

HOUSE BILL REPORT

HB 1543

As Reported by House Committee On:
Environment & Energy
Appropriations

Title: An act relating to sustainable recycling.

Brief Description: Concerning sustainable recycling.

Sponsors: Representatives Mead, Doglio, Lekanoff, Peterson, Fey, Appleton, Shewmake, Stanford, Tharinger, Jinkins, Pollet, Slatter, Frame and Davis; by request of Department of Ecology.

Brief History:

Committee Activity:

Environment & Energy: 2/7/19, 2/12/19, 2/14/19 [DPS];
Appropriations: 2/26/19, 2/28/19 [DP2S(w/o sub ENVI)].

Brief Summary of Second Substitute Bill

- Establishes the Recycling Development Center within the Department of Ecology (ECY) to further the development of markets and processing for recycled commodities and products.
- Changes the distributions and uses of funds in the Waste Reduction, Recycling, and Litter Control Account.
- Requires city and county solid waste plans to contain a recycling contamination reduction and outreach plan.
- Directs the ECY to create and implement a state recycling contamination reduction and outreach plan, which local governments may adopt in lieu of a local plan, and to provide technical assistance to local governments to reduce recycling contamination.

HOUSE COMMITTEE ON ENVIRONMENT & ENERGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Fitzgibbon, Chair; Lekanoff, Vice Chair; Shea, Ranking Minority Member; Boehnke, Doglio, Fey, Mead, Peterson and Shewmake.

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.

Minority Report: Do not pass. Signed by 1 member: Representative Dye, Assistant Ranking Minority Member.

Minority Report: Without recommendation. Signed by 1 member: Representative DeBolt.

Staff: Jacob Lipson (786-7196).

Background:

Solid Waste Management.

Under the state's solid waste management laws, local governments are the primary government entity responsible for implementing state solid waste management requirements, although the Department of Ecology (ECY) also has certain roles in overseeing the administration of solid waste management laws. The ECY is responsible for working cooperatively with local governments as they develop their local solid waste management plans. The ECY also develops guidelines to be used by local governments that recommend materials for local government designation as recyclable. In July 2018 the ECY published best management practices for commingled residential recycling.

County and city solid waste management plans are required to contain certain elements, including a waste reduction and recycling element. Counties may apply to the ECY for financial aid for the preparation of county solid waste plans. Cities that prepare independent solid waste management plans may file with the ECY for financial aid as part of their county's financial aid application.

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

Waste Reduction, Recycling, and Litter Control.

The Waste Reduction, Recycling, and Litter Control Act (Act), dating to 1971, prohibits littering and establishes statewide programs to prevent and clean up litter, reduce waste, and increase recycling. These programs are funded by the 0.015 percent litter tax on manufacturers', wholesalers', and retailers' gross proceeds on 13 categories of consumer products. The programs funded by the litter tax under the Act include litter collection efforts by state agencies including the ECY, and state assistance of local government waste reduction, composting, and recycling programs.

Fifty percent of money in the Waste Reduction, Recycling, and Litter Control Account (Account) created to carry out the Act is directed towards state litter collection efforts. Thirty percent goes to the ECY to carry out its waste reduction, recycling, litter control, and composting coordination, promotion, and technical assistance activities. Twenty percent is allocated to the ECY to fund local government waste reduction, recycling, litter control, and composting activities. Unspent funds in this account may pay for a matching fund competitive grant program used by local governments and nonprofit organizations for public education programs.

Summary of Substitute Bill:

Recycling Development Center.

The Recycling Development Center (Center) is created within the Department of Ecology (ECY) to further the development of markets and processing for recycled commodities and products. Toward these ends, the Center must provide or facilitate research and development, marketing, and policy analysis, and must initially direct its services to businesses that turn waste materials into usable or marketable products. The Center must:

- develop an annual work plan, with an initial focus on developing markets for mixed paper or waste plastic materials;
- make recommendations on state policies to affect recyclable material markets, with consideration of the costs and benefits of those policies;
- work with manufacturers of packaging and other potentially recyclable materials to increase the ability of their products to be recycled or reused;
- undertake or contract for recyclable material market development studies;
- disseminate information;
- provide grants or contracts to public institutions;
- provide business and marketing assistance to public and private sector entities;
- represent Washington in regional and national market development issues;
- work with specified entities involved in solid waste management, research, regulation, or advocacy, as necessary; and
- report to the Legislature every two years regarding the Center's activities and the Center's effects on recycling rates and use of postconsumer materials.

The ECY must enter into an interagency agreement with the Department of Commerce for specified aspects of the Center's activities, including business assistance to recycling businesses, outreach to negotiate voluntary agreements with manufacturers to increase their use of recycled materials, and the promotion of manufacturing with recycling materials.

The Center's activities must be guided by an advisory board of up to 15 members, with specified numbers of representatives of cities, counties, public interest groups, research institutions, the private sector, and the Utilities and Transportation Commission. The ECY provides staff support to the advisory board.

Contamination Reduction Plans.

The ECY must create and implement a statewide recycling contamination reduction and outreach plan based on best management practices for recycling. The plan must be developed with stakeholder input by July 1, 2020. The ECY must also provide technical assistance and guidance to help local jurisdictions understand contamination in their regional recycling, and to develop contamination reduction and outreach plans.

County and city solid waste plans must contain a contamination reduction and outreach plan (contamination plan) by July 1, 2021. Contamination plans must be added to local solid waste plans by amendment or when revising or updating a solid waste plan. In lieu of creating their own plan, jurisdictions may adopt the ECY-developed state contamination reduction and outreach plan. Local contamination plans must include a list of actions for reducing contamination in recycling programs, a list of key contaminants identified by the local government or the ECY, a discussion of problem contaminants and their impact, an

analysis of costs and other impacts, and an implementation schedule and outreach details, which may include specified types of contamination reduction education.

Counties and cities may apply to the ECY for financial aid for the implementation of local solid waste management plans, including contamination plans.

Waste Reduction, Recycling, and Litter Control Account.

Forty percent, rather than 50 percent, of the Waste Reduction, Recycling, and Litter Control Account (Account) is directed toward state litter collection efforts. Forty percent, rather than 30 percent, is directed to the ECY to carry out its waste reduction, recycling, litter control, and composting coordination, promotion, and technical assistance activities. These activities will include direct technical assistance to businesses to increase recycling markets rather than being limited to providing technical assistance to local governments for commercial recycling programs. Leftover funds within the 20 percent of the Account used for local government programs may be used for matching fund competitive grants programs for developing and implementing contamination reduction plans under local solid waste plans.

Substitute Bill Compared to Original Bill:

The substitute version of the bill:

- includes a legislative finding that a sustainable recycling system is one that is both economically and environmentally sustainable;
- requires any policies recommended by the Recycling Development Center (Center) within the Department of Ecology (ECY) to include consideration of specified costs and benefits anticipated from the policies;
- requires the ECY's biennial report to the Legislature on the activities of the Center to include any effects reasonably attributed to the Center on state recycling rates or rates of manufacturer utilization of postconsumer material; and
- requires the ECY to cite the sources of information that it relied upon in developing best practices for the statewide recycling contamination reduction and outreach plan and in developing contamination reduction guidance for local jurisdictions.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect on July 1, 2019.

Staff Summary of Public Testimony:

(In support) Certain recyclable materials do not have an existing market because of recent policy changes in China. A recycling development center will help incentivize local markets for postconsumer material and will encourage companies to open facilities in Washington to do research and manufacture products that use recycled content. Expanding markets and reducing contamination of recyclable materials will have the effect of diverting materials

from landfills. Recycling makes both economic and environmental sense. Reducing contamination of recyclable materials will improve the value of those materials and make them more capable of being repurposed for new uses.

(Opposed) None.

(Other) Counties have been working to reduce contamination in their recycling streams. Many counties have recently updated their comprehensive plans and would prefer not to have again update their plans to add contamination reduction elements by 2021, but would instead prefer to wait until their plans would next be regularly updated. Financial matching requirements to receive assistance from the Department of Ecology should be eliminated for small rural local governments.

Persons Testifying: (In support) Representative Mead, prime sponsor; Laurie Davies, Department of Ecology; Chris Green, Department of Commerce; Vicki Christophersen, Washington Refuse and Recycling Association; and Heather Trim, Zero Waste Washington.

(Other) Paul Jewell, Washington State Association of Counties.

Persons Signed In To Testify But Not Testifying: Brad Lovaas, Washington Refuse and Recycling Association; Jasmine Vasavada, Department of Commerce; Tim Shestek, American Chemistry Council; Paul Jewell, Washington State Association of Counties; and Holly Chisa, Institute of Scrap Recycling Industries.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Environment & Energy. Signed by 23 members: Representatives Ormsby, Chair; Bergquist, 2nd Vice Chair; Robinson, 1st Vice Chair; Rude, Assistant Ranking Minority Member; Caldier, Cody, Dolan, Fitzgibbon, Hansen, Hudgins, Jinkins, Macri, Pettigrew, Pollet, Ryu, Senn, Springer, Stanford, Steele, Sullivan, Sutherland, Tarleton and Tharinger.

Minority Report: Do not pass. Signed by 8 members: Representatives Stokesbary, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Chandler, Dye, Hoff, Kraft, Mosbrucker and Ybarra.

Staff: Dan Jones (786-7118).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Environment & Energy:

The second substitute bill is null and void unless funding is specifically provided in the omnibus appropriations act. The second substitute bill also makes technical changes, including:

- removing defined terms that are not used in the bill;
- using defined or specific terms in the bill, rather than undefined terms that are similar in meaning (e.g. use of the term "multiple-family" rather than "multifamily" and use of the

phrase "counties east of the crest of the cascade mountains" rather than "eastside counties");

- reorganizing the bill to include a separate subsection under which authority is granted to the Department of Ecology to adopt rules to implement the Recycling Development Center; and
- referencing existing statutory requirements for state agencies to purchase recycled products.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill contains an emergency clause and takes effect on July 1, 2019. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) This agency request legislation addresses contamination in Washington's recycling system, sets up new recycling markets, and requires research on improving recycling. These activities would help find new recycling markets and address China's rejection of Washington recyclables due to contamination.

(Opposed) None.

(Other) The bill allows funding from the Waste Reduction, Recycling, and Litter Control Account to be used for the updates to local government solid waste plans required under the bill. However, existing language would require a 25 percent match from local governments. The match requirement for the plan updates in this bill is an unfunded mandate and should be removed. The due date of the local government solid waste plan updates should be changed to coincide with counties' regular update cycles.

Persons Testifying: (In support) Laurie Davies, Department of Ecology.

(Other) Paul Jewell, Washington State Association of Counties.

Persons Signed In To Testify But Not Testifying: None.