

---

---

# 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 of time. Donating used electronic devices  
14 also allows the recipients, such as schools, nonprofit  
15 organizations, and lower-income families to obtain equipment  
16 that they otherwise cannot afford.





1 enterprise information technology hardware, including data  
2 storage devices, network equipment, servers, and server racks.

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

8 "Covered refurbisher" means an organization that:

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



1 (6) Satisfies other criteria to operate as a covered  
2 refurbisher under this chapter, as determined by the  
3 department.

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

6 "Department" means the department of accounting and general  
7 services.

8 "Excess electronic device" means any covered electronic  
9 device or covered television that is:

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

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

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

20 "Person" means any individual, business, partnership,  
21 limited liability company, corporation, nonprofit organization,



1 association, government entity, public benefit corporation, or  
2 public authority.

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

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

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

17 § -3 **Covered entity responsibility.** (a) Beginning  
18 January 1, 2022, and at minimum, each year thereafter, a covered  
19 entity shall:

20 (1) Identify any excess electronic device; and



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

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

16          (c) A covered entity may, prior to the transfer of an  
17          excess electronic device under this section, request a covered  
18          refurbisher to examine a covered electronic device or covered  
19          television that is not functioning properly and determine if it  
20          may be repaired, updated, or refurbished for use. If the  
21          covered refurbisher determines that the covered electronic



1 device or covered television cannot be repaired, updated, or  
2 refurbished for use, the covered entity shall recycle it in  
3 compliance with applicable law.

4 (d) No later than February 1, 2023, and each year  
5 thereafter, a covered entity shall report to the department, for  
6 each excess electronic device it transferred to a covered  
7 refurbisher under this section during the previous year:

- 8 (1) The type of the device;
- 9 (2) The amount of charitable contribution the covered  
10 entity claimed for the device;
- 11 (3) The name of the covered refurbisher who received the  
12 device; and
- 13 (4) Any other information the department deems appropriate  
14 under this chapter.

15 § -4 **Covered refurbisher responsibility.** (a) A covered  
16 refurbisher shall, upon receipt of title to and possession of an  
17 excess electronic device from a covered entity under this  
18 chapter:

- 19 (1) Repair, upgrade, and refurbish the excess electronic  
20 device for use, and transfer title to and possession  
21 of, the refurbished device to an eligible recipient at



1 a price not to exceed \$50 per refurbished device;  
2 provided that enterprise level hardware that is  
3 refurbished may be priced at more than \$50; or  
4 (2) Recycle the excess electronic device in compliance  
5 with applicable law if the excess electronic device  
6 cannot be repaired, upgraded, or refurbished for use.

7 (b) A covered refurbisher shall not be liable for  
8 electronic data or other information remaining on an excess  
9 electronic device that is contributed from a covered entity  
10 under this chapter.

11 (c) A covered refurbisher shall, upon request from a  
12 covered entity, examine a covered electronic device or covered  
13 television and determine if it is functioning properly or may be  
14 repaired, updated, or refurbished for use. If the covered  
15 refurbisher determines that the covered electronic device or  
16 covered television cannot be repaired, updated, or refurbished  
17 for use, the covered entity shall recycle it in compliance with  
18 applicable law.

19 (d) A covered refurbisher shall provide notice of  
20 refurbished devices available for distribution to eligible



1 recipients by practicable means, such as newspapers of general  
2 circulation, community announcements, and the Internet.

3 (e) No later than February 1, 2023, and each year  
4 thereafter, a covered refurbisher shall report to the  
5 department, for each excess electronic device it received under  
6 this chapter during the previous year:

7 (1) The type of the device;

8 (2) The name and contact information of the donating  
9 covered entity; and

10 (3) Any other information the department deems appropriate  
11 under this chapter.

12 (f) Except as provided under subsection (a) (1), no covered  
13 refurbisher shall sell or lease a covered electronic device or  
14 covered television it receives from a covered entity under this  
15 section.

16 § -5 **Eligible recipients.** (a) A person is eligible to  
17 receive title to and possession of a refurbished device under  
18 this chapter if the person is:

19 (1) A charitable, religious, or nonprofit organization;

20 (2) An individual who is:

21 (A) A resident of this State; and



1 (B) Determined to be in need in accordance with rules  
2 adopted by the department under this chapter; or

3 (3) A government entity.

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

7 § -6 **Department responsibility.** (a) Beginning  
8 January 1, 2022, the department shall maintain and update a  
9 website with current information on covered refurbishers  
10 available in the State and notify all covered entities of their  
11 new responsibilities as required by this chapter.

12 (b) No later than April 1, 2023, and each year thereafter,  
13 the department shall compile the information submitted by  
14 covered refurbishers of the excess electronic devices that were  
15 received and distributed during the previous year, and submit a  
16 report to the legislature.

17 § -7 **Enforcement; penalties.** (a) The department may  
18 conduct inspections to determine compliance under this chapter.

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



1 (c) Any person found in violation of this chapter may be  
2 assessed a penalty not to exceed \$1,000 for the first violation  
3 and not to exceed \$2,000 for the second and each subsequent  
4 violation.

5 § -8 **Administrative penalties; fees.** (a) In addition  
6 to any other administrative or judicial remedy provided by this  
7 chapter or by rules adopted under this chapter for a violation  
8 thereof, the department may impose by order administrative  
9 penalties and may set, charge, and collect administrative fines  
10 and recover administrative fees and costs, including attorney's  
11 fees and costs, or to bring legal action to recover  
12 administrative fines and fees and costs, including attorney's  
13 fees and costs.

14 (b) Notwithstanding subsection (a), the department shall  
15 not assess any fees on eligible recipients, covered entities, or  
16 covered refurbishers for the acts of transferring or receiving  
17 title to and possession of excess electronic devices or  
18 refurbished devices under this chapter.

19 § -9 **Rules.** The department shall establish rules  
20 pursuant to chapter 91 to implement the purposes of this  
21 chapter."



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

7           SECTION 4. This Act shall take effect on July 1, 2112.



**Report Title:**

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

**Description:**

Requires persons who receive state funds and state financial assistance to donate unnecessary but functioning electronic devices, hardware, 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 penalties for violations. Effective 7/1/2112. (HD1)

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

