
HOUSE RESOLUTION

REQUESTING THE OFFICE OF THE AUDITOR TO CONDUCT A MANAGEMENT AND FINANCIAL AUDIT OF THE GLASS ADVANCE DEPOSIT FEE SPECIAL ACCOUNT IN THE ENVIRONMENTAL MANAGEMENT FUND FOR FISCAL YEAR 2012-2013 TO DETERMINE WHETHER A CHANGE IN THE GLASS ADVANCE DEPOSIT FEE IS JUSTIFIED AND NECESSARY.

1 WHEREAS, the Department of Health has supported measures,
2 including S.B. No. 1131 (Regular Session of 2013), which propose
3 an increase in the Glass Advance Deposit Fee charged to
4 consumers from 1.5 cents per glass container to 3 cents per
5 glass container for containers containing 12 ounces or less
6 determined by weight or volume or 6 cents per glass container
7 containing greater than 12 ounces determined by weight or
8 volume; and
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10 WHEREAS, the Department of Health claims that the increase
11 in the Glass Advance Deposit Fee is required to pay for glass
12 recovery program costs incurred by the counties; and
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14 WHEREAS, the proposed increase in the Glass Advance Deposit
15 Fee will impose additional costs upon consumers and businesses;
16 and
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18 WHEREAS, the Office of the Auditor's recent audit of the
19 Hawaii Deposit Beverage Container Deposit Special Fund dated
20 June 30, 2010, found that the Deposit Beverage Container Fund is
21 susceptible to fraud, may be operating inefficiently, and may
22 have unreliable redemption reporting rates; and
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24 WHEREAS, the Office of the Auditor's report also found that
25 an overstated redemption rate may lead program management to
26 conclude erroneously that a higher container fee is justified
27 and necessary to continue to operate the program; and



1 WHEREAS, the issues raised in the Office of the Auditor's
2 report regarding the Deposit Beverage Container Deposit Special
3 Fund established pursuant to Part VIII of Chapter 342G, Hawaii
4 Revised Statutes (HRS), poses general concerns as to whether
5 there may be similar issues in the management of the Glass
6 Advance Deposit Fee Special Account in the Environmental
7 Management Fund established pursuant to Part VII of Chapter
8 342G, HRS; and
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10 WHEREAS, a financial and management audit of the Glass
11 Advance Deposit Fee Special Account in the Environmental
12 Management Fund would assist the Legislature in determining
13 whether the proposed increases in the Glass Advance Deposit Fee
14 are justified and necessary; and
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16 WHEREAS, the State has a significant interest in ensuring
17 that the receipts of the Glass Advance Deposit Fee are being
18 used appropriately by the expending agencies; now, therefore,
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20 BE IT RESOLVED by the House of Representatives of the
21 Twenty-seventh Legislature of the State of Hawaii, Regular
22 Session of 2013, that the Office of the Auditor is requested to
23 conduct a management and financial audit of the Glass Advance
24 Deposit Fee Special Account in the Environmental Management Fund
25 for fiscal year 2012-2013 to determine whether a change in the
26 Glass Advance Deposit Fee is justified and necessary; and
27

28 BE IT FURTHER RESOLVED that the Office of the Auditor is
29 requested to report findings and recommendations to the
30 Legislature no later than 20 days prior to the convening of the
31 Regular Session of 2014; and
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33 BE IT FURTHER RESOLVED that certified copies of this
34 Resolution be transmitted to the Acting Auditor, Director of
35 Health, Director of the Department of Environmental Services of
36 the City and County of Honolulu, Director of the Department of
37 Environmental Management of the County of Maui, County Engineer
38 of the Department of Public Works of the County of Kauai, and
39 Director of the Department of Environmental Management of the
40 County of Hawaii.



H.R. NO. 168

OFFERED BY: *James L. ...*

MAR 13 2013

