

Honolulu, Hawaii

FEB 08 , 2022

RE: H.B. No. 1641

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

Sir:

Your Committee on Energy & Environmental Protection, 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, County of Hawai'i Department of Environmental Management, American Beverage Association, and two individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the Office of the Auditor conducts a financial and program audit of the Deposit Beverage Container Program every other year. Time after time, these audits demonstrate 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. This measure helps to further



ensure the transparency and accountability of the Deposit Beverage Container Program.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1641 and recommends that it pass Second Reading and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



NICOLE E. LOWEN, Chair



