

STAND. COM. REP. NO.

**2388**

Honolulu, Hawaii

**FEB 06 2020**

RE: S.B. No. 2726  
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 Agriculture and Environment, to which was referred S.B. No. 2726 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to require, beginning August 1, 2021, the Department of Health to annually adjust the deposit beverage container fee by the percentage, if any, by which the Consumer Price Index for All Urban Consumers in the Honolulu area published by the Bureau of Labor Statistics of the federal Department of Labor for that calendar year exceeds the Consumer Price Index for All Urban Consumers for the prior calendar year.

Your Committee received testimony in support of this measure from the Department of Health; Reynolds Recycling, Inc.; Surfrider Foundation Oahu; and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Food Industry Association and American Beverage Association. Your Committee received comments on this measure from the Department of Environmental Services of the City and County of Honolulu, Public Works Department of the County of Kaua'i, and Tax Foundation of Hawaii.



Your Committee finds that since January 2005, the deposit beverage container program has assisted residents to recycle over 7,000,000,000 containers. Through recycling, consumers help to remove these containers from the waste stream and also reduce litter in the community. The program certifies independent recycling companies to operate certified redemption centers statewide who provide Hawaii consumers with refunds of the five-cent deposit fee that is paid for eligible containers. The Department of Health then pays each certified redemption center a handling fee of not less than five cents for each deposit beverage container redeemed.

Your Committee finds that this measure was intended to require annual adjustment of the deposit beverage container program handling fees, and due to an oversight, this measure mistakenly includes language to adjust the deposit beverage container fee.

Accordingly, your Committee has amended this measure by:

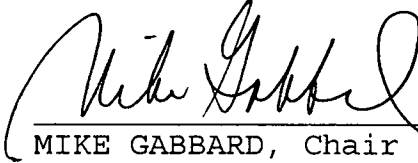
- (1) Deleting language that would have required the Department of Health to annually adjust the deposit beverage container fee under section 342G-102, Hawaii Revised Statutes, based on percentage changes in the Consumer Price Index for the Honolulu area;
- (2) Inserting language to require the Department of Health to annually adjust the handling fees for the deposit beverage container program under section 342G-117, Hawaii Revised Statutes, to an amount not less than the handling fee in the prior calendar year as adjusted by percentage changes in the Consumer Price Index for the Honolulu area; and
- (3) 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. 2726, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2726,



S.D. 1, and be referred to your Committee on Commerce, Consumer Protection, and Health.

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

  
MIKE GABBARD, Chair



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

\*Only one measure per Record of Votes