

SENATE BILL REPORT

SB 6358

AS REPORTED BY COMMITTEE ON ENVIRONMENT & NATURAL RESOURCES,  
JANUARY 29, 1992

**Brief Description:** Revising the model litter control and recycling act.

**SPONSORS:** Senator Metcalf

**SENATE COMMITTEE ON ENVIRONMENT & NATURAL RESOURCES**

**Majority Report:** That Substitute Senate Bill No. 6358 be substituted therefor, and the substitute bill do pass.

Signed by Senators Metcalf, Chairman; Oke, Vice Chairman; Amondson, Barr, Conner, Owen, and Snyder.

**Staff:** Gary Wilburn (786-7453)

**Hearing Dates:** January 29, 1992

**BACKGROUND:**

The litter assessment is imposed on the activity of manufacturing, wholesaling, and retailing products or packages within 13 specified categories considered to be related to the problem of littering in the state. These categories include essentially all packaged grocery products and all types of packaging except paper packaging. The tax was enacted in 1971 and has not been significantly modified since its enactment.

The tax is assessed at the rate of one and one-half hundredths of 1 percent, which is equivalent to \$150 on sales of \$1 million. To simplify administration, Department of Revenue rules allow grocery stores to determine the tax based upon 95 percent of gross proceeds.

The tax funds programs for the roadside pickup of litter, educational programs to reduce littering, and programs to promote recycling and the development of recycling markets. Recent surveys of roadside litter indicate that other products, not subject to the tax, constitute a substantial portion of the litter, including paper, textiles, building materials, and automobile parts.

**SUMMARY:**

The findings and purposes of the Litter Control Act are expanded to include recognition of the need for waste reduction, the state's highest waste management priority. The following categories of products are added to those subject to the litter assessment: textiles, automotive parts, business paper and paper products, and building materials.

The Department of Revenue is directed to provide by rule for reporting and payment of the tax based on a percentage of total sales if the department determines the percentage reasonably approximates that business type's taxable activity. Technical changes are made to the tax provisions.

Moneys in the litter control account may be expended for several purposes: (1) controlling litter; (2) encouraging recycling; (3) developing markets for recyclable materials; (4) reducing waste; (5) enforcing environmental labelling standards; and (6) enforcing compliance with the litter assessment. The existing provision specifying percentage allocations for expenditure from the account by the Department of Ecology is repealed.

**EFFECT OF PROPOSED SUBSTITUTE:**

Additional product categories subject to litter tax in the original bill are deleted. The Clean Washington Center is responsible for promoting markets for recyclable materials. Taxpayers have the option to report and pay litter tax based upon the Department of Revenue's rule setting a percent of total business upon which to base tax, or to pay based on taxpayer's own accounting of taxable business activity.

**Appropriation:** none

**Revenue:** yes

**Fiscal Note:** requested January 23, 1992

**TESTIMONY FOR:**

This bill will provide needed funding for developing markets for recyclable materials by providing greater legislative flexibility in appropriating litter tax revenues.

**TESTIMONY AGAINST:**

Additional product categories to be subject to litter tax in the original bill is not warranted.

**TESTIFIED:** Kathy Gill, NW Pulp and Paper Association (supports substitute); Kris Backes, Association of Washington Business (supports substitute); Jan Gee, Washington Retail Association; Becky Bogard, American Paper Institute (supports substitute); Doris Cellarius, Sierra Club; Jan Glick, Washington Citizens for Recycling; Ray Hoffman, Seattle Solid Waste Utility; George F. Tyler; Don Kneass, Waste Management of North America; Mike Todd, Washington Citizens for Recycling Foundation