

JAN 21 2026

A BILL FOR AN ACT

RELATING TO THE DEPOSIT BEVERAGE CONTAINER PROGRAM.

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

1 SECTION 1. Section 342G-107, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "~~[§]§342G-107[§]~~ **Management and financial audit.** The
4 ~~[auditor shall conduct a management and financial audit of the~~
5 ~~program for fiscal years 2004-2005 and 2005-2006,]~~ department
6 shall contract the services of an independent auditor to conduct
7 a management and financial audit of the program for fiscal years
8 2024-2025 and 2025-2026, and for each fiscal year thereafter
9 ending in an even-numbered year. The independent auditor shall
10 submit the audit report, including the amount of unredeemed
11 refund value and recommendations, to the legislature and the
12 department no later than twenty days prior to the convening of
13 ~~[§]the[§]~~ next regular session. The costs incurred by the
14 independent auditor for the audit shall be reimbursed by the
15 deposit beverage container program special fund. ~~[The auditor~~
16 ~~may contract the audit services of a third party to conduct the~~
17 ~~audit.]"~~



1 SECTION 2. (a) There is established a bag drop pilot
2 program to allow redeemers under the deposit beverage container
3 program to drop bags filled with empty deposit beverage
4 containers at a redemption center, leave before the containers
5 are counted, and be paid later. The intent of the pilot program
6 is to increase Hawaii's fifty-five per cent redemption rate by
7 making the redemption process more convenient for consumers.

8 (b) Notwithstanding any other law to the contrary, the
9 department of health shall contract with one or more redemption
10 centers to allow redeemers of empty deposit beverage containers
11 under chapter 342G, part VIII, Hawaii Revised Statutes, to drop
12 bags filled with empty deposit beverage containers at a
13 participating redemption center.

14 (c) The participating redemption center shall not be
15 required to count the containers at the bag drop location or pay
16 the redeemer at the time of the bag drop; provided that:

17 (1) The participating redemption center registers and
18 otherwise operates as a redemption center under
19 section 342G-114, Hawaii Revised Statutes;



(2) Each dropped bag is labeled as being dropped by the redeemer in a manner established by the department of health;

(3) The participating redemption center counts the deposit beverage containers as required by chapter 342G, Hawaii Revised Statutes; and

(4) The participating redemption center pays the redeemer electronically no later than ten days after the redeemer drops the bag.

(d) Payment to the redeemer may be in the form of a check, cash equivalent, or voucher redeemable at a specific business; provided that if the payment is in the form of a voucher redeemable at a specific business, that information shall be clearly displayed at the bag drop location. A voucher redeemable at a specific business shall not be subject to any fees or have an expiration date.

(e) The department of health may pay handling fees under section 342G-117, Hawaii Revised Statutes, to a participating redemption center.

(f) Unless otherwise prohibited by law, the participating redemption center may contract with any business to operate a



1 bag drop site in the parking lot or other location of the
2 business and to issue payment vouchers redeemable at that
3 business.

4 (g) The bag drop pilot program shall terminate on
5 June 30, 2031.

6 (h) No later than twenty days prior to the regular session
7 of 2030, the department of health shall submit a report to the
8 legislature on the bag drop pilot program. The report shall
9 include:

10 (1) An estimate of the number of containers redeemed;

11 (2) The amount paid to redeemers;

12 (3) A recommendation of whether the pilot program should
13 be terminated, made permanent, or extended; and

14 (4) Any proposed legislation.

15 SECTION 3. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 4. This Act shall take effect upon its approval.

18
INTRODUCED BY: 



S.B. NO. 2416

Report Title:

Deposit Beverage Container Program; Audit; Bag Drop Pilot Program; Department of Health

Description:

Repeals requirement for Auditor to audit the Deposit Beverage Container Program and requires that an independent auditor conduct the audits instead. Establishes the Bag Drop Pilot Program to allow redeemers of deposit beverage containers to drop bags of empty deposit beverage containers at participating redemption sites and be paid later.

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