

---

---

# A BILL FOR AN ACT

RELATING TO DEPOSIT BEVERAGE CONTAINERS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Chapter 342G, Hawaii Revised Statutes, is  
2 amended by adding a new section to part VIII to be appropriately  
3 designated and to read as follows:

4           "§342G- Risk-based selection process; audit. (a) The  
5 department shall develop a risk-based process to select deposit  
6 beverage distributor and redemption center reports submitted to  
7 the deposit beverage container program for periodic audit. The  
8 department may hire personnel or external consultants to perform  
9 audits. In developing a risk-based process to monitor deposit  
10 beverage distributors and redemption centers, the department  
11 shall:

12           (1) Consider a variety of risk factors, including the  
13 amount of money transacted, prior audit findings, and  
14 frequency of the deposit beverage distributor's or  
15 redemption center's prior audits;

16           (2) Require deposit beverage distributors to send monthly  
17 distribution reports and supporting records, such as



1 schedule of invoices, shipping documents, and point-  
2 of-sale reports, to the deposit beverage container  
3 program on a periodic basis; and

4 (3) Ensure that the audit process includes a risk  
5 assessment derived from deposit beverage distributor  
6 and redemption center data based on the reports  
7 submitted, including but not limited to performing  
8 analytics and trend analyses to target certain deposit  
9 beverage distributors and redemption centers with  
10 unusual fluctuations.

11 (b) The department shall:

12 (1) Summarize the results of deposit beverage distributor  
13 and redemption center audits and assess whether  
14 enforcement actions should be considered to ensure  
15 amounts that are being reported are appropriate;

16 (2) Consider conducting follow-up audits; and

17 (3) Consider public announcements of violations.

18 (c) All deposit beverage distributors shall:

19 (1) Develop and submit to the program for approval an  
20 internal control process to ensure that accurate data



1           is entered on the monthly distribution report and  
2           adequate records are maintained; and  
3           (2) Obtain independent audits for years ending in an odd  
4           number."

5           SECTION 2. New statutory material is underscored.

6           SECTION 3. This Act shall take effect on July 1, 2050.



S.B. NO. 180  
S.D. 1  
H.D. 1

**Report Title:**

Deposit Beverage Container Program; Auditor Recommendations;  
Risk-based Selection Process; Distributors; Redemption Centers

**Description:**

Requires 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. Effective 7/1/2050. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

