#### A BILL FOR AN ACT

RELATING TO THE ENVIRONMENT.

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

1 SECTION 1. The legislature finds that solid waste may soon 2 exceed landfill capacity in all of the State's counties. Most 3 waste created in the State is landfilled or incinerated, which 4 places the burden for managing waste on taxpayers, is costly, and creates pollution that is harmful to residents and the 5 6 environment. Landfills discharge leachate, a highly toxic fluid 7 that has the potential for leakage that can cause harm to 8 surrounding communities and nearshore and marine environments 9 downslope. The Waimanalo gulch landfill on Oahu produces around 10 nine thousand eight hundred gallons of leachate per day. Waste 11 that is incinerated produces air pollutants and toxic ash; this 12 toxic ash is often buried in landfills. On Oahu, more than four hundred tons of toxic ash are buried in the landfill every day. 13 14 The legislature finds that the State will benefit from reduced 15 waste production by expanding alternative strategies like reuse, 16 refill, composting, and recycling.

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1 The legislature further finds that extended producer 2 responsibility is a market-based, circular economy that 3 encourages alternative waste management strategies as well as product design innovations that lead to source reduction of 4 5 waste. Extended producer responsibility programs shift 6 responsibility for a product's lifecycle, including end-of-life management, from consumers or governments to producers of the 7 8 product. This encourages sustainable product design that leads 9 to less waste and more fully recyclable or reusable products and 10 packaging. Extended producer responsibility programs also 11 typically reduce the financial burden on government for waste 12 management and lead to better recycling services for residents. 13 Furthermore, these programs help create local jobs by expanding 14 collection services, local processing of waste, and reuse and 15 refill programs.

16 The legislature finds that extended producer responsibility 17 strategies can be applied to packaging waste as well. Packaging 18 waste is a large part of the waste stream and includes 19 containers for food products, cleaning products, and personal 20 care products, as well as waste associated with shipping and 21 transporting products. Extended producer responsibility

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1	programs	for packaging waste exist in Asia, Europe, Canada, and			
2	five stat	es across the United States. Furthermore, several			
3	other sta	other states are in the process of implementing programs by			
4	funding needs assessments, a necessary preliminary step to				
5	inform th	e development of an extended producer responsibility			
6	program.				
7	The	purpose of this Act is to:			
8	(1)	Clarify the authorized uses of the deposit beverage			
9		container deposit special fund to include evaluating			
10		and promoting recyclable market development			
11		activities; and			
12	(2)	Require and appropriate funds for the department of			
13		health to conduct a statewide needs assessment and			
14		establish an advisory council with relevant			
15		stakeholders to determine what would be needed to			
16		transition to a more circular system with less waste			
17		generation and more reuse, and the necessary			
18		infrastructure to sort and locally process recyclable			
19		materials through an extended producer responsibility			
20		program for packaging materials and paper products.			

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1	SECT	TION 2. Section 342G-104, Hawaii Revised Statutes, is
2	amended k	by amending subsection (b) to read as follows:
3	"(b)	Moneys in the deposit beverage container deposit
4	special f	fund shall be used to reimburse refund values and pay
5	handling	fees to redemption centers. The department may also
6	use the m	noney to:
7	(1)	Fund administrative, audit, and compliance activities
8		associated with collection and payment of the deposits
9.		and handling fees of the deposit beverage container
10		program;
11	(2)	Conduct recycling education and demonstration
12		projects;
13	(3)	[Promote] Evaluate and promote recyclable market
14		development activities;
15	(4)	Support the handling and transportation of the deposit
16		beverage containers to end-markets;
17	(5)	Hire personnel to oversee the implementation of the
18		deposit beverage container program, including
19		permitting and enforcement activities; and
20	(6)	Fund associated office expenses."

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SECTION 3. (a) The department of health shall conduct a
statewide needs assessment to determine what will be needed to
reduce waste generation, increase reuse, improve collection
services, and expand local processing of materials through an
extended producer responsibility program for packaging materials
and paper products.

7 (b) The needs assessment shall detail the resources 8 required in each county to reduce as much as feasible the 9 packaging materials waste and paper products that the county 10 sends to a landfill or power plant that burns municipal solid 11 waste. Additionally, the needs assessment shall consider the 12 following:

13 (1) Waste and recycling characterizations, including 14 baseline studies of what is in the waste stream, what 15 is being recycled, what is being composted, and how 16 these vary across local jurisdictions; Existing collection infrastructure, including: 17 (2) 18 (A) What materials are being collected and the 19 processes and procedures for collection; 20 (B) Who currently has access to refuse, recycling, 21 and composting collection services;

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1		(C)	How collection services are arranged and funded;
2			and
3		(D)	Improvements in services needed;
4	(3)	Proc	essing and materials recovery facility
5		infr	castructure, including:
6		(A)	How collected materials are currently being
7			processed and marketed;
8		(B)	Whether the sorting technology is up to date;
9		(C)	Whether there is sufficient capacity to process
10			the volume of materials;
11		(D)	Opportunities and infrastructure needed for more
12			local processing of materials; and
13		(E)	Costs to implement infrastructure improvements;
14	(4)	Mark	ets, including the state of markets for recovered
15		mate	rials and finished compost;
16	(5)	Educ	ation, including the effectiveness of the existing
17		outr	each in educating residents;
18	(6)	Leve	ls of contamination in collected packaging
19		mate	rials and organics for composting;

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1	(7)	The impact of the composition of packaging materials
2		on the reuse, recyclability, and compostability of
3		packaging materials;
4	(8)	An evaluation of how extended producer responsibility
5		program laws are designed and work in other states and
6		countries;
7	(9)	An evaluation of an appropriate definition of
8		"producer" for an extended producer responsibility
9		program in the State;
10	(10)	Equity and environmental justice, including:
11		(A) Consideration for how the existing system is
12		operating and how extended producer
13		responsibility could increase equity; and
14		(B) An assessment of equity issues in education
15		efforts;
16	(11)	Economic impact, including estimates in job
17		development from increased reuse, recycling, and
18		composting;
19	(12)	Environmental benefits from reduction and reuse and
20		local versus off-island materials processing;

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1	(13)	How extended producer responsibility can promote
2		upstream improvement, such as source reduction,
3		packaging redesign and optimization, reduction of
4		packaging materials that are harmful to human health
5		or the environment, and reuse and refill practices,
6		including:
7		(A) Identifying opportunities for source reduction,
8		reuse, and refill in packaging systems; and
9		(B) Cost and infrastructure needs to implement these
10		systems; and
11	(14)	Suggested diversion targets and timeline using
12		baseline data from the needs assessment to determine
13		the resources, infrastructure, educational program,
14		and other initiatives needed to reach conservative,
15		moderate, and aggressive waste reduction goal
16		scenarios.
17	(c)	The department of health shall conduct the assessment
18	in consul	tation with the following stakeholders:
19	(1)	Each county department responsible for waste
20		management;

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1	(2)	Global and national producer responsibility
2		organizations, including producer responsibility
3		organizations actively working on reusable packaging
4		systems;
5	(3)	Producers of packaging materials and paper products;
6	(4)	Refuse and recycling collection and processing service
7		providers;
8	(5)	Compost facility operators;
9	(6)	Retailers, including restaurants, wholesalers, and
10		distributors;
11	(7)	Organizations and community groups involved with waste
12		management and waste reduction; and
13	(8)	Environmental and human health scientists;
14	provided t	that additional stakeholders may be included as the
15	department	t deems necessary and relevant.
16	(d)	The department of health shall convene an advisory
17	council to	o review the draft needs assessment and propose
18	recommenda	ations throughout the assessment process. The advisory
19	council sł	nall include:
20	(1)	One representative from each county department
21		responsible for waste management;

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1	(2)	One representative from a national producer or
2		producer trade association;
3	(3)	One representative from a Hawaii-based producer or
4		producer association;
5	(4)	Two representatives who are experts or operators of
6		reuse, refill, or circular economy systems;
7	(5)	One representative from a Hawaii-based refuse service
8		provider;
9	(6)	One representative from a Hawaii-based recycling
10		collection and processing service provider;
11	(7)	One representative from a Hawaii-based retailer,
12		including restaurants, wholesalers, or distributors;
13	(8)	Two representatives from Hawaii-based organizations
14		and community groups involved with waste management or
15		relevant environmental advocacy;
16	(9)	One representative who is an environmental or human
17		health scientist;
18	(10)	One representative from a business that manufactures
19		consumer packaged goods for sale in the State; and
20	(11)	One representative from the composting industry.

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1 The department of health shall hold a public hearing (e) 2 to obtain comments on the draft needs assessment. 3 (f) The department of health shall complete and submit the 4 needs assessment, including any proposed legislation, to the 5 legislature by December 31, 2028. 6 (g) For the purposes of this section: 7 "Packaging materials" includes materials used for the 8 containment, protection, or serving of products, including but 9 not limited to paper, paperboard, cardboard, plastics, glass, or 10 metal, or a mixture of any of these materials. "Packaging 11 materials" excludes deposit beverage containers included under 12 the Hawaii deposit beverage container program. 13 "Paper products" includes printed materials such as office paper, magazines, newspaper, and junk mail. "Paper products" 14 15 does not include bound books. 16 "Refill" means employing packaging materials that consumers 17 reuse. 18 "Reuse" means the return of or to return packaging 19 materials to the economic stream for use in the same kind of 20 application intended for the original packaging without changing

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the original composition of the package, the identity of the 1 2 product, or the components thereof. 3 SECTION 4. There is appropriated out of the deposit 4 beverage container deposit special fund the sum of 5 \$ or so much thereof as may be necessary for fiscal 6 year 2025-2026 for the department of health to conduct a 7 statewide needs assessment, pursuant to section 3 of this Act, 8 to inform the future establishment of an extended producer 9 responsibility program; provided that: 10 (1) The moneys shall not lapse at the end of the fiscal 11 year for which the appropriation is made; and 12 (2) All moneys from the appropriation unencumbered shall 13 lapse as of the close of business on June 30, 2027, to 14 the credit of the deposit beverage container deposit 15 special fund. 16 The sum appropriated shall be expended by the department of 17 health for the purposes of this Act. 18 SECTION 5. This Act shall take effect on July 1, 3000.

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#### Report Title:

DOH; Deposit Beverage Container Deposit Special Fund; Packaging Waste; Needs Assessment; Advisory Council; Extended Producer Responsibility Program; Appropriation

#### Description:

Amends the authorized uses of the Deposit Beverage Container Deposit Special Fund. Requires the Department of Health to conduct a statewide needs assessment to determine what will be needed to reduce waste generation, increase reuse, improve recycling collection services, and expand local processing of materials through an extended producer responsibility program for packaging materials and paper products. Establishes an advisory council to review the draft needs assessment and propose recommendations throughout the assessment process. Requires the Department of Health to hold a public hearing on the draft needs assessment and complete and submit the needs assessment to the Legislature by 12/31/2028. Appropriates funds out of the Deposit Beverage Container Deposit Special Fund. Effective 7/1/3000. (HD2)

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

