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**HOUSE BILL 2144**

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**State of Washington**

**68th Legislature**

**2024 Regular Session**

**By** Representatives Stonier, Berry, Taylor, Reed, Ramel, Peterson, Callan, Macri, Street, Gregerson, Berg, Fosse, Doglio, Pollet, Kloba, and Davis

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1 AN ACT Relating to providing for a deposit return program for  
2 qualifying beverage containers to be implemented by a distributor  
3 responsibility organization; amending RCW 82.19.050 and 70A.245.100;  
4 adding a new section to chapter 82.04 RCW; adding a new section to  
5 chapter 35.21 RCW; adding a new section to chapter 35A.21 RCW; adding  
6 a new section to chapter 36.01 RCW; adding a new chapter to Title 70A  
7 RCW; creating a new section; prescribing penalties; and providing an  
8 expiration date.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

10 NEW SECTION. **Sec. 1.** INTENT. (1)(a) The legislature finds that  
11 the department was directed, through an independent consultant, to  
12 study how plastic packaging is managed in the state, to assess  
13 various policy options, and to provide recommendations to achieve  
14 certain goals, which include:

15 (i) Plastic packaging sold into the state is 100 percent  
16 recyclable, reusable, or compostable by January 1, 2025; and

17 (ii) Plastic packaging sold into the state incorporates at least  
18 50 percent postconsumer recycled content by January 1, 2030.

19 (b) The legislature also finds that the study recommends that a  
20 deposit return system is an effective way for producers to meet  
21 outcomes required by an extended producer responsibility framework.

1 (2) The legislature finds that a 2023 study commissioned by the  
2 department examined potential material recovery targets for consumer  
3 packaging and found that the best possible recovery, reuse, and  
4 recycling outcomes were made possible with an extended producer  
5 responsibility system combined with a deposit return system for  
6 qualifying beverage containers.

7 (3) The legislature intends that packaging materials be recycled  
8 or reused through a deposit return system for qualifying beverage  
9 containers and extended producer responsibility programs for other  
10 packaging materials. It is the intent of the legislature that a  
11 deposit return system for qualifying beverage containers incentivizes  
12 innovation, consumer participation, and industry stewardship to  
13 minimize environmental impacts.

14 NEW SECTION. **Sec. 2.** DEFINITIONS. The definitions in this  
15 section apply throughout this chapter unless the context clearly  
16 requires otherwise.

17 (1) "Dealer" means any person, corporation, partnership,  
18 business, facility, vendor, organization, or individual that sells or  
19 provides merchandise, goods, or materials directly to a consumer that  
20 engages in the sale of beverages in qualifying beverage containers  
21 intended for consumption off site.

22 (2) "Department" means the department of ecology.

23 (3) "Deposit return system" means a qualifying beverage container  
24 redemption program that pays a per-unit refund value to consumers for  
25 qualifying beverage containers and collects and processes qualifying  
26 beverage containers as described in this chapter.

27 (4) "Distributor" means any person or entity who engages in the  
28 sale of beverages in qualifying beverage containers to a dealer in  
29 this state, including any manufacturer or importer who engages in  
30 such sales to dealers or directly to consumers, and dealers who self-  
31 distribute their own brands.

32 (5) "Distributor responsibility organization" means a cooperative  
33 association subject to chapter 23.86 RCW, or an alternative structure  
34 as approved by the department, that is designated by a group of  
35 distributors representing the majority of beverages sold in  
36 qualifying beverage containers in the state, to develop and carry out  
37 the activities required of distributors in this act.

38 (6) "Qualifying beverage container" means any separate, sealed  
39 glass, metal, or plastic bottle or can, except for a carton, foil

1 pouch, drink box, or metal container that requires a tool to be  
2 opened, that contains any beverage intended for human consumption,  
3 and in a quantity of greater than four ounces and less than or equal  
4 to one gallon, except for products with dairy milk as a first  
5 ingredient and infant formula.

6 NEW SECTION. **Sec. 3.** RELATIONSHIP WITH OTHER PRODUCER  
7 RESPONSIBILITY PROGRAMS. Notwithstanding any other extended producer  
8 responsibility program or programs enacted by the legislature to  
9 address the recycling or reuse of qualifying beverage containers,  
10 upon the effective date of this section, all qualifying beverage  
11 containers and their closures and labels of all producers cease to be  
12 considered covered products in any other extended producer  
13 responsibility program and are instead subject to the requirements of  
14 this chapter. A producer responsibility organization or similar  
15 entity implementing an extended producer responsibility organization  
16 may not require the participation of producers or distributors of  
17 qualifying beverage containers or impose fees on producers or  
18 distributors of qualifying beverage containers and any closures or  
19 labels managed under this chapter.

20 NEW SECTION. **Sec. 4.** FORMATION OF A DISTRIBUTOR RESPONSIBILITY  
21 ORGANIZATION. (1) A group of distributors representing the majority  
22 of beverages in qualifying beverage containers sold in or into  
23 Washington may form a distributor responsibility organization to  
24 operate a deposit return system that meets the requirements of this  
25 chapter. To be approved as a distributor responsibility organization,  
26 a group of distributors must register with the department and  
27 demonstrate to the department's satisfaction that its initial  
28 membership represents the majority of beverages in qualifying  
29 beverage containers sold or made available for sale in the state.  
30 Distributors may not be members of or appear on the registration of  
31 more than one distributor responsibility organization registering  
32 with the department.

33 (2) A distributor responsibility organization registering with  
34 the department must submit with its registration the following:

35 (a) A list of its member distributors and their brands of  
36 beverages in qualifying beverage containers; and

1 (b) The total gross unit sales volume of beverages in qualifying  
2 beverage containers distributed by its members in Washington during  
3 the preceding year.

4 (3) The department shall review registrations submitted by a  
5 distributor responsibility organization. Except for the registration  
6 of an individual distributor independently fulfilling the duties  
7 required of a distributor responsibility organization, the department  
8 may not approve the registration of a distributor responsibility  
9 organization whose initial membership at the time of registration  
10 does not represent a majority of beverages in qualifying beverage  
11 containers sold or made available for sale in Washington during the  
12 prior year. The department shall approve the registration of a  
13 distributor responsibility organization whose initial membership at  
14 the time of registration represents, to the department's  
15 satisfaction, a majority of beverages in qualifying beverage  
16 containers sold or made available for sale in Washington during the  
17 prior year. The department shall approve the registration of an  
18 individual distributor independently fulfilling the duties required  
19 of a distributor responsibility organization as described in section  
20 5 of this act.

21 (4) The requirements of this chapter do not take effect unless  
22 and until a distributor responsibility organization, other than a  
23 single distributor independently complying with the requirements of  
24 this chapter, is established and registers with the department to  
25 establish and operate a deposit return system, and has a plan  
26 approved by the department to do so.

27 NEW SECTION. **Sec. 5.** DISTRIBUTOR RESPONSIBILITY ORGANIZATION  
28 MEMBERSHIP AND DISTRIBUTORS INDEPENDENTLY CARRYING OUT THE DUTIES AND  
29 REQUIREMENTS OF A DISTRIBUTOR RESPONSIBILITY ORGANIZATION. (1) By  
30 October 1, 2025, or 120 days after a distributor responsibility  
31 organization's registration is approved by the department, whichever  
32 is later, each distributor that offers for sale, sells, or  
33 distributes in or into Washington beverages in qualifying beverage  
34 containers must:

35 (a) Join a distributor responsibility organization; or

36 (b) Register with the department as a distributor independently  
37 carrying out all duties and requirements of a distributor  
38 responsibility organization as described in this chapter. These  
39 duties include, but are not limited to, the following: (i) Providing

1 a convenient bulk bag drop-off system as described in section 12 of  
2 this act that accepts all qualifying beverage containers in the same  
3 bag and at no cost to consumers; (ii) providing the same number and  
4 geographic distribution of drop-off locations as a distributor  
5 responsibility organization; (iii) paying to consumers the refund  
6 value of qualifying beverage containers; (iv) meeting the performance  
7 targets described in section 9 of this act; (v) paying all applicable  
8 performance penalties required of a distributor responsibility  
9 organization in this chapter; and (vi) fulfilling all reporting  
10 requirements required in this chapter.

11 (2) Distributors that have not joined a distributor  
12 responsibility organization, or that do not independently fulfill the  
13 duties required of a distributor responsibility organization, may not  
14 sell or supply beverages in qualifying beverage containers in or into  
15 Washington after October 1, 2025, or 120 days after a distributor  
16 responsibility organization is approved by the department, whichever  
17 is later. Any distributor that operates in violation of this  
18 requirement is subject to penalties and damages as described in  
19 section 7 of this act.

20 (3) If a distributor responsibility organization, other than a  
21 single distributor independently fulfilling the requirements of a  
22 distributor responsibility organization, is approved by the  
23 department and operates a deposit return system as described in this  
24 chapter, all qualifying beverage containers are included in the  
25 deposit return system and all requirements of this chapter apply to  
26 the distributors of beverages in qualifying beverage containers.

27 NEW SECTION. **Sec. 6.** INITIAL REPORTING REQUIREMENTS. (1) (a)  
28 Until a distributor responsibility organization begins to submit  
29 annual reports as required in section 18 of this act, by January 15th  
30 of each year, a distributor responsibility organization must submit  
31 the following data for the prior calendar year:

32 (i) A list of its member distributors and their brands of  
33 beverages in qualifying beverage containers; and

34 (ii) The number of qualifying beverage containers sold or made  
35 available for sale in the state by members of the distributor  
36 responsibility organization, by material category and size.

37 (b) A distributor responsibility organization may rely on member  
38 reporting for the reporting requirements in this section.

1 (2) A distributor responsibility organization that submits  
2 information or records to the department under this chapter may  
3 request that the information or records be made available only for  
4 the confidential use of the department, the director, or the  
5 appropriate division of the department. The director of the  
6 department shall give consideration to the request, and if the  
7 director determines that this action is not detrimental to the public  
8 interest and is otherwise in accordance with policies and purposes of  
9 chapter 43.21A RCW, the director must grant the request for the  
10 information to remain confidential as authorized in RCW 43.21A.160.

11 NEW SECTION. **Sec. 7.** CALCULATION AND PAYMENT OF FEES TO THE  
12 DEPARTMENT AND DAMAGES OWED TO A DISTRIBUTOR RESPONSIBILITY  
13 ORGANIZATION. (1) The department shall implement, administer, and  
14 enforce this chapter. The department may adopt rules to implement,  
15 administer, and enforce this chapter.

16 (2) By April 1st of each year after a distributor responsibility  
17 organization's registration has been approved by the department, the  
18 department must:

19 (a) Prepare a workload analysis that, as narrowly, efficiently,  
20 and cost-effectively as possible, identifies the annual costs to  
21 implement, administer, and enforce this chapter, including rule  
22 making, in the next fiscal year;

23 (b) Determine a total annual fee payment to be paid by a  
24 distributor responsibility organization to cover, but not exceed, the  
25 costs of implementing, administering, and enforcing this chapter  
26 identified through the workload analysis; and

27 (c) Send notice to a distributor responsibility organization of  
28 the fee amounts due.

29 (3) By June 30th of the fiscal year of approval of a distributor  
30 responsibility organization registration and every June 30th  
31 thereafter, a distributor responsibility organization registered with  
32 the department shall submit an annual payment to the department to  
33 fund the costs to implement, administer, and enforce this chapter,  
34 including rule making, as identified through the workload analysis.

35 (4) In lieu of the annual fee payment required of the distributor  
36 responsibility organization, 120 days after a distributor  
37 responsibility organization's registration has been approved by the  
38 department, a distributor independently carrying out the duties and  
39 requirements of a distributor responsibility organization described

1 in this chapter shall pay a registration fee to the department equal  
2 to 10 cents per qualifying beverage container until such time as a  
3 distributor responsibility organization begins operating a deposit  
4 return system.

5 (5) After a distributor responsibility organization begins  
6 operating a deposit return system, and after notification of  
7 noncompliance from the department and a 60-day cure period, the  
8 department shall administratively impose a civil penalty to any  
9 distributor who fails to participate in a distributor responsibility  
10 organization as specified in section 5 of this act, or fails to  
11 otherwise comply with the requirements of this chapter by  
12 independently carrying out the duties of a distributor responsibility  
13 organization described in this chapter, which must be at least 15  
14 cents per beverage in a qualifying beverage container sold or made  
15 available for sale by the distributor in the state, or \$10,000,  
16 whichever is greater.

17 (6) Any distributor who incurs a penalty under this section may  
18 appeal the penalty to the pollution control hearings board created in  
19 chapter 43.21B RCW.

20 (7) Fees paid by distributors not participating in a distributor  
21 responsibility organization under this section must be deposited into  
22 the deposit return organization program account created in section 24  
23 of this act and used by the department to offset the costs of  
24 implementing the requirements of this chapter.

25 (8) Penalties paid by distributors not participating in a  
26 distributor responsibility organization under this section must be  
27 deposited into the recycling enhancement account created in RCW  
28 70A.245.100.

29 (9) Notwithstanding the requirements of this section, a  
30 manufacturer distributor producing a de minimis quantity of beverages  
31 in refillable qualifying beverage containers may alternatively comply  
32 with the requirements of this chapter by operating a small-scale  
33 refund program approved by the department, as described in section 21  
34 of this act.

35 (10) Unless otherwise specified in a distributor responsibility  
36 organization's bylaws or in a contract between a distributor  
37 responsibility organization and an individual distributor arranging  
38 specifically for the collection of qualifying beverage containers  
39 sold for the purpose of consumption on premises, after a distributor  
40 responsibility organization begins operating a deposit return system,

1 any manufacturer, distributor, or importer that fails to pay to a  
2 distributor responsibility organization the refund value of  
3 qualifying beverage containers included in this chapter is liable to  
4 the distributor responsibility organization for treble the unpaid  
5 refund value and treble the collection costs incurred by the  
6 distributor responsibility organization for any qualifying beverage  
7 containers that were sold without the refund value of the container  
8 being remitted to the distributor responsibility organization.

9 NEW SECTION. **Sec. 8.** RESTRICTIONS ON THE USE OF FUNDS FROM  
10 UNCLAIMED REFUNDS. (1) A distributor responsibility organization may  
11 not distribute or otherwise disseminate funds from unclaimed refunds  
12 to members of the distributor cooperative, or alternative structure  
13 approved by the department, as a dividend or similar form of profit,  
14 and shall report on this requirement annually in the manner described  
15 in section 18 of this act.

16 (2) A distributor responsibility organization may not use funds  
17 from unclaimed refunds for the purpose of legislative or political  
18 advocacy efforts that would require reporting under chapter 42.17A  
19 RCW and the distributor responsibility organization shall report on  
20 this requirement annually in the manner described in section 18 of  
21 this act.

22 NEW SECTION. **Sec. 9.** REUSE AND RECYCLING PERFORMANCE  
23 REQUIREMENTS, VERIFICATION, AND PERFORMANCE PENALTIES. (1) To meet  
24 the reuse and recycling performance requirements established in this  
25 section, a distributor responsibility organization shall calculate  
26 the reuse sales rate and the redemption rate of qualifying beverage  
27 containers and provide the verification to the department as part of  
28 the annual reporting requirements. The reuse sales rate is the number  
29 of qualifying beverage containers in reusable packaging sold in a  
30 year. For materials reclaimed under a deposit return system, the  
31 calculation point for the redemption rate is the number of qualifying  
32 beverage containers redeemed statewide by the distributor  
33 responsibility organization divided by the number of beverages in  
34 qualifying beverage containers sold in the state by members of the  
35 distributor responsibility organization.

36 (2) At a minimum, a deposit return system plan submitted by a  
37 distributor responsibility organization must achieve the following  
38 performance requirements:



1 (a) A minimum of 60 percent of all qualifying beverage containers  
2 supplied into the state are redeemed for reuse or recycling through  
3 the deposit return system in the data reported for 2029 and  
4 thereafter;

5 (b) A minimum of 80 percent of all qualifying beverage containers  
6 supplied into the state are redeemed for reuse or recycling through  
7 the deposit return system in the data reported for 2032 and  
8 thereafter; and

9 (c) By December 31, 2032, sales of beverages in reusable  
10 packaging must reach at least one percent of all qualifying beverage  
11 containers.

12 (3) The department shall make public the annual reporting of the  
13 redemption rate and reuse sales rate required of the distributor  
14 responsibility organization registered by the department and any  
15 individual distributor independently complying with the requirements  
16 of this chapter.

17 (4) (a) In order to determine compliance with the redemption rate  
18 performance targets, the department may, within 120 days of the date  
19 that the department receives a report as described in section 18 of  
20 this act, review the records of a distributor responsibility  
21 organization specifically related to the accuracy of the redemption  
22 rate. The records specifically related to the accuracy of the  
23 redemption rate do not include financial details of a distributor  
24 responsibility organization.

25 (b) If in the course of a review described in (a) of this  
26 subsection, the department determines that an audit of a distributor  
27 responsibility organization is necessary to verify the redemption  
28 rate, the department shall require the distributor responsibility  
29 organization to retain an independent audit firm to determine the  
30 accuracy of the redemption rate. The scope of this audit is limited  
31 to records specifically related to the accuracy of the redemption  
32 rate. A distributor responsibility organization that is subject to  
33 review shall pay the costs of the audit. The audit is limited to the  
34 records described in (a) of this subsection.

35 (5) In lieu of any other penalties for not achieving the  
36 performance criteria in this section, should the redemption rate  
37 performance requirements described in this section not be met, the  
38 distributor responsibility organization shall annually calculate the  
39 number of containers representing the difference between the  
40 redemption rate of qualifying beverage containers and the redemption

1 rate performance requirements described in this section, and pay a  
2 penalty that is equal to 10 cents times the number of containers  
3 representing the difference, to be deposited into the model toxics  
4 control operating account created in RCW 70A.305.180.

5 (6) At the sole discretion of the department, if the requirements  
6 of this section result in a penalty to be paid by the distributor  
7 responsibility organization, the department may alternatively  
8 identify priority areas for additional drop-off access to be  
9 provided, or may identify a reduction in the penalty to be paid in  
10 conjunction with the identification of priority areas for additional  
11 drop-off access to be provided, and the department and the  
12 distributor responsibility organization may agree to provide  
13 additional access accordingly. If agreement is not reached, the  
14 financial penalties in subsection (5) of this section must be paid.

15 (7) A penalty may not be assessed on the distributor  
16 responsibility organization related to the reuse performance  
17 requirements described in this section.

18 NEW SECTION. **Sec. 10.** DEPOSIT RETURN SYSTEM PLAN SUBMITTAL,  
19 APPROVAL PROCESS, AND DEPLOYMENT. (1) Beginning July 1, 2027, or  
20 within 180 days of the first adoption of rules under this chapter,  
21 whichever is later, a distributor responsibility organization with an  
22 approved registration with the department shall submit a plan to the  
23 department that meets the requirements of sections 11 through 20 of  
24 this act.

25 (2) The department shall evaluate the plan submitted by the  
26 distributor responsibility organization and make a determination of  
27 approval within 60 days of receiving the plan. The department shall  
28 approve the plan if it substantially meets the requirements of  
29 sections 11 through 20 of this act. The department shall disapprove  
30 the plan if it does not substantially meet the requirements of  
31 sections 11 through 20 of this act. If the department disapproves the  
32 plan of a distributor responsibility organization, the department  
33 shall provide a detailed explanation of its reasons for disapproval.

34 (3) Upon receipt of a plan disapproval and the department's  
35 detailed explanation for disapproving the plan, a distributor  
36 responsibility organization has 60 days to submit an amended plan to  
37 the department. Within 60 days, the department shall review and  
38 approve the amended plan if it substantially meets the requirements  
39 of sections 11 through 20 of this act or deny the amended plan if it

1 does not substantially meet the requirements of sections 11 through  
2 20 of this act.

3 (4) If a distributor responsibility organization fails to submit  
4 a plan by July 1, 2027, or within 180 days of the first adoption of  
5 rules relating to this chapter, whichever is later, or if a  
6 distributor responsibility organization fails to submit an amended  
7 plan within 60 days of a plan disapproval or a disapproval of an  
8 amended plan, the contingency plan described in section 27 of this  
9 act must be engaged.

10 (5) Upon receipt of the department's approval of a distributor  
11 responsibility organization's plan or amended plan to operate a  
12 deposit return system, the distributor responsibility organization  
13 shall implement a deposit return system as described in its approved  
14 plan by July 1, 2028, or within one year of first adoption of rules  
15 under this chapter, or within one year of the department's approval  
16 of the plan, whichever is later.

17 NEW SECTION. **Sec. 11.** REFUND VALUE, LABELING OF REFUND VALUE,  
18 AND COLLECTION OF REFUND VALUE. (1) A distributor responsibility  
19 organization operating a deposit return system shall provide a refund  
20 value of 10 cents per qualifying beverage container purchased in  
21 Washington and presented for a refund through the deposit return  
22 system, except in cases described in section 19 of this act.

23 (2) If a distributor responsibility organization's deposit return  
24 system plan is approved by the department, except for containers  
25 covered by a small-scale refund program established under section 21  
26 of this act, all qualifying beverage containers sold or offered for  
27 sale in the state of Washington must:

28 (a) Carry a 10 cent refund value;

29 (b) Be registered at least annually with the distributor  
30 responsibility organization by the producer or distributor, including  
31 information on the brand, size, container material type or types,  
32 beverage type, bar code or stock-keeping unit information, and total  
33 number of containers of each type, size, and brand sold in the state  
34 of Washington;

35 (c) Be sold by a distributor, importer, or producer that is a  
36 member of the distributor responsibility organization submitting the  
37 deposit return system plan for qualifying beverage containers or an  
38 individual distributor independently carrying out the duties required

1 of a distributor responsibility organization described in this  
2 chapter; and

3 (d) Carry a clear and conspicuous marking indicating the refund  
4 value of the container in the state of Washington. This requirement  
5 may be satisfied through the abbreviation "WARV" or any other  
6 standard abbreviation approved by the department. A qualifying  
7 beverage container for wine may satisfy the requirement to indicate  
8 the refund value of the container through the use of a quick response  
9 code.

10 (3) A distributor responsibility organization registered with the  
11 department may require deposits to be collected to offset the refund  
12 value up to 60 days prior to the start of the deposit return system.

13 NEW SECTION. **Sec. 12.** BULK DROP-OFF PROGRAM AND DROP-OFF  
14 NETWORK FOR COLLECTING QUALIFYING BEVERAGE CONTAINERS. (1) The  
15 distributor responsibility organization must, at its own cost,  
16 provide a convenient bulk drop-off option for bagged qualifying  
17 beverage containers through a network of geographically dispersed  
18 locations in Washington that sell beverages in qualifying beverage  
19 containers, are located a convenient distance from a dealer, are  
20 located at a publicly owned facility, or are otherwise convenient for  
21 consumers. The distributor responsibility organization may not charge  
22 customers for the use of this drop-off service and must credit the  
23 cost of any required bag purchase back to the customer when the bag  
24 is returned and processed through the deposit return system.

25 (2) The distributor responsibility organization shall provide a  
26 sufficient number and distribution of drop-off facilities to achieve  
27 the redemption rate performance requirements included in section 9 of  
28 this act. The distributor responsibility organization's plan  
29 submitted to the department must provide an analysis and rationale  
30 supporting how the distributor responsibility organization's proposed  
31 distribution of drop-off facilities is designed to meet the  
32 redemption rate performance requirements included in section 9 of  
33 this act. Within the number of locations necessary to achieve the  
34 redemption rate performance targets identified through the analysis  
35 and rationale included in its plan, the distributor responsibility  
36 organization shall consider the following factors in making drop-off  
37 facility location decisions: (a) Proximity to the volume of beverage  
38 sales occurring in an area; (b) access in rural counties; (c) access  
39 in small cities; (d) convenient access for people living in

1 communities serviced by the Washington state ferries system; and (e)  
2 convenient access for people in economically strained areas and in  
3 underserved urban areas.

4 (3) The distributor responsibility organization, with input from  
5 the consumer convenience advisory council established in section 14  
6 of this act, may provide alternative access plans for areas where the  
7 beverage sales volume would otherwise necessitate drop-off capacity,  
8 but where drop-off locations cannot be secured. The department may  
9 approve the alternative access plan if it deems it to be similarly  
10 convenient to consumers.

11 (4) All dealers over 5,000 square feet and with qualifying  
12 beverage container unit sales greater than 100,000 annually must  
13 install a self-serve kiosk, provided at no charge by the distributor  
14 responsibility organization, to facilitate the printing of redemption  
15 vouchers, pay the value of redemption vouchers to customers, and must  
16 sell bags for the bulk redemption program at the price established by  
17 the distributor responsibility organization. The distributor  
18 responsibility organization shall reimburse dealers for the value of  
19 valid vouchers redeemed by customers. Dealers may additionally offer  
20 a voucher redemption option for funds to be used as store credit.  
21 There is no other cost or requirement for dealers associated with  
22 container redemption.

23 (5) Drop-off locations may be located at dealers, or any other  
24 retail establishment, publicly owned facility, or any other location  
25 convenient to consumers. However, nothing in this chapter may be  
26 interpreted to create a legal obligation on the part of dealers  
27 either to accept returned qualifying beverage containers or allow a  
28 drop-off location to be sited at a dealer.

29 (6) Storage and drop-off containers sited for the purpose of  
30 fulfilling the requirements of this section are considered temporary  
31 mobile containers regardless of whether they have wheels, have  
32 electrical power, or are affixed to the site.

33 (7) If the distributor responsibility organization uses automated  
34 industrial counting equipment to count containers returned in bulk  
35 and credit refund values to consumers, the distributor responsibility  
36 organization may use commercially viable methods of counting, and  
37 shall have a customer service system, which serves as the sole remedy  
38 to resolve complaints and discrepancies.

39 (8) The distributor responsibility organization may create  
40 reasonable terms and conditions for participation in the program.

1           NEW SECTION.     **Sec. 13.**     DROP-OFF CAPACITY FORMULA AND NETWORK

2 GROWTH AND REALIGNMENT. (1) The number of locations required to be  
3 provided by the distributor responsibility organization in an  
4 approved plan to achieve the redemption rate performance targets  
5 required for the 2032 reporting year must be used to calculate a  
6 drop-off capacity formula. The drop-off capacity formula is equal to  
7 the ratio of drop-off locations required in the distributor  
8 responsibility organization's approved plan to achieve the 2032  
9 redemption rate performance targets to total anticipated sales of  
10 beverages in qualifying beverage containers the prior year.

11           (2) Five years after the distributor responsibility organization  
12 begins operating a deposit return system, and every five years after  
13 that, the distributor responsibility organization shall calculate an  
14 updated number of drop-off locations required using the drop-off  
15 capacity formula. If this calculation determines that the distributor  
16 responsibility organization needs to add additional drop-off sites to  
17 reach the number required by the drop-off capacity formula, the  
18 distributor responsibility organization shall provide the department  
19 with a list of proposed new locations, equal to the number determined  
20 by the drop-off capacity formula, disbursed based on the factors  
21 included in section 12 of this act and input from the consumer  
22 convenience advisory council established in section 14 of this act.  
23 The distributor responsibility organization shall make the new drop-  
24 off locations available within three years.

25           NEW SECTION.     **Sec. 14.**     CONSUMER CONVENIENCE ADVISORY COUNCIL.

26 (1) The distributor responsibility organization shall establish the  
27 consumer convenience advisory council by January 1, 2026, or 60 days  
28 after a distributor responsibility organization's registration is  
29 approved by the department, whichever is later.

30           (2) The consumer convenience advisory council shall include the  
31 following members: (a) A representative of the distributor  
32 responsibility organization charged with securing and making  
33 available drop-off locations; (b) two representatives of a grocery  
34 association or individual grocer with more than 10 retail locations  
35 over 5,000 square feet in size in the state; (c) two representatives  
36 of a city association, or individual city government, with one  
37 representing a city with a population over 200,000 people; (d) two  
38 representative of a county association, or individual county  
39 government, with one representing an urban county and one

1 representing a rural county; (e) an environmental organization; and  
2 (f) an organization representing glass, plastic, or metal packaging  
3 beverage container packaging.

4 (3) Any additional representatives beyond those specified in  
5 subsection (2) of this section deemed by the distributor  
6 responsibility organization to provide important insight into  
7 assisting with the deployment of drop-off locations may be approved  
8 by the department.

9 (4) The consumer convenience advisory council shall: (a) Work  
10 with the distributor responsibility organization to identify  
11 potential bag drop-off locations and achieve the consumer convenience  
12 required in section 12 of this act; (b) provide input on the location  
13 of new sites required by the drop-off capacity formula as described  
14 in section 13 of this act; and (c) consult in the selection of the  
15 third-party firm to conduct the consumer convenience assessment as  
16 described in section 15 of this act.

17 (5) The consumer convenience advisory council shall meet at least  
18 twice per year and more frequently at the request of the distributor  
19 responsibility organization.

20 NEW SECTION. **Sec. 15.** CONSUMER CONVENIENCE ASSESSMENT AND  
21 UPDATED PLAN SUBMISSIONS. (1) (a) In the fourth and ninth full year in  
22 which a distributor responsibility organization operates a deposit  
23 return system in the state, the distributor responsibility  
24 organization, in consultation with the department and the consumer  
25 convenience advisory council established in section 14 of this act,  
26 shall retain a third-party consultant to conduct an assessment of  
27 consumer convenience.

28 (b) The distributor responsibility organization shall contract  
29 with and pay for the independent third-party consultant to identify  
30 any barriers to achieving the redemption rate performance  
31 requirements in section 9 of this act.

32 (2) If the third-party assessment finds that the number of drop-  
33 off locations required in the distributor responsibility  
34 organization's plan under section 9 of this act has not been reached,  
35 or that the redemption rate is significantly below the redemption  
36 rate performance targets in section 9 of this act, the consultant  
37 shall make recommendations to the department, the distributor  
38 responsibility organization, and the consumer convenience advisory

1 council, regarding ways to increase consumer convenience and enhance  
2 performance.

3 (3) A distributor responsibility organization shall submit an  
4 updated plan to the department for review in the year following the  
5 year of each consumer convenience assessment under this section and  
6 shall address the recommendations included in the third-party  
7 assessment. The department shall review the updated plans. If, in its  
8 review of an updated plan, the department determines that the plan is  
9 insufficient to meet the redemption rate performance targets in  
10 section 9 of this act or the convenience requirements in section 12  
11 of this act, it shall issue a notice of insufficiency to the  
12 distributor responsibility organization, describing the ways in which  
13 the distributor responsibility organization's plan is insufficient to  
14 meet the performance and convenience requirements. Upon receipt of a  
15 notice of insufficiency from the department, the distributor  
16 responsibility organization has 60 days to submit an updated plan.  
17 If, after 60 days, the distributor responsibility organization fails  
18 to submit an updated plan, or if the updated plan does not adequately  
19 address the elements of insufficiency identified by the department,  
20 the department shall inform the appropriate committees of the house  
21 of representatives and the senate of its analysis of the sufficiency  
22 of the updated plans by December of the year in which the updated  
23 plan was submitted.

24 NEW SECTION. **Sec. 16.** COORDINATION WITH PRODUCER RESPONSIBILITY  
25 ORGANIZATIONS AND FACILITATING THE REDEMPTION OF QUALIFYING BEVERAGE  
26 CONTAINERS COLLECTED THROUGH OTHER RECYCLING PATHWAYS. (1) Included  
27 in its plan submitted to the department, the distributor  
28 responsibility organization shall include a description of how the  
29 distributor responsibility organization and the deposit return system  
30 will coordinate with other recycling systems and processes, including  
31 coordinating with producer responsibility organizations operating in  
32 the state. As part of its coordination with producer responsibility  
33 organizations, the distributor responsibility organization must  
34 coordinate with any producer responsibility organization that  
35 includes boxed wine in a plastic bladder as a covered product to  
36 explore potential partnerships, efficiencies, and consumer  
37 convenience available through cooperation between the systems.

38 (2) The distributor responsibility organization must accept, and  
39 must pay the full refund value for, any qualifying beverage



1 containers returned to the distributor responsibility organization by  
2 material recovery facilities, governmental entities, and other  
3 processing facilities if all of the following criteria are met: (a)  
4 The qualifying beverage containers have been collected and separated  
5 in accordance with standards established by the distributor  
6 responsibility organization and are delivered directly to a  
7 distributor responsibility organization processing facility; (b) in  
8 order to avoid redeeming containers not purchased in the state, the  
9 material recovery facilities, governmental entities, and other  
10 processing facilities may only handle or process materials from this  
11 state, or provide third-party auditing and verification sufficient to  
12 confirm that the containers being returned were recovered only from  
13 material originating in the state; and (c) the containers are  
14 separated by material type, not contaminated with other materials or  
15 substances, and are not crushed, broken, or otherwise substantially  
16 manipulated into a shape other than the shape of the container at the  
17 time of purchase.

18 (3) The distributor responsibility organization's plan submitted  
19 to the department must include a description of the standards for how  
20 qualifying beverage containers must be collected, separated, and  
21 delivered to a distributor responsibility organization processing  
22 facility by material recovery facilities, governmental entities, and  
23 other processing facilities in order to be eligible for a refund.

24 (4) Nothing in this chapter requires a person, including a  
25 business, to use the infrastructure provided by a deposit return  
26 system created under this chapter or precludes the disposal or  
27 recycling of qualifying beverage containers via curbside recycling  
28 collection systems.

29 NEW SECTION. **Sec. 17.** ALTERNATIVE REDEMPTION PARTNERSHIPS FOR  
30 PROVIDING IMMEDIATE REFUNDS TO CONSUMERS. (1) A distributor  
31 responsibility organization operating a deposit return system shall  
32 include in its plan a method to accept direct, sorted returns in  
33 commercial quantities at its processing facilities for an additional  
34 refund value premium if the containers are returned by organizations  
35 certified as a nonprofit organization pursuant to section 501(c)(3)  
36 of the internal revenue code that are approved by the distributor  
37 responsibility organization and serve very low-income individuals who  
38 rely on regular container refunds through the deposit return system  
39 as a source of daily funds. The distributor responsibility

1 organization may provide pick-up service for containers collected  
2 under this section.

3 (2) To limit fraud and ensure that services are deployed where  
4 they are most needed, the distributor responsibility organization may  
5 approve or deny partnerships described in this section at its sole  
6 discretion.

7 (3) The distributor responsibility organization plan submitted  
8 under section 10 of this act must include a: (a) Description of how  
9 it will establish partnerships with nonprofit organizations receiving  
10 the additional refund value premium; and (b) process for annually  
11 reporting to the department regarding the names, locations, return  
12 volume, and any other services provided through the partnership.

13 NEW SECTION. **Sec. 18.** ANNUAL REPORTING ON ACTIVITIES. (1)  
14 Beginning July 1st of the year following the year a distributor  
15 responsibility organization begins operating a deposit return system  
16 in the state, and every July 1st thereafter, a distributor  
17 responsibility organization must submit an annual report to the  
18 department for the preceding calendar year of plan implementation.

19 (2) Each annual report must include the following information:

20 (a) A list of its member distributors and their brands of  
21 beverages in qualifying beverage containers;

22 (b) The number of qualifying beverage containers supplied into  
23 the state in aggregate and by material categories of glass, metal,  
24 and plastic, by members of the distributor responsibility  
25 organization;

26 (c) (i) The number of beverages in reusable containers that were  
27 supplied into the state in aggregate and by material categories of  
28 glass, metal, and plastic, by members of the distributor  
29 responsibility organization;

30 (ii) A report describing the successes, challenges, and  
31 opportunities for refillable bottles in Washington; and

32 (iii) A statistical sample or other available data providing an  
33 estimate of the reuse rates of reusable containers for beverages;

34 (d) The number of qualifying beverage containers redeemed in  
35 aggregate and by material categories of glass, metal, and plastic,  
36 including reusable containers, through the deposit return system  
37 operated by the distributor responsibility organization;

38 (e) A list and explanation of beverage types in qualifying  
39 beverage containers supplied or sold in Washington by members of the

1 distributor responsibility organization and brands of qualifying  
2 beverage containers participating in the deposit return system;

3 (f) The amount and final destination of recycled material and  
4 disposed material managed by the program;

5 (g) The total budget for the distributor responsibility  
6 organization;

7 (h) The total value of unclaimed refunds, including unclaimed  
8 refunds used by the distributor responsibility organization to  
9 support operations;

10 (i) The annual redemption rate by qualifying beverage container  
11 material category and reuse sales rate; and

12 (j) For drop-off bags made of film plastic, reporting on their  
13 postconsumer recycled content and the recycling markets for the used  
14 bags.

15 (3) The reporting described in subsection (2)(b) of this section  
16 does not include containers that are sold to dealers outside of the  
17 state or to other entities for delivery outside of the state.

18 (4) A distributor responsibility organization may rely on member  
19 reporting for the reporting requirements in this chapter.

20 (5) Included in its annual report, a distributor responsibility  
21 organization shall provide verification from a third-party financial  
22 auditing firm confirming: (a) The total budget for the distributor  
23 responsibility organization and the total cost of implementing the  
24 plan approved by the department; (b) the total value of unclaimed  
25 refunds; (c) a verification that funds represented by unclaimed  
26 refunds were not distributed to members of the cooperative as a  
27 dividend or similar form of profit; and (d) a verification that funds  
28 represented by unclaimed refunds were not used for legislative or  
29 political advocacy efforts that require reporting under chapter  
30 42.17A RCW.

31 NEW SECTION. **Sec. 19.** DENIAL OF REFUND VALUE FOR SOME  
32 QUALIFYING BEVERAGE CONTAINERS. (1) The distributor responsibility  
33 organization is not required to accept or pay refunds for:

34 (a) Beverage containers visibly containing or contaminated by a  
35 substance other than water, residue of the original contents, or  
36 ordinary dust;

37 (b) Beverage containers that are crushed, broken, or damaged to  
38 the extent that the brand appearing on the container cannot be easily  
39 identified;

1 (c) Any beverage container for which the distributor  
2 responsibility organization has reasonable grounds to believe was not  
3 purchased through the state's deposit return system or for which a  
4 refund has already been given.

5 (2) In the case of subsection (1)(c) of this section, the  
6 distributor responsibility organization shall include in its plan  
7 submittal to the department a description of the reasonable grounds  
8 it will use to determine if a refund should be rejected for a  
9 qualifying beverage container.

10 NEW SECTION. **Sec. 20.** EDUCATION AND OUTREACH ACTIVITIES. (1)

11 Each plan implemented by a distributor responsibility organization  
12 under this chapter must include education and outreach activities  
13 that effectively reach diverse residents, are accessible, are clear,  
14 and support the achievement of the redemption rate performance  
15 requirements described in section 9 of this act.

16 (2) To implement the education and outreach activities described  
17 in the plan, a distributor responsibility organization must, at  
18 minimum:

19 (a) Develop and provide outreach and educational materials,  
20 resources, and campaigns about the program to be used by the  
21 distributor responsibility organization, dealers, governmental  
22 entities, and nonprofit organizations. The materials, resources, and  
23 campaigns developed under this subsection to encourage participation  
24 in the deposit return system must, at minimum provide:

25 (i) Information to residents on recycling and reuse practices  
26 related to the deposit return system, including where and how to  
27 redeem qualifying beverage containers, and what happens to containers  
28 once they are returned; and

29 (ii) Education and engagement with users of the deposit return  
30 system to reduce the rate of inbound contamination or unwanted  
31 materials;

32 (b) Use media channels that may include, but are not limited to,  
33 print publications, radio, television, the internet, and online  
34 streaming services to promote the program statewide;

35 (c) Use consistent and easy to understand messaging and education  
36 statewide, with the aim of reducing resident confusion regarding the  
37 recyclability, reuse, compostability, and end-of-life management  
38 options available for different qualifying beverage containers;

1 (d) Be conceptually, linguistically, and culturally accurate for  
2 the communities served and tailored to effectively reach the state's  
3 diverse populations, including through meaningful consultation with  
4 overburdened communities and vulnerable populations;

5 (e) Establish a process for answering customer questions and  
6 resolving customer concerns;

7 (f) Provide a map of each area where drop-off and other  
8 collection services for qualifying beverage containers are available  
9 on its website; and

10 (g) Evaluate the effectiveness of education and outreach efforts  
11 for the purposes of making progress toward the redemption rate  
12 performance requirements established in section 9 of this act.

13 (3) A distributor responsibility organization may coordinate with  
14 governmental entities that choose to participate in carrying out  
15 resident education and outreach regarding the deposit return system.

16 NEW SECTION. **Sec. 21.** SMALL-SCALE REFUND PROGRAM. (1) A  
17 distributor that is also a manufacturer may submit a plan to the  
18 department to operate a small-scale refund program for beverages in  
19 qualifying beverage containers produced by the manufacturer, and the  
20 department may approve the plan if it meets all of the following  
21 criteria:

22 (a) The manufacturer sells or distributes no more than 10,000  
23 beverages in qualifying beverage containers per year in the state;

24 (b) The beverages are packages in reusable qualifying beverage  
25 containers;

26 (c) The manufacturer offers a refund value for the containers  
27 that is greater than the refund value for containers redeemed by the  
28 distributor responsibility organization;

29 (d) The department determines that the plan includes return  
30 pathways and options that are convenient for consumers returning  
31 their brand of beverage containers covered by the plan for a refund;  
32 and

33 (e) The plan includes annual reporting requirements that, in the  
34 department's determination, are sufficient to measure the performance  
35 of the small-scale refund program.

36 (2) If the department approves a small-scale refund program plan  
37 as described in this section, the distributor manufacturer operating  
38 a plan approved by the department is not subject to the requirements  
39 of distributors independently complying with the requirements in this

1 chapter for those containers covered by the small-scale refund  
2 program plan.

3 (3) Reusable containers sold through a program approved through  
4 this section count towards the reusable container performance  
5 requirements described in section 9 of this act.

6 (4) The department may revoke plan approval for a manufacturer  
7 distributor operating a small-scale refund program at any time if, in  
8 its sole discretion, the department determines that the program is  
9 not providing sufficient performance or not meeting the consumer  
10 convenience requirements submitted with its plan.

11 NEW SECTION. **Sec. 22.** RECYCLING REVENUE AUGMENTATION FUNDING  
12 PROGRAM. (1) For the first five years in which a deposit return  
13 system is operated by a distributor responsibility organization in  
14 this state, a distributor responsibility organization shall remit  
15 \$15,000,000 by December 31st of each year to the department of  
16 commerce's recycling revenue augmentation account created in section  
17 23 of this act. If the first year of operation of a deposit return  
18 system begins after January 1st, the payment amount must be prorated  
19 in accordance with the portion of the year in which the deposit  
20 return system is operating. These payments constitute the full  
21 financial obligation of the distributor responsibility organization  
22 to the recycling revenue augmentation funding program.

23 (2) The department of commerce shall administer the recycling  
24 revenue augmentation funding program, which must, for the first five  
25 years in which a distributor responsibility organization operates a  
26 deposit return system in this state:

27 (a) Collect funds from a distributor responsibility organization  
28 as described in subsection (1) of this section; and

29 (b) Beginning January 1st of the year following the year in which  
30 a distributor responsibility organization first operates a deposit  
31 return system in the state, and each January 1st for the following  
32 four years, accept requests annually from local governments, or  
33 operators of curbside or drop-off recycling programs in the state, or  
34 both, to receive funds from the recycling revenue augmentation  
35 funding program to offset revenue losses from the previous calendar  
36 year from scrap material being diverted to the deposit return system.

37 (3) Requests consistent with subsection (2)(b) of this section  
38 must be received by the department of commerce by July 1st of each  
39 year for the preceding calendar year. These requests must include

1 third-party audited financial data demonstrating any revenue losses  
2 from the value of scrap materials diverted from curbside or drop-off  
3 recycling programs by a deposit return system, less any decreased  
4 operating costs from not collecting, hauling, processing, or  
5 landfilling the material, less any new revenue provided through other  
6 producer responsibility programs created by the legislature in 2024  
7 or later that offsets or partially offsets revenue losses, and less  
8 any material weight losses represented by the operator serving fewer  
9 accounts. For local government and publicly operated curbside or  
10 drop-off recycling programs, the governmental entity's annual audit  
11 may satisfy the audited data requirement of this section if the  
12 department of commerce determines that it is sufficient to verify the  
13 claim. Each request must include the average total tons of glass,  
14 plastic, and metal for that applicant for the three years preceding  
15 the operation of a deposit return system in the state, compared to  
16 the total tons of glass, plastic, and metal material for the year for  
17 which payments are requested.

18 (4) The department of commerce shall: (a) Evaluate all requests  
19 annually and determine the validity of the data submitted by each  
20 requester; (b) reject requests that do not include sufficient or  
21 sufficiently accurate data; (c) make payments from the recycling  
22 revenue augmentation account created in section 23 of this act to  
23 operators of curbside and drop-off recycling systems proportionally,  
24 based on valid requests and available revenue in the account; and (d)  
25 after the close of each calendar year, remit any unobligated balance  
26 in the recycling revenue augmentation account created in section 23  
27 of this act to the distributor responsibility organization.

28 NEW SECTION. **Sec. 23.** RECYCLING REVENUE AUGMENTATION ACCOUNT.

29 The recycling revenue augmentation account is created in the custody  
30 of the state treasurer. All receipts received by the department of  
31 commerce under section 22 of this act must be deposited in the  
32 account. Expenditures from the account may be used by the department  
33 of commerce only for implementing and administering the requirements  
34 of this chapter. Only the director of the department of commerce or  
35 the director's designee may authorize expenditures from the account.  
36 The account is subject to the allotment procedures under chapter  
37 43.88 RCW, but an appropriation is not required for expenditures.

1        NEW SECTION.        **Sec. 24.**        DEPOSIT RETURN ORGANIZATION PROGRAM  
2 ACCOUNT. The deposit return organization program account is created  
3 in the custody of the state treasurer. All receipts received by the  
4 department under this chapter must be deposited in the account.  
5 Expenditures from the account may be used by the department only for  
6 implementing, administering, and enforcing the requirements of this  
7 chapter. Only the director of the department or the director's  
8 designee may authorize expenditures from the account. The account is  
9 subject to the allotment procedures under chapter 43.88 RCW, but an  
10 appropriation is not required for expenditures.

11        NEW SECTION.        **Sec. 25.**        MINIMUM POSTCONSUMER RECYCLED CONTENT OF  
12 DROP-OFF BAGS. If drop-off bags used for qualifying beverage  
13 containers under a deposit return system are made of plastic film,  
14 bags must have a minimum postconsumer recycled content that equals  
15 the minimum postconsumer recycled content standard under chapter  
16 70A.245 RCW for plastic trash bags and the distributor responsibility  
17 organization must be able to demonstrate that the recovered film from  
18 bags is recycled.

19        NEW SECTION.        **Sec. 26.**        CIVIL PENALTIES FOR DISTRIBUTOR  
20 RESPONSIBILITY ORGANIZATIONS. (1) Upon notice of a significant  
21 violation of the deposit return system plan or performance  
22 requirements of this chapter by a distributor responsibility  
23 organization, and after a cure period of at least 60 days, the  
24 department may assess a civil penalty of at least \$200 per violation  
25 per day, but no more than \$500 per violation per day.

26        (2) The department shall make its best efforts to work with the  
27 distributor responsibility organization to remedy issues without the  
28 use of penalties and make reasonable accommodations when the nature  
29 of the violation is significantly outside of the distributor  
30 responsibility organization's control or is not feasible for the  
31 distributor responsibility organization to quickly remedy.

32        (3) A failure to achieve the redemption rate performance  
33 requirements specified in section 9 of this act is not subject to the  
34 penalties described in this section and is instead subject to the  
35 penalties described in section 9 of this act.

36        (4) A civil penalty may not be assessed based on the reuse sales  
37 rate performance requirements.



1        NEW SECTION.        **Sec. 27.**        CONTINGENCY. If a distributor  
2 responsibility organization ceases to exist and operate a deposit  
3 return system in Washington, other than for temporary disruptions due  
4 to unforeseen circumstances, as determined by the department, or if a  
5 distributor responsibility organization and the department fail to  
6 reach agreement on an initial plan to operate a deposit return  
7 system, the deposit return system must be discontinued, the  
8 requirements and provisions of this chapter may not be enforced, and  
9 qualifying beverage containers become covered products under any  
10 relevant extended producer responsibility programs that apply.

11        NEW SECTION.        **Sec. 28.**        A new section is added to chapter 82.04  
12 RCW to read as follows:

13        In computing tax due under this chapter, a taxpayer may deduct  
14 from the measure of tax amounts derived from charges for the refund  
15 value of qualifying beverage containers as required under chapter  
16 70A.--- RCW (the new chapter created in section 36 of this act). To  
17 qualify for this deduction, the taxpayer must separately itemize the  
18 charges for the refund value on a receipt, invoice, or similar  
19 billing document given to the purchaser. The amount of the deduction  
20 claimed under this section for a reporting period may not exceed the  
21 aggregate charges for the refund value of qualifying beverage  
22 containers for beverages sold by the taxpayer during such a reporting  
23 period.

24        **Sec. 29.**        RCW 82.19.050 and 2005 c 289 s 1 are each amended to  
25 read as follows:

26        The litter tax imposed in this chapter does not apply to:

27        (1) The manufacture or sale of products for use and consumption  
28 outside the state;

29        (2) The value of products or gross proceeds of the sales exempt  
30 from tax under RCW 82.04.330;

31        (3) The sale of products for resale by a qualified grocery  
32 distribution cooperative to customer-owners of the grocery  
33 distribution cooperative. For the purposes of this section,  
34 "qualified grocery distribution cooperative" and "customer-owner"  
35 have the meanings given in RCW 82.04.298;

36        (4) The sale of food or beverages by retailers that are sold  
37 solely for immediate consumption indoors at the seller's place of  
38 business or at a deck or patio at the seller's place of business, or

1 indoors at an eating area that is contiguous to the seller's place of  
2 business; ((~~or~~))

3 (5) (a) The sale of prepared food or beverages by caterers where  
4 the food or beverages are to be served for immediate consumption in  
5 or on individual nonsingle use containers at premises occupied or  
6 controlled by the customer.

7 (b) For the purposes of this subsection, the following  
8 definitions apply:

9 (i) "Prepared food" has the same meaning as provided in RCW  
10 82.08.0293.

11 (ii) "Nonsingle use container" means a receptacle for holding a  
12 single individual's food or beverage that is designed to be used more  
13 than once. Nonsingle use containers do not include pizza delivery  
14 bags and similar insulated containers that do not directly contact  
15 the food. Nonsingle use containers do not include plastic or paper  
16 plates or other containers that are disposable.

17 (iii) "Caterer" means a person contracted to prepare food where  
18 the final cooking or serving occurs at a location selected by the  
19 customer; or

20 (6) The charge for the refund value of qualifying beverage  
21 containers as required under chapter 70A.--- RCW (the new chapter  
22 created in section 36 of this act), if the charge is separately  
23 stated on a receipt, invoice, or similar billing document given to  
24 the purchaser.

25 NEW SECTION. Sec. 30. The provisions of RCW 82.32.805 and  
26 82.32.808 do not apply to sections 28 and 29 of this act.

27 NEW SECTION. Sec. 31. A new section is added to chapter 35.21  
28 RCW to read as follows:

29 Permitting or siting procedures applicable to a storage or drop-  
30 off container under chapter 70A.--- RCW (the new chapter created in  
31 section 36 of this act) must be consistent with section 12(6) of this  
32 act.

33 NEW SECTION. Sec. 32. A new section is added to chapter 35A.21  
34 RCW to read as follows:

35 Permitting or siting procedures applicable to a storage or drop-  
36 off container under chapter 70A.--- RCW (the new chapter created in

1 section 36 of this act) must be consistent with section 12(6) of this  
2 act.

3 NEW SECTION. **Sec. 33.** A new section is added to chapter 36.01  
4 RCW to read as follows:

5 Permitting or siting procedures applicable to a storage or drop-  
6 off container under chapter 70A.--- RCW (the new chapter created in  
7 section 36 of this act) must be consistent with section 12(6) of this  
8 act.

9 **Sec. 34.** RCW 70A.245.100 and 2021 c 313 s 13 are each amended to  
10 read as follows:

11 The recycling enhancement account is created in the custody of  
12 the state treasurer. All penalties collected by the department  
13 pursuant to RCW 70A.245.040 and 70A.245.050 and chapter 70A.--- RCW  
14 (the new chapter created in section 36 of this act) must be deposited  
15 in the account. Only the director of the department or the director's  
16 designee may authorize expenditures from the account. The account is  
17 subject to the allotment procedures under chapter 43.88 RCW, but an  
18 appropriation is not required for expenditures. Expenditures from the  
19 account may be used by the department only for providing grants to  
20 local governments for the purpose of supporting local solid waste and  
21 financial assistance programs.

22 NEW SECTION. **Sec. 35.** (1) In consultation with distributor  
23 responsibility organizations under this chapter, the department and  
24 the department of revenue must study:

25 (a) The impacts of distributor requirements under this chapter on  
26 the litter rates of covered products and qualifying beverage  
27 containers under this chapter; and

28 (b) Possible improvements to the structure of the litter tax  
29 under chapter 82.19 RCW including, but not limited to,  
30 administration, compliance, and distribution of the tax and  
31 application of the tax to certain products, for achieving the purpose  
32 of chapter 82.19 RCW.

33 (2) By January 1, 2030, the department, in consultation with the  
34 department of revenue, must provide recommendations to the  
35 appropriate committees of the legislature on:

36 (a) Applicability of the litter tax to covered products and  
37 qualifying beverage containers, based on whether the purpose of the

1 litter tax under chapter 82.19 RCW is being achieved for those  
2 products by the requirements of producers and distributors under this  
3 chapter; and

4 (b) Improvements to the structure of the litter tax for meeting  
5 the purposes of chapter 82.19 RCW.

6 (3) This section expires July 1, 2030.

7 NEW SECTION. **Sec. 36.** Sections 1 through 27 and 35 of this act  
8 constitute a new chapter in Title 70A RCW.

--- END ---