

STAND. COM. REP. NO.

3252

Honolulu, Hawaii

FEB 28 2020

RE: S.B. No. 2721  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 2721, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE DEPOSIT BEVERAGE CONTAINER PROGRAM,"

begs leave to report as follows:

The purpose and intent of this measure is to optimize the effectiveness of audits of the Deposit Beverage Container Program by requiring the Department of Health to develop and implement a risk-based selection process in choosing which redemption centers and distributors to audit.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii Food Industry Association, and American Beverage Association. Your Committee received testimony in opposition to this measure from Reynolds Recycling, Inc.

Your Committee finds that fraud exists in the Deposit Beverage Container Program because redemption centers and distributors are not required to provide supporting records for the money paid for the redemption of recyclable material and the amount requested as reimbursement from the Department of Health. However, audits of the Deposit Beverage Container Program are inefficient, as the audits can only reveal a small or negligible difference between the amount of money that should have been



reimbursed and the amount actually reimbursed. This measure will optimize these audits and ensure that all eligible beverage containers being redeemed are accurately accounted for and appropriately reimbursed.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2721, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary,

*Karl Rhoads*

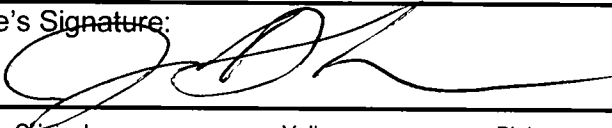
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KARL RHOADS, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes  
Committee on Judiciary  
JDC**

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|--|--|---------------------------|-----|----------|
| Bill / Resolution No.:*<br><b>SB 2721 SDI</b>  | Committee Referral:<br><b>CPH/AEN, JDC</b> | Date:<br><b>2/27/2020</b> |     |          |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____  |  |                           |     |          |
| The Recommendation is:<br><input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 |  |                           |     |          |
| Members  | Aye  | Aye (WR)                  | Nay | Excused  |
| RHOADS, Karl (C)   | /  |                           |     |          |
| KEOHOKALOLE, Jarrett (VC)  | /  |                           |     |          |
| GABBARD, Mike  | /  |                           |     |          |
| KIM, Donna Mercado   | /  |                           |     |          |
| FEVELLA, Kurt  |  |                           |     | /        |
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| <b>TOTAL</b>   | <b>4</b>                                   |                           |     | <b>1</b> |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted   |  |                           |     |          |
| Chair's or Designee's Signature:   |  |                           |     |          |
| Distribution:             Original     Yellow     Pink     Goldenrod<br>File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy  |  |                           |     |          |

\*Only one measure per Record of Votes