

SENATE BILL REPORT

E2SHB 2914

As Reported by Senate Committee On:
Economic Development & International Trade, February 22, 2018
Ways & Means, February 26, 2018

Title: An act relating to Washington's economic development potential as a world leader in the responsible management of postconsumer materials.

Brief Description: Concerning Washington's economic development potential as a world leader in the responsible management of postconsumer materials.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Smith, Fitzgibbon, Doglio and Senn).

Brief History: Passed House: 2/12/18, 97-0.

Committee Activity: Economic Development & International Trade: 2/22/18 [DP-WM].
Ways & Means: 2/24/18, 2/26/18 [DPA(WM), DNP, w/oRec].

Brief Summary of Amended Bill

- Directs the Department of Commerce to arrange for an economic analysis of certain aspects of the recycling and solid waste markets.
- Directs the Department of Ecology to arrange for the facilitation of stakeholder efforts to develop a public outreach strategy to improve recycling practices, reduce contamination rates, promote statewide best practices, and improve consumer education.

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT & INTERNATIONAL TRADE

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Chase, Chair; Takko, Vice Chair; Brown, Ranking Member; Wagoner and Wellman.

Staff: Alex Fairfortune (786-7416)

SENATE COMMITTEE ON WAYS & MEANS

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.

Majority Report: Do pass as amended by Committee on Ways & Means.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair; Bailey, Billig, Brown, Carlyle, Conway, Darneille, Hasegawa, Hunt, Keiser, Mullet, Palumbo, Pedersen, Ranker, Van De Wege, Wagoner and Warnick.

Minority Report: Do not pass.

Signed by Senators Honeyford, Assistant Ranking Member; Rivers and Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senators Becker and Fain.

Staff: Jed Herman (786-7346)

Background: Local governments are responsible for preparing comprehensive solid waste management plans and managing solid waste collection and disposal, with oversight and guidance provided by the Department of Ecology (Ecology). Ecology provides recommendations to local governments on materials to be considered for designation as recyclable materials, and technical assistance in the development and dissemination of information on local waste reduction and recycling programs.

Ecology evaluates, analyzes, and monitors the solid waste stream. As part of this effort, collectors of solid waste must annually report to Ecology on the types and quantities of waste they collect, and the locations where they deliver that waste. Ecology's solid waste stream analysis must incorporate specified types of information and evaluations, including the waste generation and recycling rates for different waste categories, potential rates of solid waste reduction, and solid waste technologies. In developing their solid waste stream evaluation, Ecology must prioritize the evaluation of categories of waste that comprise a comparatively large volume of the solid waste stream, or that present a risk of harm to human health.

The Utilities and Transportation Commission (UTC) supervises and regulates private solid waste companies, including reviewing and approving their rates and fees. Cities and towns also sometimes directly provide solid waste collection services.

Summary of Amended Bill: Economic Analysis. The Department of Commerce (Commerce) must arrange for the completion of an economic analysis of recyclable material and solid waste processing, export, and disposal in Washington. The analysis must include:

- an overview of existing types of recycling business practices that involve processing materials into saleable products;
- opportunities and barriers to more reuse and manufacturing using recyclable materials in Washington and regionally; and
- the implications of relevant global and regional recycling market changes on businesses collecting and processing recyclable materials.

The Commerce analysis may not result in the publication or disclosure of confidential or proprietary business information.

The Commerce analysis must be submitted in a report to the Legislature by July 1, 2019. Alongside the report, Commerce must also submit recommendations to identify recyclable

materials that add value to recycling programs and ways to increase the amount of recyclable materials generated in Washington that are processed in Washington or other places with similar economic and environmental practices. Commerce's recommendations must be developed with a focused workgroup of stakeholders, including the UTC, Ecology, cities, counties, certain industry representatives, and an environmental organization.

Public Outreach Strategy. Ecology must arrange for the facilitation of efforts to develop a public outreach strategy undertaken by the same focused stakeholder workgroup convened to support the Commerce economic analysis. The public outreach strategy must be designed to reduce recycling contamination rates, identify materials with high economic value for recycling programs, promote statewide best practices for different types of recyclables, and improve consumer education about solid waste. The strategy must be statewide in scope, but accommodating of local variation. The strategy is to be completed and ready to begin implementation by June 1, 2018, and must be updated periodically afterwards.

Solid Waste Evaluations. Ecology's state solid waste stream analysis must prioritize the evaluation of categories of solid waste that present economic opportunities for material recovery, recycling, and reuse, alongside the existing prioritized categories of solid waste that are high-volume or present a health risk.

EFFECT OF WAYS & MEANS COMMITTEE AMENDMENT(S): The bill is amended to make it subject to the amounts appropriated for this specific purpose.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony on Engrossed Second Substitute House Bill (Economic Development & International Trade): PRO: This is a jobs bill. China presents both a challenge and an opportunity to bring forth more jobs in the future. Studies have shown that for one job associated with landfill products you can have up to nine jobs if you are recycling, reusing, and composting, with even more jobs if you are doing manufacturing and processing. There needs to be some consideration about what is due by June 1, 2018, so that there is no conflicting messaging. It would also be wonderful if the litter tax could be used for the purposes for which it was originally set up.

OTHER: The fiscal impact of this bill is not considered in the Governor's budget. Reducing contamination in recyclable materials is extremely important, as is processing materials in Washington instead of overseas. More than 60 percent of recyclables are being sent to China and they have reduced the amount of contamination that will be allowed to an almost unachievable contamination level, so material is being blocked at the border. In five to ten years, China will move from importing our material to exporting their own material. There is a glut of supply, so the entire recycling system needs to change its culture and focus more on demand. Solid waste and recycling is done at the local level, so we are having conversations

with local governments to determine the best way to serve the community and collect the best materials that the market wants. The litter tax, which was passed in the 1970s, was meant for this purpose, but the funds were diverted to state parks. The money needs to be re-diverted back before this bill can be supported.

Persons Testifying (Economic Development & International Trade): PRO: Heather Trim, Zero Waste Washington.

OTHER: Laurie Davies, Department of Ecology; Vicki Christophersen, Washington Refuse and Recycling Association; Jasmine Vasavada, Senior Policy Specialist, Department of Commerce; Brad Lovaas, Washington Refuse and Recycling Association; Carolyn Logue, Washington Food Industry Association.

Persons Signed In To Testify But Not Testifying (Economic Development & International Trade): No one.

Staff Summary of Public Testimony on Engrossed Second Substitute House Bill (Ways & Means): *The committee recommended a different version of the bill than what was heard.* No testimony.

Persons Testifying (Ways & Means): No one.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.