

ANALYSIS OF HB 2088

House Agriculture & Ecology Committee

March 3, 1997

BACKGROUND:

The Model Litter Control Act was enacted in 1971 as the legislative alternative to an initiative that would have established a consumer deposit on glass beverage containers. The 1971 legislation enacted a tax of 0.015 percent (or \$1.50 on every \$10,000 of sales) on the sale of 13 specified categories which include food, cigarettes, beverages, and packaging materials. The tax is paid to the Department of Revenue on an annual basis. The tax generates approximately \$4 million dollars per year. The Legislature has not changed the original tax base but has broadened the purposes of how tax revenues can be used by including waste reduction, recycling, and market development for recyclable materials.

Litter tax revenues are currently appropriated to a number of state agencies. The Department of Ecology uses litter tax funds to administer the youth litter patrol program, to conduct public education programs, and to provide technical assistance to local government recycling programs. The Clean Washington Center, within the Department of Community, Trade and Economic Development, uses the tax to develop markets for recyclable materials. The Department of Natural Resources uses the tax for litter pickup on state lands. The Department of Revenue uses tax revenues to ensure taxpayer compliance with the litter tax. The Parks and Recreation Commission uses the tax for statutorily required recycling efforts in state parks. In 1990, the Legislature directed the Department of Ecology to provide grants to local governments to fund litter pickup programs.

Revenues from the tax are subject to a statutory formula as follows: (1) 40 to 50 percent for a youth litter patrol program; and (2) up to 60 percent for public education and awareness programs relating to the act, recycling programs, market development for recyclable materials, and litter tax compliance. In practice, the statutory distribution formula has been applied only for appropriations made to the Department of Ecology.

SUMMARY:

The distribution of the litter tax is changed. Forty to 50 percent of litter tax revenues must be used for the youth litter pickup program. Thirty to 40 percent must be used for local government litter pickup. Fifteen to 30 percent must be used to for education programs, litter surveys, waste audits, and tax compliance.

Payment of the litter tax is changed from yearly to quarterly. References to marketing and the Clean Washington Center are removed as a purpose of the Waste Reduction, Recycling, and Model Litter Control Act.