

ACT 103

H.B. NO. 750

A Bill for an Act Relating to the Environment.

Be It Enacted by the Legislature of the State of Hawaii:

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

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

The legislature finds that extended producer responsibility strategies can be applied to packaging waste as well. Packaging waste is a large part of the waste stream and includes containers for food products, cleaning products, and personal care products, as well as waste associated with shipping and transporting products. Extended producer responsibility programs for packaging waste exist in Asia, Europe, Canada, and five states across the United States. Furthermore, several other states are in the process of implementing programs by funding needs assessments, a necessary preliminary step to inform the development of an extended producer responsibility program.

The purpose of this Act is to require and appropriate funds for the department of health to conduct a statewide needs assessment and establish an advisory council with relevant stakeholders to determine what would be needed to transition to a more circular system with less waste generation and more reuse, and the necessary infrastructure to sort and locally process recyclable materials through an extended producer responsibility program for packaging materials and paper products.

SECTION 2. (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.

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

- (1) Waste and recycling characterizations, including baseline studies of what is in the waste stream, what is being recycled, what is being composted, and how these vary across local jurisdictions;
- (2) Existing collection infrastructure, including:
 - (A) What materials are being collected and the processes and procedures for collection;
 - (B) Who currently has access to refuse, recycling, and composting collection services;
 - (C) How collection services are arranged and funded; and
 - (D) Improvements in services needed;
- (3) Processing and materials recovery facility infrastructure, including:
 - (A) How collected materials are currently being processed and marketed;
 - (B) Whether the sorting technology is up to date;

- (C) Whether there is sufficient capacity to process the volume of materials;
- (D) Opportunities and infrastructure needed for more local processing of materials; and
- (E) Costs to implement infrastructure improvements;
- (4) Markets, including the state of markets for recovered materials and finished compost;
- (5) Education, including the effectiveness of the existing outreach in educating residents;
- (6) Levels of contamination in collected packaging materials and organics for composting;
- (7) The impact of the composition of packaging materials on the reuse, recyclability, and compostability of packaging materials;
- (8) An evaluation of how extended producer responsibility program laws are designed and work in other states and countries;
- (9) An evaluation of an appropriate definition of “producer” for an extended producer responsibility program in the State;
- (10) Equity and environmental justice, including:
 - (A) Consideration for how the existing system is operating and how extended producer responsibility could increase equity; and
 - (B) An assessment of equity issues in education efforts;
- (11) Economic impact, including estimates in job development from increased reuse, recycling, and composting;
- (12) Environmental benefits from reduction and reuse and local versus off-island materials processing;
- (13) How extended producer responsibility can promote upstream improvement, such as source reduction, packaging redesign and optimization, and reduction of packaging materials that are harmful to human health or the environment, and reuse and refill practices, including:
 - (A) Identifying opportunities for source reduction, reuse, and refill in packaging systems; and
 - (B) Cost and infrastructure needs to implement these systems; and
- (14) Suggested diversion targets and timeline using baseline data from the needs assessment to determine the resources, infrastructure, educational program, and other initiatives needed to reach conservative, moderate, and aggressive waste reduction goal scenarios.
- (c) The department of health shall conduct the assessment in consultation with the following stakeholders:
 - (1) Each county department responsible for waste management;
 - (2) Global and national producer responsibility organizations, including producer responsibility organizations actively working on reusable packaging systems;
 - (3) Producers of packaging materials and paper products;
 - (4) Refuse and recycling collection and processing service providers;
 - (5) Compost facility operators;
 - (6) Retailers, including restaurants, wholesalers, and distributors;
 - (7) Organizations and community groups involved with waste management and waste reduction; and

(8) Environmental and human health scientists; provided that additional stakeholders may be included as the department deems necessary and relevant.

(d) The department of health may contract for professional services to conduct the needs assessment.

(e) The department of health shall convene an advisory council to review the draft needs assessment and propose recommendations throughout the assessment process. The advisory council shall include:

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

(f) The department of health shall hold a public hearing to obtain comments on the draft needs assessment.

(g) The department of health shall complete and submit the needs assessment, including any proposed legislation, to the legislature by December 31, 2027.

(h) For the purposes of this section:

“Packaging materials” includes materials used for the containment, protection, or serving of products, including but not limited to paper, paperboard, cardboard, plastics, glass, or metal, or a mixture of any of these materials. “Packaging materials” excludes deposit beverage containers included under the Hawaii deposit beverage container program.

“Paper products” includes printed materials such as office paper, magazines, newspaper, and junk mail. “Paper products” does not include bound books.

“Refill” means employing packaging materials that consumers reuse.

“Reuse” means the return of or to return packaging materials to the economic stream for use in the same kind of application intended for the original packaging without changing the original composition of the package, the identity of the product, or the components thereof.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,500,000 or so much thereof as may be necessary

for fiscal year 2025-2026 and the same sum or so much thereof as may be necessary for fiscal year 2026-2027 for the department of health to conduct a statewide needs assessment, pursuant to section 2 of this Act, to inform the future establishment of an extended producer responsibility program; provided that:

- (1) The moneys shall not lapse at the end of the fiscal year for which the appropriation is made; and
- (2) All moneys from the appropriation unencumbered shall lapse as of the close of business on June 30, 2027, to the credit of the general fund.

The sums appropriated shall be expended by the department of health for the purposes of this Act.

SECTION 4. This Act shall take effect on July 1, 2025.

(Approved May 27, 2025.)