

JAN 19 2018

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 a huge amount of
3 construction waste and that state law prohibits the disposal of
4 more than one cubic yard of solid waste anywhere other than a
5 permitted solid waste management system, with certain
6 exceptions. The legislature further finds that despite this
7 prohibition, construction waste is sometimes disposed at sites
8 other than licensed waste management facilities and other
9 permitted solid waste management systems. The *Honolulu Star*
10 *Advertiser* reported on November 13, 2017, that the department of
11 education and several contractors were fined \$1,450,000 by the
12 department of health for violating solid waste laws during the
13 renovation of Radford high school's track field in 2016. The
14 department of health issued violation notices tied to the
15 illegal removal, transportation, and disposal of contaminated
16 soil and concrete waste from the school construction site to a
17 private residence in Kaneohe, a construction site in Kapolei,



1 and an unpermitted concrete recycling facility in Kailua. Some
2 one hundred thirty truckloads of hazardous soil and concrete
3 were dumped.

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

8 The purpose of this Act is to require the statement for
9 services performed in a public works contract to include a
10 receipt from a licensed waste management facility showing that
11 the waste was properly received and lawfully disposed of in an
12 appropriate, licensed waste facility before full payment is
13 made.

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 person
17 who renders a proper statement for goods delivered or services
18 performed, pursuant to contract, to any agency of the State or
19 any county, shall be paid no later than thirty calendar days
20 following receipt of the statement or satisfactory delivery of
21 the goods or performance of the services. In the event



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

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

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



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

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

18 (d) Any other law to the contrary notwithstanding, the
19 payments for goods and services obtained through use of any
20 state or county procurement card shall be made under the terms



1 and conditions specified in the contract under which the
2 procurement card was established.

3 (e) Beginning July 1, 2018, in the case of a contract with
4 any agency of the State or any county that includes the disposal
5 of liquid or solid waste, including but not limited to
6 construction waste, in order for full payment to be made
7 pursuant to subsection (a), the statement for services performed
8 shall include a receipt from a licensed waste management
9 facility showing that the waste was properly received and
10 lawfully disposed of in an appropriate, licensed waste facility.
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 and prior to any dumping of
15 waste. A receipt under this subsection that is altered or
16 falsified in any manner shall be subject to section 708-872."

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

20 SECTION 4. New statutory material is underscored.
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1 SECTION 5. This Act shall take effect on July 1, 2018.

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INTRODUCED BY:

[Signature]

R. E. R.
Breene Hunt

[Signature]

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S.B. NO. 2337

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 to provide a receipt that the waste was received and disposed of at a licensed facility before full payment is made 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.

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

