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# A BILL FOR AN ACT

RELATING TO SOLID WASTE.

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

1 SECTION 1. Section 342G-102, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "**§342G-102 Deposit beverage container fee.** (a) Beginning  
4 on October 1, 2002, every deposit beverage distributor shall pay  
5 to the department a deposit beverage container fee on each  
6 polyethylene terephthalate, high density polyethylene, or metal  
7 deposit beverage container manufactured in or imported into the  
8 State. The fee shall be imposed only once on the same deposit  
9 beverage container. The fee shall be 0.5 cents per deposit  
10 beverage container.

11 (b) Beginning on October 1, 2004, every deposit beverage  
12 distributor shall pay to the department a deposit beverage  
13 container fee on each deposit beverage container manufactured in  
14 or imported into the State. The deposit beverage container fee  
15 shall not apply to deposit beverage containers exported for sale  
16 outside of the State. The fee shall be imposed only once on the  
17 same deposit beverage container. The fee shall be 1 cent per  
18 deposit beverage container.



1 (c) No county shall impose or collect any assessment or  
2 fee on deposit beverage containers for the same or similar  
3 purpose that is the subject of this chapter.

4 (d) Beginning January 1, 2005, and every August 1  
5 thereafter, the department shall notify deposit beverage  
6 distributors in writing of the amount of the deposit beverage  
7 container fee. The effective date of changes to the fee amount  
8 shall be September 1. The fee shall be based on the redemption  
9 rate calculated annually based on the redemption rate  
10 information submitted to the department for the previous period  
11 of July 1 through June 30. The fee amount shall be as follows:

- 12 (1) If the redemption rate is seventy per cent or less: 1  
13 cent per container; and
- 14 (2) If the redemption rate is greater than seventy per  
15 cent: 1.5 cents per container.

16 (e) The director may temporarily suspend the deposit  
17 beverage container fee, if after consultation with the auditor,  
18 it is determined that the deposit beverage container deposit  
19 special fund contains sufficient funds for the purposes of  
20 section 342G-104(b)."

21 SECTION 2. Section 342G-105, Hawaii Revised Statutes, is  
22 amended to read as follows:



1 "[+]§342G-105[+] **Deposit beverage container inventory**

2 **report and payment.** (a) Beginning October 1, 2002, payment of  
3 the deposit beverage container fee and deposits as described in  
4 section 342G-110 shall be made monthly based on inventory  
5 reports of the deposit beverage distributors. All deposit  
6 beverage distributors shall submit to the department  
7 documentation in sufficient detail that identifies[+]

8 ~~(1) The number of beverages in deposit beverage~~  
9 ~~containers, by container size and type, manufactured~~  
10 ~~in or imported to the State; and~~

11 ~~(2) The number of these deposit beverage containers, by~~  
12 ~~container size and type, exported and intended for~~  
13 ~~consumption out of the State during the reporting~~  
14 ~~period.]~~

15 the number of deposit beverage containers sold, by container  
16 size and type.

17 (b) The amount due from deposit beverage distributors  
18 shall be the [net] number of deposit beverage containers  
19 [~~imported or manufactured into the State (the total number of~~  
20 ~~containers imported or manufactured less the total number of~~  
21 ~~containers exported for consumption outside the State)] sold  
22 multiplied by the sum of the prevailing deposit beverage~~



1 container fee and the refund value of 5 cents. Payment shall be  
2 made by check or money order payable to the "Department of  
3 Health, State of Hawaii". All inventory reports and payments  
4 shall be made no later than the fifteenth day of the month  
5 following the end of the payment period of the previous month."

6 SECTION 3. Section 342G-111, Hawaii Revised Statutes, is  
7 amended as follows:

8 1. By amending subsection (c) to read:

9 "(c) Each deposit beverage distributor shall generate and  
10 submit to the department a monthly report on[÷

11 ~~(1) The number of deposit beverage containers, by  
12 container size and type, manufactured in or imported  
13 into the State; and~~

14 ~~(2) The number of deposit beverage containers, by  
15 container size and type, exported and intended for  
16 consumption out of the State during the reporting  
17 period.]~~

18 the number of deposit beverage containers sold, by container  
19 size and type. All information contained in the reports,  
20 including confidential commercial and financial information,  
21 shall be treated as confidential and protected to the extent  
22 allowed by state law."



1           2. By amending subsection (f) to read:

2           "(f) The amount due from a deposit beverage distributor  
3 shall be the [~~net~~] number of deposit beverage containers sold  
4 multiplied by the sum of the prevailing deposit beverage  
5 container fee and the deposit value of 5 cents. Payment shall  
6 be made by check or money order payable to the "Department of  
7 Health, State of Hawaii". All reports and payments shall be  
8 made no later than the fifteenth day of the month following the  
9 end of the previous payment period."

10           SECTION 4. Section 342G-112, Hawaii Revised Statutes, is  
11 amended to read as follows:

12           "**§342G-112 Deposit beverage container requirements.** (a)  
13 Except as provided in subsection (b), every deposit beverage  
14 container sold in the State shall clearly indicate the refund  
15 value of the container and the word "Hawaii" or the letters  
16 "HI". The names or letters representing the names of other  
17 states with comparable deposit legislation may also be included  
18 in the indication of refund value. The refund value on every  
19 deposit beverage container shall be clearly, prominently, and  
20 indelibly marked by painting, printing, scratch embossing,  
21 raised letter embossing, or securely affixed stickers and shall



1 be affixed on the top or side of the container in letters at  
2 least one-eighth inch in size.

3 (b) Subsection (a) [~~does~~] shall not apply to any type of  
4 refillable glass deposit beverage container [~~which~~] that has a  
5 brand name permanently marked on it and [~~which~~] that has the  
6 equivalent of a refund value of at least 5 cents, which is paid  
7 upon receipt of the container by a dealer or deposit beverage  
8 distributor.

9 (c) All deposit beverage containers that do not indicate  
10 the Hawaii refund value by January 1, 2005, and are intended for  
11 sale shall be sold with stickers as specified in subsection (d).

12 (d) Stickers that indicate the Hawaii refund value may be  
13 purchased from the department from November 1, 2004, to December  
14 31, 2004. Surplus stickers may be redeemed at the department by  
15 March 1, 2005. The cost of a sticker shall be equal to the  
16 Hawaii refund value.

17 (e) Containers that do not meet the definition of a  
18 deposit beverage container, as specified in section 342G-101,  
19 shall not indicate the Hawaii refund value."

20 SECTION 5. Section 342G-113, Hawaii Revised Statutes, is  
21 amended to read as follows:



1           **"§342G-113 Redemption of empty deposit beverage**

2 **containers.** (a) Except as provided in subsection (b), a dealer  
3 shall:

4           (1) Operate a redemption center by July 1, 2005, and shall  
5           accept all types of empty deposit beverage containers  
6           with a Hawaii refund value;

7           (2) Pay to the redeemer the full refund value for all  
8           deposit beverage containers that bear a valid Hawaii  
9           refund value; and

10          (3) Ensure each deposit beverage container collected is  
11          recycled, and forward documentation necessary to  
12          support claims for payment as stated in section 342G-  
13          119 or rules adopted under this part.

14          (b) Subsection (a) shall not apply to any dealer:

15          (1) Who is located in a high density population area, as  
16          defined by the director in rules, and within two miles  
17          of a certified redemption center that is operated  
18          independently of a dealer;

19          (2) Who is located in a rural area as defined by rule;

20          (3) Who subcontracts with a certified redemption center to  
21          be operated on the dealer's premises;



- 1           (4) Whose sales of deposit beverage containers are only
- 2                 via vending machines;
- 3           (5) Whose place of business is less than five thousand
- 4                 square feet of interior space;
- 5           (6) Who can demonstrate physical or financial hardship, or
- 6                 both, based on specific criteria established by rule;
- 7                 or
- 8           (7) Who meets other criteria established by the director.

9 Notwithstanding paragraphs (1) and (2), the director may allow  
10 the placement of redemption centers at greater than prescribed  
11 distances to accommodate geographical features while ensuring  
12 adequate consumer convenience.

13           (c) Regardless of the square footage of a dealer's place  
14 of business, dealers who are not redemption centers shall post a  
15 clear and conspicuous sign at the primary public entrance of the  
16 dealer's place of business that specifies the name, address, and  
17 hours of operation of the closest redemption center locations.

18           (d) If there is no redemption center within the two-mile  
19 radius of a dealer due to the criteria described in subsection  
20 (b), then the respective county and the State shall determine  
21 the need for a redemption center in that area. If a redemption  
22 center is deemed necessary, then the State, with assistance from



1 the county, shall establish the redemption center with funding  
2 from the deposit beverage container deposit special fund.

3 (e) Businesses that sell deposit beverages for on-premises  
4 consumption, such as hotels, bars, and restaurants, shall  
5 collect used deposit beverage containers from the patron and  
6 either use a certified redemption center for the collection of  
7 containers or become a certified redemption center.

8 (f) Notwithstanding subsection (b), any dealer having  
9 greater than seventy-five thousand square feet of interior space  
10 shall operate a redemption center and shall accept all types of  
11 empty deposit beverage containers with a Hawaii refund value."

12 SECTION 6. Section 342G-114, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 "**§342G-114 Redemption centers.** (a) Prior to operation,  
15 redemption centers shall be certified by the department.

16 (b) Applications for certification as a redemption center  
17 shall be filed with the department on forms prescribed by the  
18 department.

19 (c) The department, at any time, may review the  
20 certification of a redemption center. After written notice to  
21 the person responsible for the establishment and operation of  
22 the redemption center and to the dealers served by the



1 redemption center, the department, after it has afforded the  
2 redemption center operator a hearing in accordance with chapter  
3 91, may withdraw the certification of the center if it finds  
4 that there has not been compliance with applicable laws, rules,  
5 permit conditions, or certification requirements.

6 (d) Redemption centers shall:

7 (1) Accept all types of empty deposit beverage containers  
8 for which a deposit has been paid;

9 (2) Verify that all containers to be redeemed bear a valid  
10 Hawaii refund value;

11 (3) Pay to the redeemer the full refund value in either  
12 cash or a redeemable voucher for all deposit beverage  
13 containers, except as provided in section 342G-116;

14 (4) Ensure each deposit beverage container collected is  
15 recycled through a contractual agreement with an out-  
16 of-state recycler or an in-state recycling facility  
17 permitted by the department; provided that this  
18 paragraph shall not apply if the redemption center is  
19 operated by a recycler permitted by the department;  
20 and

21 (5) Forward the documentation necessary to support claims  
22 for payment as stated in section 342G-119.



1 (e) Redemption centers' redemption areas shall be  
2 maintained in full compliance with applicable laws and with the  
3 orders and rules of the department, including permitting  
4 requirements, if deemed necessary, under chapter 342H.

5 (f) The department shall develop procedures to facilitate  
6 the exchange of information between deposit beverage container  
7 manufacturers, distributors, and retailers and certified  
8 redemption centers, including but not limited to universal  
9 product code information for reverse vending machine purposes.  
10 The procedures developed by the department shall allow for a  
11 reasonable time period between the introduction of a new deposit  
12 beverage product and the deadline for submitting universal  
13 product code information to certified redemption centers  
14 operating reverse vending machines.

15 (g) Consumers may request that the refund value be  
16 computed by container count only if the consumer is redeeming  
17 not more than fifty containers of each material type per visit."

18 SECTION 7. Section 342G-116, Hawaii Revised Statutes, is  
19 amended to read as follows:

20 "**§342G-116 Refusal of refund value payment for a deposit**  
21 **beverage container.** Redemption centers shall refuse to pay the



1 refund value on any broken, corroded, or dismembered deposit  
2 beverage container, or any deposit beverage container that:

- 3 (1) Contains a free-flowing liquid;  
4 (2) Does not properly indicate a refund value; [~~or~~]  
5 (3) Contains a significant amount of foreign material[~~+~~];  
6 or  
7 (4) Exhibits characteristics of being previously processed  
8 and baled."

9 SECTION 8. Section 342G-117, Hawaii Revised Statutes, is  
10 amended as follows:

11 1. By amending subsection (a) to read:

12 "(a) The department shall pay to each certified redemption  
13 center a handling fee of not less than the prevailing deposit  
14 beverage container fee for each deposit beverage container  
15 redeemed by a consumer that is:

- 16 (1) Transported out-of-state;  
17 (2) Received by an approved in-state company for an  
18 approved end use for recycling; or  
19 (3) Received by a department-permitted recycling  
20 facility[~~+~~];

21 provided that the deposit beverage container is physically  
22 received by the redemption center."



1           2. By amending subsection (c) to read:

2           "(c) The handling fee shall be paid in addition to the  
3 refund value of each empty deposit beverage container. Payments  
4 for handling fees shall be based on redemption center reports  
5 submitted to the department; provided that there is no  
6 discrepancy in the reports. The department may choose to pay  
7 the handling fee and refund value on the basis of the total  
8 weight of the containers received by material type and the  
9 average weight of each container type~~[ ]~~; provided that the  
10 deposit beverage container is physically received by the  
11 redemption center."

12           SECTION 9. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

14           SECTION 10. This Act shall take effect upon its approval.



**Report Title:**

Deposit Beverage Container; Penalties

**Description:**

Requires distributors to report container numbers sold and make fee payments on that basis. Permits calculation of redemption value by container count in certain instances. Allows refusal of refund for previously processed and baled containers. Permits the director of health to suspend the deposit beverage container fee. Requires dealers with more than 75,000 square feet of interior space to operate a redemption center.

