/mgl/94-321.htm>

### 4. Connecticut

- A dealer must accept “any empty beverage containers of the kind, size and brand sold by the dealer” at the dealer’s place of business unless the container contains foreign material or is not labeled in accordance with the statute. Conn. Gen. Stat. Ch. 446d §22a-245(b).
- A dealer may also refuse to accept containers if the dealer “sponsors, solely or with others, a redemption center which is located within a one-mile radius of such place of business and which accepts beverage containers of the kind, size and brand sold by such dealer at such place of business or unless there is established by others, a redemption center which is located within a one-mile radius of such place of business and which accepts beverage containers of the kind, size and brand sold by such dealer at such place of business.” Id.
- A dealer may also refuse to accept containers 60 days after the dealer discontinues the sale of a particular kind, size or brand of beverage, but the dealer must post notice of the date on which he or she will stop accepting that particular type of container. Id.
- A person may apply to the Commissioner of Environmental Protection to establish a redemption center. Conn. Gen. Stat. Ch. 446d §22a-245(a) (formerly §22a-79).
  - “Any person establishing a redemption center shall have the right to determine what kind, size and brand of beverage container shall be accepted. Any redemption center may be established to serve all persons or to serve certain specified dealers.” Id.

Link to Statute: <http://www.cga.ct.gov/2001/pub/Chap446d.htm#sec22a-243.htm>

### 5. New York

- A dealer is required to accept at his or her place of business “any empty beverage containers of the design, shape, size, color, composition and brand sold by the dealer . . . .” NY Environmental Conservation Law §27-1007(1).
- A dealer may refuse to accept an empty beverage container if: (1) the container does not state a refund value; (2) the bottle is broken; (3) the can is corroded or dismembered; (3) the container contains a significant amount of foreign material. NY Environmental Conservation Law § 27-1009(1)-(2).
- The Department of Environmental Conservation is authorized to promulgate rules that would allow dealers and redemption centers to limit the kind and number of containers

that particular facility will accept, but it has not done so. NY Environmental Conservation Law §27-1013.

Link to Statute: <http://public.leginfo.state.ny.us/menusetf.cgi?COMMONQUERY=LAWS>

#### 6. Delaware

- A dealer shall accept from a consumer any empty beverage container of the kind, size and brand sold by the dealer, and pay the consumer the refund on the appropriately labeled returnable beverage container. Del. Code Ann., tit. 7, §6057.
- A dealer may refuse to refund deposits on beverage containers if a redemption center or centers are established in the vicinity which serve the public need. Id.
- A dealer or redemption center may refuse to refund deposits on beverage containers which are broken, or unclean, or not empty. Id.
- **LIMIT:** Such dealer or center may refuse to accept beverage containers from any person who attempts to return 120 or more containers at the same time, or within a 1-week period. Id.
- Any dealer or distributor or manufacturer or person or any combination thereof may establish a redemption center subject to approval of the Department. Del. Code Ann., tit. 7, §6056(a).

Link to statute:

<http://www.delcode.state.de.us/title7/c060/sc03/index.htm>

Link to regulations: <http://www.dnrec.state.de.us/DNREC2000/Divisions/AWM/hw/sw/pdf/bevreg.pdf>

#### 7. Michigan

- Dealers are required to provide “a convenient means whereby the containers of any kind, size, and brand sold or offered for sale by the dealer may be returned by, and the deposit refunded in cash” on the premises or within 100 yards of the premises. Mich. Comp. Laws §445.572(2).
- “Regional centers for the redemption of returnable containers may be established, in addition to but **not as substitutes for**, the means established for refunds of deposits prescribed in subsection (2).” Mich. Comp. Laws §445.572(3) (emphasis added).
- A dealer may refuse to pay a refund when accepting an empty container if that dealer does not require a deposit when he or she sells returnable beverage containers. Mich. Comp. Laws §445.572(5).
- A dealer or distributor has discretion to refuse to accept containers that do not clearly state the refund value of the container and “Michigan.” Mich. Comp. Laws §445.572(7)
- **LIMIT:** In addition, a dealer is not required to accept empty containers for a refund of more than \$25 on a single given day. Mich. Comp. Laws §445.572(10).

Links to statute: [http://www.legislature.mi.gov/\(S\(y1ksaimi44igdd55i4yeumrg\)\)/mileg.aspx?page=getobject&objectname=mcl-initiated-law-of-1976](http://www.legislature.mi.gov/(S(y1ksaimi44igdd55i4yeumrg))/mileg.aspx?page=getobject&objectname=mcl-initiated-law-of-1976)

<http://www.deq.state.mi.us/documents/deq-wmd-swp-Bottle-Bill.doc>

#### 8. Iowa

- Dealers must accept “any empty beverage container of the kind, size and brand sold by the dealer . . . .” Iowa Code §455C.3(1)
- A dealer may refuse to accept any empty container that does not have a refund value on it. Iowa Code §455C.4(1).
- A dealer is also permitted to refuse to accept an empty beverage container if the dealer and the kind and brand of container are covered by an order approving a redemption center. Iowa Code §455C.4(2).

- Dealers may also refuse to accept alcoholic beverage containers that were originally sold at a state liquor store. Iowa Code §455C.4(3).
- Any person may establish a redemption center, subject to the approval of the Department of Natural Resources. Iowa Code §455C.6(1).

Link to statute: <http://web.legis.state.ia.us/IACODE/1999SUPPLEMENT/455C/index.html>

#### 9. Oregon

- A dealer must accept “any empty beverage containers of the kind, size and brand sold by the dealer . . . .” Or. Rev. Stat. § 459A.710(1)
- A dealer may refuse to accept any container if: (1) it does not state the refund value; (2) the dealer and the container are covered by an order approving a redemption center; (3) the container is visibly contaminated by any substance other than water, the original contents, or dust; (4) the container is damaged to the extent that the brand is unidentifiable. Or. Rev. Stat. § 459A.715(1)-(3).
- A dealer need not accept a container if the dealer: (a) Has not offered the product in the specific container size for sale within the past six months; (b) Has reasonable grounds to believe the container was sold at retail outside Oregon; or (c) Has reasonable grounds to believe that container was obtained from or through a distributor without paying the refund value . . . . Or. Admin. R. 845-020-0035.
- **LIMIT:** In addition, a dealer may refuse to accept more than 144 containers from any one person in a single day. Or. Rev. Stat. § 459A.715(2)(b).
- Any person may establish a redemption center upon approval of the Oregon Liquor Control Commission. Or. Rev. Stat. §459A.735(1).

Link to Statute: <http://landru.leg.state.or.us/ors/459a.html>

Link to Administrative Rules: [http://arcweb.sos.state.or.us/rules/OARS\\_800/OAR\\_845/845\\_020.html](http://arcweb.sos.state.or.us/rules/OARS_800/OAR_845/845_020.html)

#### 10. California

- Every dealer must either allow for redemption of empty containers at all open cash registers in the dealer’s place of business or at a specified location on the dealer’s premises, or the dealer must post a conspicuous sign notifying customers of the name and address of the certified recycling center or location(s) nearest to the dealer, “which redeems all types of empty beverage containers at one location during at least 30 hours per week with a minimum of five hours of operation occurring during periods other than from Monday to Friday, from 9:00 a.m. to 5:00 p.m. . . .” Cal. Pub. Res. Code §14570.
- The Administrative Rules do not add any additional restrictions on recycling centers.

Link to Statute: <http://www.consrv.ca.gov/DOR/crcp/recyclers/Images/Act.pdf>

Link to Administrative Rules: <http://www.consrv.ca.gov/DOR/crcp/recyclers/Images/Regs.pdf>