
A BILL FOR AN ACT

RELATING TO SINGLE-USE PLASTIC CHECKOUT BAGS.

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

1 SECTION 1. The purpose of this Act is to protect the
2 environment for future generations. Approximately 300,000,000
3 single-use plastic checkout bags are distributed annually to
4 consumers in Hawaii. These plastic bags not only pollute the
5 beauty of Hawaii, they also emit harmful gases. Plastic bags
6 that are not properly disposed of often drift to Hawaii's
7 pristine beaches, killing coral, sea turtles, and other
8 creatures.

9 Several cities and counties in the United States and some
10 foreign countries have established taxes to reduce single-use
11 plastic checkout bag consumption and to increase revenues.
12 Ireland's single-use plastic checkout bag tax reduced
13 consumption by ninety per cent, while generating \$9,600,000 in
14 taxes. Washington, D.C. imposed a similar tax that reduced
15 plastic checkout bag consumption from 22,500,000 to 3,000,000
16 and generated \$150,000 in tax revenues in one month. These
17 results strongly suggest that by assessing a tax on single-use
18 plastic checkout bags, Hawaii would likely achieve a significant



1 drop in single-use plastic checkout bag consumption, as well as
2 a substantial increase in revenues as a result of the tax.
3 Further, the State's vital tourist industry would benefit from
4 cleaner streets, beaches, and mountains.

5 This tax is intended to encourage consumers to choose paper
6 or reusable bags rather than single-use plastic checkout bags.

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

10 "PART . SINGLE-USE PLASTIC CHECKOUT BAGS

11 §342H-A Definitions. As used in this part, unless the
12 context otherwise requires:

13 "Business" means any commercial enterprise or
14 establishment, including sole proprietorship, joint ventures,
15 partnerships, and corporations, or any other legally cognizable
16 entity, and includes all employees of the business or any
17 independent contractors associated with the business.

18 "General plastics" means material made of non-biodegradable
19 plastic. The term is not limited to single-use plastic checkout
20 bags.

21 "Reusable bag" means a bag with handles that is
22 specifically designed and manufactured for multiple reuse and is



1 made of cloth or other machine washable fabric or made of other
2 durable material suitable for reuse, including plastic that is
3 at least 2.25 millimeters thick.

4 "Single-use plastic checkout bag" means a bag that is:

- 5 (1) Made of non-biodegradable plastic, other than plastic
- 6 that is at least 2.25 millimeters thick;
- 7 (2) Provided by a business to a customer; and
- 8 (3) Designed for one-time use to transport merchandise.

9 "Tax" means the tax on a single-use plastic checkout bag
10 imposed under §342H-C.

11 §342H-B Goals. The goals of this part are to:

- 12 (1) Reduce waste in the State;
- 13 (2) Reduce exportation of disposed plastics;
- 14 (3) Reduce dependence on plastics manufactured with
- 15 mainland or foreign oil;
- 16 (4) Provide businesses with an incentive to become
- 17 environmentally friendly;
- 18 (5) Retain the consumer's choice of whether or not to use
- 19 single-use plastic checkout bags;
- 20 (6) Set an example for other states and countries;
- 21 (7) Generate funds for environmental programs;
- 22 (8) Create more jobs;



1 (9) Increase the State's involvement in environmental
2 programs;

3 (10) Establish a policy for the gradual elimination of
4 single-use plastic checkout bags rather than impose an
5 immediate ban that would create hardship for
6 businesses and consumers;

7 (11) Keep Hawaii clean to improve tourism; and

8 (12) Promote reusable bags and conservation.

9 **§342H-C Tax on single-use plastic checkout bag. (a)**

10 Except as otherwise provided under section 342H-E, there is
11 imposed a tax in the amount of 20 cents on each single-use
12 plastic checkout bag distributed by a business to a customer.
13 The tax shall be imposed on and paid by the customer to the
14 business. The business shall disburse the tax collected in
15 accordance with subsection (c).

16 (b) The following plastic bags shall be exempt from the
17 tax:

18 (1) Non-handle transparent bags for vegetables, meats,
19 nuts, grains, candies, or small items that are wrapped
20 prior to sale;

21 (2) Bags used to wrap frozen foods or potted plants;

22 (3) Bags to hold medications;



1 (4) Bags for newspapers, magazines, or pre-wrapped mail;

2 (5) Bags for laundry, including bags provided by hotels;

3 (6) Bags sold in bulk, including bags for practical
4 purposes of pet waste, yard disposal, and garbage
5 liners; and

6 (7) Bags for the use of transporting animals, including
7 fish or insects.

8 (c) If a business operates a plastic bag recycling bin
9 registered with and approved by the department on the business
10 premises during all business hours, the business may retain
11 twenty-five per cent of the taxes collected for its
12 administrative purposes; provided that the business shall
13 transmit seventy-five per cent of the taxes collected to the
14 department.

15 If the business does not operate a plastic bag recycling
16 bin registered with and approved by the department on the
17 business premises during all business hours, the business shall
18 transmit one hundred per cent of the taxes collected to the
19 department.

20 The department shall deposit all taxes received into the
21 single-use plastic bag special fund under section 342H-D.



1 (d) The failure of a business or customer to comply with
2 this section shall be a violation punishable by a fine of at
3 least \$100.

4 The department, through the attorney general, shall enforce
5 this section.

6 §342H-D Single-use plastic bag special fund. (a) There
7 is established in the state treasury the single-use plastic bag
8 special fund, into which shall be deposited:

9 (1) All revenues generated from the tax under section
10 342H-C(a);

11 (2) All revenues generated from fines pursuant to section
12 342H-C(d); and

13 (3) Appropriations made by the legislature to the fund.

14 (b) Moneys in the single-use plastic bag special fund
15 shall be used to:

16 (1) Promote awareness of pollution and single-use plastic
17 checkout bag recycling;

18 (2) Research and install state-sponsored recycling bins
19 across the State;

20 (3) Sponsor nonprofit organizations to clean up beaches,
21 streets, mountains, and other public places;

22 (4) Export disposed plastic; and



1 (5) Invest in technology that converts general plastics,
2 including bottles, to reusable material approved by
3 the department.

4 (c) Moneys in the single-use plastic bag special fund may
5 be used for the installation, operation, and maintenance of a
6 plastic recycling program. The department shall adopt rules to
7 establish the plastic recycling program.

8 The department may authorize the payment of a redemption
9 fee for a single-use plastic checkout bag that is submitted to
10 the plastic recycling program. All redemption fees shall be
11 paid out of the single-use plastic bag special fund.

12 The department shall evaluate whether the benefit of the
13 plastic recycling program is greater than any costs incurred.

14 §342H-E Exemption for certain counties. (a) No tax shall
15 be imposed or collected under this part within any county in
16 which the use of single-use plastic checkout bags is banned by
17 ordinance.

18 (b) No tax under this part shall be imposed or collected
19 within any county with a county ordinance that regulates, but
20 does not ban, the use of single-use plastic checkout bags;
21 provided that the department, based on its exclusive



1 determination, certifies that the ordinance is stricter than
2 this part."

3 SECTION 3. If, after five years from the effective date of
4 this Act, the department of health finds that the amount of
5 single-use plastic checkout bags distributed within the State is
6 not reduced from the estimated amount distributed in calendar
7 year 2012, the department shall submit proposed legislation to
8 the legislature that imposes a ban on the use of single-use
9 plastic checkout bags within the State.

10 SECTION 4. In codifying the new sections added by section
11 2 of this Act, the revisor of statutes shall substitute
12 appropriate section numbers for the letters used in designating
13 the new sections in this Act.

14 SECTION 5. This Act shall take effect on July 1, 2012.

15

INTRODUCED BY:

Calvin H. Day
BY REQUEST

JAN 13 2012



H.B. NO. 1828

Report Title:

Single-use Plastic Checkout Bags; Tax

Description:

Imposes a tax on each single-use plastic checkout bag distributed to a customer by a business, to be paid by the customer. Creates the single-use plastic bag special fund. Exempts certain counties from the tax.

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