
A BILL FOR AN ACT

RELATING TO SUSTAINABLE ELECTRONICS MANAGEMENT.

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

1 SECTION 1. The legislature finds that use of electronic
2 devices has grown substantially over the past two decades.
3 According to the United States Environmental Protection Agency,
4 Americans have generated approximately three million tons of
5 waste in consumer electronics goods per year during the last
6 decade.

7 The legislature further finds that while recycling of
8 electronic devices prevents valuable materials from going into
9 the waste stream, preventing waste in the first place is
10 preferable to any waste management option. Donating used but
11 still functioning electronic devices for reuse extends the lives
12 of valuable products and keeps them out of the waste stream for
13 a longer duration. Donating used electronic devices also allows
14 recipients, such as schools, nonprofit organizations, and
15 lower-income families, to obtain equipment that they otherwise
16 cannot afford.



1 "Covered electronic device" has the same meaning as defined
2 in section 339D-1. "Covered electronic device" includes
3 enterprise information technology hardware, including data
4 storage devices, network equipment, servers, and server racks.

5 "Covered entity" means a person receiving state funds and
6 state financial assistance. "Covered entity" shall not include
7 any person who is required to reuse the person's personal
8 properties as excess or surplus federal personal property under
9 applicable federal law and executive orders.

10 "Covered refurbisher" means an organization that:

- 11 (1) Is exempt from taxation under section 501(c)(3) of the
12 United States Internal Revenue Code;
- 13 (2) Is registered with the business registration division
14 of the department of commerce and consumer affairs to
15 conduct business in this State;
- 16 (3) Maintains a physical place of operation in this State
17 to receive and distribute excess electronic devices;
- 18 (4) Has the ability to repair, upgrade, and refurbish
19 excess electronic devices for use by and distribution
20 to eligible recipients under this chapter;



- 1 (5) Is registered with the department as a covered
2 refurbisher under this chapter; and
- 3 (6) Satisfies other criteria to operate as a covered
4 refurbisher under this chapter, as determined by the
5 department.

6 "Covered television" has the same meaning as defined in
7 section 339D-1.

8 "Department" means the department of accounting and general
9 services.

10 "Excess electronic device" means any covered electronic
11 device or covered television that is:

- 12 (1) Owned and controlled by a covered entity;
- 13 (2) No longer necessary for the operations of the covered
14 entity, as determined by the covered entity; and
- 15 (3) Properly functioning or may be repaired, upgraded, or
16 refurbished for use by an eligible recipient, as
17 determined by the covered entity.

18 "Government entity" means any department, unit, or agency
19 of the federal, state, or county governments.

20 "Lease" means any transfer of the right to possession and
21 use of goods for a term in return for consideration.



1 "Person" means any individual, business, partnership,
2 limited liability company, corporation, nonprofit organization,
3 association, government entity, public benefit corporation, or
4 public authority.

5 "Refurbished device" means an excess electronic device that
6 has been refurbished by a covered refurbisher for the purpose of
7 distribution to an eligible recipient.

8 "Sell" or "sale" means any transfer of title to goods in
9 return for consideration.

10 "State financial assistance" means grants,
11 purchase-of-service contracts, or any other arrangement by which
12 the State provides or otherwise makes available assistance in
13 the form of funds to the person for the purpose of rendering
14 services to the public. "State financial assistance" shall not
15 include funds obtained based on procurement contracts, state
16 insurance or guaranty contracts, licenses, tax credits, or loan
17 guarantees to private businesses of general concern that do not
18 render services on behalf of the State.

19 **§ -3 Application of chapter.** This chapter shall apply
20 only to covered entities located in counties having a population
21 greater than seven hundred fifty thousand.



1 § -4 **Covered entity responsibility.** (a) No later
2 than , and at minimum, each year thereafter, a covered
3 entity shall:

- 4 (1) Identify any excess electronic device; and
- 5 (2) Transfer, as a charitable contribution, the title to
6 and possession of the excess electronic device to a
7 covered refurbisher at no cost to the covered
8 refurbisher; provided that the covered entity shall
9 provide its name and contact information to the
10 covered refurbisher upon the transfer of title and
11 possession under this paragraph.

12 (b) A covered entity, prior to the transfer of an excess
13 electronic device under this section, shall remove from the
14 device data and any content that may be deemed inappropriate for
15 individuals under the age of eighteen, according to rules
16 adopted by the department under this chapter. To the maximum
17 extent practicable, the covered entity shall remove data using a
18 means that does not remove, disable, or destroy critical
19 functions, or otherwise render the excess electronic device
20 unusable. The covered entity shall be allowed to remove any



1 data storage devices from any excess electronic device prior to
2 transferring the device to a covered refurbisher.

3 (c) A covered entity, prior to the transfer of an excess
4 electronic device under this section, may request a covered
5 refurbisher to examine a covered electronic device or covered
6 television that is not functioning properly and determine if it
7 may be repaired, updated, or refurbished for use. If the
8 covered refurbisher determines that the covered electronic
9 device or covered television cannot be repaired, updated, or
10 refurbished for use, the covered entity shall recycle it in
11 compliance with applicable law.

12 (d) No later than _____, and each year thereafter, a
13 covered entity shall report to the department, for each excess
14 electronic device it transferred to a covered refurbisher under
15 this section during the previous year:

- 16 (1) The type of device;
- 17 (2) The amount of charitable contribution the covered
18 entity claimed for the device;
- 19 (3) The name of the covered refurbisher who received the
20 device; and



1 (4) Any other information the department deems appropriate
2 under this chapter.

3 § -5 **Covered refurbisher responsibility.** (a) A covered
4 refurbisher, upon receipt of title to and possession of an
5 excess electronic device from a covered entity under this
6 chapter, shall:

7 (1) Repair, upgrade, and refurbish the excess electronic
8 device for use, and transfer title to and possession
9 of the refurbished device to an eligible recipient at
10 a price not to exceed \$50 per refurbished device;
11 provided that enterprise hardware shall be exempted
12 from the \$50 cap; or

13 (2) Recycle the excess electronic device in compliance
14 with applicable law if the excess electronic device
15 cannot be repaired, upgraded, or refurbished for use.

16 (b) A covered refurbisher shall not be liable for
17 electronic data or other information remaining on an excess
18 electronic device that is contributed by a covered entity under
19 this chapter.

20 (c) A covered refurbisher, upon request from a covered
21 entity, shall examine a covered electronic device or covered



1 television and determine if the covered electronic device or
2 covered television is functioning properly or may be repaired,
3 updated, or refurbished for use. If the covered refurbisher
4 determines that the covered electronic device or covered
5 television cannot be repaired, updated, or refurbished for use,
6 the covered entity shall recycle it in compliance with
7 applicable law.

8 (d) A covered refurbisher shall provide notice of
9 refurbished devices available for distribution to eligible
10 recipients by practicable means, such as newspapers of general
11 circulation, community announcements, and the Internet.

12 (e) No later than _____, and each year thereafter, a
13 covered refurbisher shall report to the department, for each
14 excess electronic device it received under this chapter during
15 the previous year:

- 16 (1) The type of device;
- 17 (2) The name and contact information of the donating
18 covered entity; and
- 19 (3) Any other information the department deems appropriate
20 under this chapter.



1 (f) No covered refurbisher shall sell or lease a covered
2 electronic device or covered television it receives from a
3 covered entity under this section except for sales of a
4 refurbished device to an eligible recipient under
5 subsection (a) (1).

6 § -6 **Eligible recipients.** (a) A person is eligible to
7 receive title to and possession of a refurbished device under
8 this chapter; provided that the person is:

- 9 (1) A charitable, religious, or nonprofit organization;
- 10 (2) An individual who is:
 - 11 (A) A resident of this State; and
 - 12 (B) Determined to be in need in accordance with rules
- 13 adopted by the department under this chapter; or
- 14 (3) A government entity.

15 (b) No person who received title to and possession of a
16 refurbished device under this chapter shall sell or lease the
17 device.

18 § -7 **Department responsibility.** (a) Beginning
19 , the department shall maintain and update a website
20 with current information on covered refurbishers available in



1 the State. The department shall notify all covered entities of
2 their new responsibilities.

3 (b) No later than _____, and each year thereafter,
4 the department shall compile the information submitted by
5 covered refurbishers of the excess electronic devices that were
6 received and distributed during the previous year, and submit a
7 report to the legislature.

8 **§ -8 Enforcement; penalties.** (a) The department may
9 conduct inspections to determine compliance under this chapter.

10 (b) The attorney general may file suit in the name of the
11 State to enjoin an activity related to the sale or lease of
12 excess electronic devices in violation of this chapter.

13 (c) Any person found in violation of this chapter may be
14 assessed a penalty not to exceed \$ _____ for the first
15 violation and not to exceed \$ _____ for the second and each
16 subsequent violation.

17 **§ -9 Administrative penalties; fees.** (a) The
18 department may impose administrative penalties.

19 (b) Notwithstanding subsection (a), the department shall
20 not assess any fees on eligible recipients, covered entities, or
21 covered refurbishers for the acts of transferring or receiving



1 title to and possession of excess electronic devices or
2 refurbished devices under this chapter.

3 § -10 **Rules.** The department shall establish rules
4 pursuant to chapter 91 to implement the purposes of this
5 chapter."

6 SECTION 3. If any provision of this Act, or the
7 application thereof to any person or circumstance, is held
8 invalid, the invalidity does not affect other provisions or
9 applications of the Act that can be given effect without the
10 invalid provision or application, and to this end the provisions
11 of this Act are severable.

12 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Sustainable Electronics Management; Electronic Device and
Television Donation; Nonprofit Organizations; Reuse

Description:

Requires persons in counties having a population greater than seven hundred fifty thousand who receive state funds and state financial assistance to donate unnecessary but functioning electronic devices and televisions to nonprofit organizations that will refurbish and distribute them to eligible persons in the State. Sets reporting requirements for donating entities, nonprofit refurbishers, and the department of accounting and general services. Sets administrative penalties for violations. Effective 7/1/2050. (HD1)

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