
HOUSE CONCURRENT RESOLUTION

SUPPORTING THE PHASE OUT OF THE DEPOSIT BEVERAGE CONTAINER
RECYCLING PROGRAM TO ESTABLISH AN EXPANDED STATEWIDE
CURBSIDE RECYCLING PROGRAM.

1 WHEREAS, Act 176, Session Laws of Hawaii 2002, established
2 the deposit beverage container recycling program ("Program"), to
3 encourage recycling, reduce litter, and provide a nexus between
4 manufacturing decisions and recycling program management; and
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6 WHEREAS, the Program initially placed a five cent
7 refundable deposit fee and one cent nonrefundable container fee
8 on each deposit beverage container sold; and
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10 WHEREAS, the Department of Health administers the Program
11 and collects the deposit and container fees in the Program
12 special fund; and
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14 WHEREAS, moneys in the Program special fund are used to
15 reimburse refund values to participating consumers and pay
16 handling fees to redemption centers; and
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18 WHEREAS, the Department of Health utilizes the Program
19 special fund, in part, to finance its Program administrative and
20 compliance duties and Program educational and promotional
21 activities; and
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23 WHEREAS, section 342G-107, Hawaii Revised Statutes,
24 requires the Auditor to conduct a management and financial audit
25 of the program for fiscal years 2004-2005 and 2005-2006, and for
26 each fiscal year thereafter in an even-numbered year and to
27 submit the audit report, including the amount of unredeemed
28 refund value and recommendations, to the Legislature and



1 Department of Health no later than twenty days prior to the
2 convening of the next regular session; and

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4 WHEREAS, the November 2005 Program audit found that the
5 Department of Health failed to establish a proper accounting
6 system and concluded that the Program can only succeed with
7 greater administrative management by the Department of Health;
8 and

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10 WHEREAS, the November 2005 Program audit further concluded
11 that the intended environmental benefits of the Program have
12 been lost in the inefficient redemption process; and

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14 WHEREAS, the November 2005 Program audit recommended that
15 the Department of Health provide greater administrative
16 oversight and implement financial controls; and

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18 WHEREAS, the Auditor has not submitted audit reports since
19 November 2005, and consequently, the Legislature has not
20 received audits for fiscal years 2006-2007, 2008-2009, and 2010-
21 2011; and

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23 WHEREAS, there has been no subsequent management and
24 financial audit to show the Department of Health has implemented
25 the November 2005 Program audit recommendations; and

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27 WHEREAS, the Department of Health's Program report to the
28 2010 Legislature and its solid waste management report to the
29 2011 Legislature collectively indicate that from October 2002
30 through fiscal year 2010, the Department expended more money
31 from the Program special fund than it collected;

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33 WHEREAS, despite the Department of Health's efforts to
34 improve the program and its management of the Program special
35 fund, the Department increased the nonrefundable container fee
36 from one cent to 1.5 cents on each deposit beverage container
37 sold because, according to the Department, the Program is losing
38 more money than it collects; and

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40 WHEREAS, in light of the Auditor's November 2005 findings
41 of an inadequate financial accounting system and lack of



1 internal controls, and given the significant losses incurred by
2 the Program, the Department of Health's reports to the
3 Legislature fail to show the Program is feasible; and
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5 WHEREAS, the Department of Health's recent increase of the
6 nonrefundable container fee from one cent to 1.5 cents on each
7 deposit beverage container sold remains inadequate to cover the
8 two to four cent handling fee on each deposit beverage container
9 paid to redemption centers; now, therefore,
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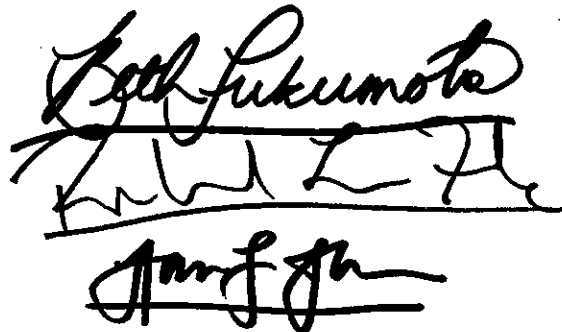
11 BE IT RESOLVED by the House of Representatives of the
12 Twenty-seventh Legislature of the State of Hawaii, Regular
13 Session of 2013, the Senate concurring, that it supports a phase
14 out of the Program; and
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16 BE IT FURTHER RESOLVED that the Legislature supports a
17 statewide expanded curbside recycling program to increase public
18 participation and reduce litter; and
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20 BE IT FURTHER RESOLVED that certified copies of this
21 Concurrent Resolution be transmitted to the Governor, the
22 Director of Health, and the Mayors of each county within the
23 State.
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OFFERED BY:





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