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# A BILL FOR AN ACT

RELATING TO WASTE MANAGEMENT.

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

1           SECTION 1. The legislature finds that construction  
2 projects funded by public moneys produce extensive construction  
3 waste. State law prohibits the disposal of more than one cubic  
4 yard of solid waste anywhere other than a permitted solid waste  
5 management system, with certain exceptions. However, the  
6 legislature has discovered that despite this prohibition,  
7 construction waste is sometimes disposed of in an unauthorized  
8 manner. For example, the *Honolulu Star-Advertiser* reported on  
9 July 23, 2015, that the department of education and several  
10 contractors were fined \$1,450,000 by the department of health  
11 for violating solid waste laws during the renovation of Radford  
12 high school's track field in 2014. The department of health  
13 based its decision on the illegal removal, transportation, and  
14 disposal of contaminated soil and concrete waste from the school  
15 construction site to a private residence in Kaneohe, a  
16 construction site in Kapolei, and an unpermitted concrete



1 recycling facility in Kailua. Approximately one hundred thirty  
2 truckloads of hazardous soil and concrete were dumped.

3 The legislature further finds that hazardous waste material  
4 from construction sites have reportedly been dumped onto land  
5 that drains into Kawainui marsh. These kinds of dumps are  
6 difficult to detect when they occur.

7 The purpose of this Act is to require the statement for  
8 services performed in a public works contract to include a  
9 receipt from a department of health permitted or approved waste  
10 management facility that verifies that the waste was properly  
11 received and lawfully disposed of in the appropriate department  
12 of health permitted or approved waste facility before payment  
13 for such services is rendered.

14 SECTION 2. Section 103-10, Hawaii Revised Statutes, is  
15 amended to read as follows:

16 **"§103-10 Payment for goods and services.** (a) [~~Any~~]  
17 Subject to the requirements of subsection (e), any person who  
18 renders a proper statement for goods delivered or services  
19 performed, pursuant to contract, to any agency of the State or  
20 any county, shall be paid no later than thirty calendar days  
21 following receipt of the statement or satisfactory delivery of



1 the goods or performance of the services. [~~In the event~~] If  
2 circumstances prevent the paying agency from complying with this  
3 section, the person shall be entitled to interest from the  
4 paying agency on the principal amount remaining unpaid at a rate  
5 equal to the prime rate for each calendar quarter plus two per  
6 cent, commencing on the thirtieth day following receipt of the  
7 statement or satisfactory delivery of the goods or performance  
8 of the services, whichever is later, and ending on the date of  
9 the check. As used in this subsection, "prime rate" means the  
10 prime rate as posted in the Wall Street Journal on the first  
11 business day of the month preceding the calendar quarter.

12 (b) This section shall not apply in those cases where  
13 delay in payment is due to:

- 14 (1) A bona fide dispute between the State or any county  
15 and the contractor concerning the services or goods  
16 contracted for;
- 17 (2) A labor dispute;
- 18 (3) A power or mechanical failure;
- 19 (4) Fire;
- 20 (5) Acts of God; or



1           (6) Any similar circumstances beyond the control of the  
2           State or any county.

3       Where the time of payment is contingent upon the receipt of  
4       federal funds, or federal approval, the solicitation of bids for  
5       contracts shall clearly state that payment is contingent upon  
6       those conditions. If the solicitation for bids contains the  
7       warning and a contract is awarded in response to the  
8       solicitation, then interest shall not begin to accrue upon any  
9       unpaid voucher until the thirtieth day following receipt by the  
10      State or county of the contractor's statement or the thirtieth  
11      day following receipt of the federal funds or approval,  
12      whichever occurs later, and shall end as of the date of the  
13      check.

14           (c) All goods or services purchased by a state agency  
15      which are less than \$25, except those purchased through the use  
16      of a state procurement card, shall be paid from the petty cash  
17      funds of the agency; provided that the comptroller may establish  
18      a higher threshold for petty cash payments and may grant  
19      exceptions to this requirement.

20           (d) Any other law to the contrary notwithstanding, the  
21      payments for goods and services obtained through use of any



1 state or county procurement card shall be made under the terms  
2 and conditions specified in the contract under which the  
3 procurement card was established.

4 (e) Beginning July 1, 2020, in any contract with an agency  
5 of the State or a county that includes the disposal of liquid or  
6 solid waste, including but not limited to construction waste,  
7 payment shall not be rendered unless the statement for services  
8 submitted pursuant to subsection (a) includes a receipt from:

- 9 (1) A department of health-permitted waste management  
10 facility;  
11 (2) A department of health-approved wastewater treatment  
12 facility;  
13 (3) Other facility approved by the department of health;  
14 or  
15 (4) In the case of disposal of inert fill, a farm lot with  
16 an approved soil and water conservation plan or permit  
17 to stockpile the material on site, or construction  
18 site with a permit to grade and fill the site or  
19 stockpile fill on site. The receipt shall verify that  
20 the waste or inert fill was properly received and  
21 lawfully managed in an appropriate, department of



1 health-permitted or approved waste facility, farm lot,  
2 or construction site and shall include:  
3 (A) The number of truck loads accepted by the  
4 facility;  
5 (B) The type of material received;  
6 (C) The address of the site and name of the agent  
7 authorized to accept the disposal; and  
8 (D) Reference of the holder, farm, or company of the  
9 farm soil and water conservation plan or  
10 construction permit number, as applicable.  
11 If required pursuant to a contract or executed agreement, the  
12 state or county agency may make partial payment to the  
13 contractor without a receipt showing proper waste disposal from  
14 a licensed waste management facility, farm lot, or construction  
15 site; provided that such payment does not include any  
16 compensation for the waste removal, or disposal, or both, and  
17 before any dumping of waste. A person who knowingly submits a  
18 receipt that is altered or falsified in any manner for the  
19 purposes of this subsection shall be subject to section  
20 708-872."



1           SECTION 3. This Act does not affect rights and duties that  
2 matured, penalties that were incurred, and proceedings that were  
3 begun before its effective date.

4           SECTION 4. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6           SECTION 5. This Act shall take effect on July 1, 2020.



**Report Title:**

Disposal of Liquid or Solid Waste; Contracts; Payments

**Description:**

Requires that all state and county agency contractors that dispose of liquid or solid waste provide a receipt that the waste or inert fill was received and disposed of at a department of health permitted or approved facility before payment is rendered for those contractual services. Allows for partial payment to be made without a receipt and prior to any dumping of waste. Prohibits alteration or falsification of receipts. Effective 7/1/2020. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

