

SENATE BILL REPORT

SB 5778

As of January 9, 2012

Title: An act relating to providing incentives for the collection and recycling of beverage containers.

Brief Description: Providing incentives for the collection and recycling of beverage bottles.

Sponsors: Senators Chase, McAuliffe, Shin and Kline.

Brief History:

Committee Activity: Environment: 1/11/12.

SENATE COMMITTEE ON ENVIRONMENT

Staff: Diane Smith (786-7410)

Background: There have been several attempts since 1970 to enact beverage container deposit and/or refund laws in Washington, all have failed. Washington voters have rejected three statewide ballot measures:

- Initiative to the People 256 (1970), prohibiting distribution or sale in state of certain beverage containers not having refund value of at least \$0.05;
- Initiative to the Legislature 61 (1979), requiring certain beverage containers sold in state to have minimum refund value of \$0.05; and
- Initiative to the People 414 (1982), requiring a \$0.05 refund on sales of beer, malt and carbonated beverage containers.

Several bills providing for beverage container deposits or refunds were introduced in the 1989-90 (51st) and 1991-92 (52nd) legislatures. None were enacted. Since 2000 five other bills have been introduced, all of which died in committee.

The Washington litter tax is imposed on sales of beverages, containers, and other items. Revenue is used for litter control. The tax, enacted in 1971, was reportedly proposed by businesses in response to proposed bottle bills. The rate of this tax is 0.015 percent, or \$150 per \$1 million of gross sales.

Summary of Bill: The bill as referred to committee not considered.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill (Proposed Substitute): A refund system for beverage containers is established and is administered by the Liquor Control Board (Board.) Beverages intended for human consumption contained in bottles of three fluid liters or less are subject to the refund system. The bottles may be composed of glass, metal, or plastic.

No beverage container may be sold in this state unless it has a refund value of not less than \$0.10 as clearly indicated on the container. Sellers to consumers, called dealers, must accept from consumers empty beverage containers that contained the kind of beverage sold by the dealer. The dealer must pay the refund value to the consumer, with some exceptions for the condition of the container and the number of containers offered at any one time.

Distributors and importers must accept the empty containers from, and pay the refund value to, the dealer. Manufacturers, distributors, and importers must ensure that all dealers and redemption centers are paid the refund value. Failure to do so subjects the manufacturer, distributor, and importer to treble damages and treble collection costs, payable to the dealer or redemption center.

A redemption center may be any person offering to pay the refund value to a consumer, or may be any person who contracts with a dealer or distributor to collect, sort and obtain the refund value and a handling fee on behalf of the dealer or distributor. Redemption centers must be approved by the Board. The Board's approval is based on whether the redemption center provides a convenient service to the public. The Board may withdraw approval if the redemption center is no longer convenient to serve the public or if the Board's order approving the center is not complied with.

No beverages connected by plastic six-pack rings may be sold in this state.

Decisions of the Board must be appealed under The Administrative Procedure Act.

Appropriation: None.

Fiscal Note: Requested on January 5, 2012.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.