

JAN 19 2007

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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. The legislature finds that sixty-eight fluid  
2 ounce beverage containers have been sold in Hawaii for many  
3 years and are a very popular size for use by larger families and  
4 at parties and recreational activities. The larger container is  
5 ounce per ounce more economical than the standard twelve ounce  
6 cans.

7           The governor vetoed S.B. No. 3181, CD1, 2006, based mainly  
8 upon the inability to redeem and recycle the sixty-eight ounce  
9 containers, making it difficult to implement. The legislature  
10 finds that the widespread use of sixty-eight ounce bottles  
11 warrants that their inclusion in the deposit beverage container  
12 program, notwithstanding technical obstacles that can be  
13 remedied over time.

14           The purpose of this Act is to increase the size of the  
15 eligible deposit beverage container and to strengthen the  
16 deposit beverage container program.



1 SECTION 2. Section 342G-101, Hawaii Revised Statutes, is  
2 amended by amending the definition of "deposit beverage  
3 container" to read as follows:

4 "Deposit beverage container" means the individual,  
5 separate, sealed glass, polyethylene terephthalate, high density  
6 polyethylene, or metal container less than or equal to [~~sixty-~~  
7 ~~four~~] sixty-eight fluid ounces, used for containing, at the time  
8 of sale to the consumer, a deposit beverage intended for use or  
9 consumption in this State."

10 SECTION 3. Section 342G-105, Hawaii Revised Statutes, is  
11 amended to read as follows:

12 "[+]§342G-105[+] **Deposit beverage container inventory**  
13 **report and payment.** (a) Beginning October 1, 2002, payment of  
14 the deposit beverage container fee and deposits as described in  
15 section 342G-110 shall be made monthly based on inventory  
16 reports of the deposit beverage distributors. All deposit,  
17 beverage distributors shall submit to the department  
18 documentation in sufficient detail that identifies[+]

19 ~~(1) The number of beverages in deposit beverage~~  
20 ~~containers, by container size and type, manufactured~~  
21 ~~in or imported to the State, and~~



1       ~~(2) The number of these deposit beverage containers, by~~  
2       ~~container size and type, exported and intended for~~  
3       ~~consumption out of the State during the reporting~~  
4       ~~period.]~~ the net number of deposit beverage containers  
5 sold, by container size and type.

6       (b) The amount due from deposit beverage distributors  
7 shall be the net number of deposit beverage containers [imported  
8 ~~or manufactured into the State (the total number of containers~~  
9 ~~imported or manufactured less the total number of containers~~  
10 ~~exported for consumption outside the State)] sold multiplied by  
11 the sum of the prevailing deposit beverage container fee and the  
12 refund value of 5 cents. Payment shall be made by check or  
13 money order payable to the "Department of Health, State of  
14 Hawaii". All inventory reports and payments shall be made no  
15 later than the fifteenth day of the month following the end of  
16 the payment period of the previous month."~~

17       SECTION 4. Section 342G-111, Hawaii Revised Statutes, is  
18 amended by amending subsection (c) to read as follows:

19       "(c) Each deposit beverage distributor shall generate and  
20 submit to the department a monthly report on[-



1       ~~(1) The number of deposit beverage containers, by~~  
2           ~~container size and type, manufactured in or imported~~  
3           ~~into the State, and~~  
4       ~~(2) The number of deposit beverage containers, by~~  
5           ~~container size and type, exported and intended for~~  
6           ~~consumption out of the State during the reporting~~  
7           ~~period.] the net number of deposit beverage containers~~  
8       sold, by container size and type. All information contained in  
9       the reports, including confidential commercial and financial  
10       information, shall be treated as confidential and protected to  
11       the extent allowed by state law."

12       SECTION 5. Section 342G-112, Hawaii Revised Statutes, is  
13       amended to read as follows:

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



1 raised letter embossing, or securely affixed stickers and shall  
2 be affixed on the top or side of the container in letters at  
3 least one-eighth inch in size.

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

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

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

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

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



1           **"§342G-114 Redemption centers.** (a) Prior to operation,  
2 redemption centers shall be certified by the department.

3           (b) Applications for certification as a redemption center  
4 shall be filed with the department on forms prescribed by the  
5 department.

6           (c) The department, at any time, may review the  
7 certification of a redemption center. After written notice to  
8 the person responsible for the establishment and operation of  
9 the redemption center and to the dealers served by the  
10 redemption center, the department, after it has afforded the  
11 redemption center operator a hearing in accordance with chapter  
12 91, may withdraw the certification of the center if it finds  
13 that there has not been compliance with applicable laws, rules,  
14 permit conditions, or certification requirements.

15           (d) Redemption centers shall:

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

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

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



1           (4) Ensure each deposit beverage container collected is  
2           recycled through a contractual agreement with an out-  
3           of-state recycler or an in-state recycling facility  
4           permitted by the department; provided that this  
5           paragraph shall not apply if the redemption center is  
6           operated by a recycler permitted by the department;  
7           [and]

8           (5) Remain open at least thirty hours per week, of which  
9           not less than five shall be on a Saturday or Sunday;  
10          and

11          ~~(5)~~ (6) Forward the documentation necessary to support  
12          claims for payment as stated in section 342G-119.

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

17          (f) The department shall develop procedures to facilitate  
18          the exchange of information between deposit beverage container  
19          manufacturers, distributors, and retailers and certified  
20          redemption centers, including but not limited to universal  
21          product code information for reverse vending machine purposes.  
22          The procedures developed by the department shall allow for a



1 reasonable time period between the introduction of a new deposit  
2 beverage product and the deadline for submitting universal  
3 product code information to certified redemption centers  
4 operating reverse vending machines.

5 (g) Consumers may request that the refund value be  
6 computed by container count for loads of two hundred containers  
7 or less."

8 SECTION 7. Section 342G-115, Hawaii Revised Statutes, is  
9 amended to read as follows:

10 **"§342G-115 Reverse vending machine requirements.** Reverse  
11 vending machines may be used by redemption centers to satisfy  
12 the requirements of section 342G-113. Reverse vending machines  
13 shall accept any type of empty deposit beverage container,  
14 except sixty-eight fluid ounce containers, and pay out the full  
15 refund value in either cash or a redeemable voucher for those  
16 containers that bear a valid Hawaii refund value. If the  
17 reverse vending machine is unable to read the barcode then the  
18 reverse vending machine shall reject the container. The reverse  
19 vending machine shall be routinely serviced to ensure proper  
20 operation and continuous acceptance of empty deposit beverage  
21 containers and payment of the refund value."



1 SECTION 8. Section 342G-116, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§342G-116 Refusal of refund value payment for a deposit  
4 beverage container. Redemption centers shall refuse to pay the  
5 refund value on any broken, corroded, or dismembered deposit  
6 beverage container, or any deposit beverage container that:

- 7 (1) Contains a free-flowing liquid;
- 8 (2) Does not properly indicate a refund value; [~~ex~~]
- 9 (3) Contains a significant amount of foreign material[-];
- 10 or
- 11 (4) Exhibits characteristics of having been previously  
12 processed and baled."

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

15 1. By amending subsection (a) to read:  
16 "(a) The department shall pay to each certified redemption  
17 center a handling fee of not less than the prevailing deposit  
18 beverage container fee for each deposit beverage container  
19 redeemed by a consumer that is:

- 20 (1) Transported out-of-state;
- 21 (2) Received by an approved in-state company for an  
22 approved end use for recycling; or



1           (3) Received by a department-permitted recycling  
2           facility[-];  
3           provided that the deposit beverage container is physically  
4           received by the redemption center."

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

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

16          SECTION 10. The department of health shall phase-in the  
17          redemption of sixty-eight fluid ounce containers, beginning  
18          July 1, 2007; provided that the phase-in shall be completed by  
19          July 1, 2008. From July 1, 2007, until July 1, 1008, a sixty-  
20          eight ounce deposit beverage container may be redeemed under the  
21          deposit beverage container program, without regard to whether  
22          the container bears the refund value of the container and the



1 word "Hawaii" or the letter "HI", as provided in section  
2 342G-112(a), Hawaii Revised Statutes. Beginning July 1, 2008,  
3 only deposit beverage containers meeting the requirements of  
4 section 342G-112(a), Hawaii Revised Statutes, shall be eligible  
5 for redemption.

6 SECTION 11. (a) The legislature finds that the public  
7 interest in protecting the environment takes precedent over the  
8 delay in implementation of redemption of sixty-eight ounce  
9 beverage containers under this Act. The legislature finds that  
10 the redemption rate is below the balance of the deposit beverage  
11 container deposit special fund.

12 (b) The department of health shall reimburse a redemption  
13 center, from the deposit beverage container deposit special  
14 fund, the refund values paid to a redeemer, as defined in  
15 section 342G-1, Hawaii Revised Statutes, for sixty-eight ounce  
16 containers redeemed between July 1, 2007, and June 30, 2008,  
17 pursuant to section 10 of this Act; provided that a redemption  
18 center shall provide collection reports under section 342G-119,  
19 Hawaii Revised Statutes, for the sixty-eight ounce beverage  
20 containers.

21 SECTION 12. Statutory material to be repealed is bracketed  
22 and stricken. New statutory material is underscored.



1 SECTION 13. This Act shall take effect upon its approval.

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INTRODUCED BY:

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**Report Title:**

Deposit Beverage Container; Penalties

**Description:**

Increases the volume limit of deposit beverage containers from 64 to 68 fluid ounces. Requires phase-in. 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.

