

STAND. COM. REP. NO.

230

Honolulu, Hawaii

FEB 12 2021

RE: S.B. No. 180

S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 180 entitled:

"A BILL FOR AN ACT RELATING TO DEPOSIT BEVERAGE CONTAINERS,"

begs leave to report as follows:

The purpose and intent of this measure is to exempt a beverage dealer who is located in a high-density population area from operating a redemption center if the dealer is located within one mile, rather than two miles, of a certified redemption center operated independently of the State.

Your Committee received testimony in support of this measure from Reynolds Aluminum Recycling Company. Your Committee received testimony in opposition to this measure from the Hawaii Food Industry Association. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that under the deposit beverage container program, dealers are required to operate a redemption center unless the dealer is located in a high-density population and within two miles of a certified redemption center that is operated independently of a dealer. This has resulted in a significant number of dealers being exempt from operating redemption centers. This measure limits the exemption to one mile, rather than two miles, of a certified redemption center that is operated independently of a dealer to require more dealers to



operate redemption centers, thereby providing more recycling opportunities to Hawaii consumers.

Your Committee notes testifiers' concerns that when making changes to the handling fee, it is necessary to fix the existing issues with the HI-5 program, including findings that "the program paid out [\$28,000,000] more in handling fees than it collected in container fees." Further, there are concerns about the economic impacts of this measure on local retailers in urban areas who may have to accommodate the new distance requirements, especially when retailers do not have control over the space in which they operate their stores.

Your Committee has amended this measure by:

- (1) Making it effective on July 1, 2024, to allow for the Department of Health to convene an advisory committee per section 342G-122, Hawaii Revised Statutes, to revise Hawaii Administrative Rules to update dealer exemptions to operate redemption centers; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 180, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 180, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Agriculture and  
Environment




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MIKE GABBARD, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Agriculture and Environment**  
**AEN**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 180	AEN, WAM	02/08/2021		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	✓			
NISHIHARA, Clarence K. (VC)	✓			
ACASIO, Laura			✓	
RHOADS, Karl		✓		
FEVELLA, Kurt			✓	
<b>TOTAL</b>	2	1	2	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original             Yellow             Pink             Goldenrod File with Committee Report             Clerk's Office             Drafting Agency             Committee File Copy				

\*Only one measure per Record of Votes