

Honolulu, Hawaii

FEB 17 , 2022

RE: H.B. No. 1641
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1641 entitled:

"A BILL FOR AN ACT RELATING TO RECYCLING,"

begs leave to report as follows:

The purpose of this measure is to require the Department of Health to implement the Auditor's recommendations for the Deposit Beverage Container Program, including developing a risk-based selection process to select reports submitted by distributors and redemption centers for audit.

Your Committee received testimony in support of this measure from the Department of Health and American Beverage Association.

Your Committee finds that the Office of the Auditor conducts a financial and program audit of the Department of Health's Deposit Beverage Container Program every other year. These audits have demonstrated the Program's failure to develop and execute procedures to verify the accuracy and completeness of data used to support claims of the deposit and container fees paid to the Program by the distributors, as well as deposits and handling fees paid to the redemption centers.

In the Auditor's 2019 report to the Legislature, one of the recommendations for the Deposit Beverage Container Program



management was to develop a risk-based process to select distributors and redemption center reports submitted to the Program to audit on a periodic basis. Your Committee further finds that this measure follows through on that recommendation.

Your Committee has amended this measure by changing the effective date to January 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1641, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1641, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,


AARON LING JOHANSON, Chair



