STAND. COM. REP. NO. 644 -22

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

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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 DING JOHANSON, Chair

State of Hawaii House of Representatives The Thirty-first Legislature

HSCR541.22

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 1641,	Committee Referral: EEP, CPC, FI	Date:	2/11/22	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	V		· V ;	
2. KITAGAWA, Lisa (VC)				
3. AQUINO, Henry J.C.				
4. HAR, Sharon E.	V			
5. HASHEM, Mark J.				
6. KONG, Sam Satoru				
7. MIZUNO, John M.				
8. MORIKAWA, Dee				/
			4. <u>3 </u>	
9. ONISHI, Richard H.K.				
10. TARNAS, David A.			EM C. 6. 500 <u>0000000000000000000000000000000000</u>	
IV. TARRIVAS, DAVIDA	v			
11. MATSUMOTO, Lauren	· /		et (m. 1835) (m. 1855)	ind to the transmission of the control of the contr
TOTAL (11)	10	0	0	1
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				