#### SUBSTITUTE HOUSE BILL 1131

#### State of Washington 68th Legislature 2023 Regular Session

**By** House Environment & Energy (originally sponsored by Representatives Berry, Doglio, Reed, Fitzgibbon, Taylor, Pollet, Ryu, Ortiz-Self, Ramel, Callan, Macri, Simmons, Chopp, Lekanoff, Duerr, Wylie, Stonier, and Kloba)

AN ACT Relating to improving Washington's solid waste management 1 2 amending RCW 70A.245.010, 70A.245.020, 70A.245.030, outcomes; 70A.245.040, 70A.245.090, 70A.245.100, 70A.245.120, 70A.245.060, 3 70A.205.010, 70A.205.045, 81.77.030, 4 70A.205.005, 81.77.040, 81.77.160, 81.77.185, 43.21B.110, and 43.21B.300; adding a new 5 section to chapter 70A.222 RCW; adding a new section to chapter 6 7 70A.350 RCW; adding a new section to chapter 70A.245 RCW; adding a 8 new section to chapter 70A.230 RCW; adding a new section to chapter 70A.340 RCW; adding a new section to chapter 70A.455 RCW; adding a 9 new section to chapter 69.50 RCW; adding new chapters to Title 70A 10 RCW; creating a new section; repealing RCW 70A.245.110; prescribing 11 12 penalties; and providing an expiration date.

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

## 14

## Part One

# 15Providing for Producer Responsibility in the Management of Packaging16and Paper Products

17 <u>NEW SECTION.</u> Sec. 101. FINDINGS—INTENT. (1) The legislature 18 finds that, as of 2023, Washington's statewide waste recovery rate, 19 which seeks to preserve public health, safety, and welfare, and 20 conserve energy and natural resources, has been on a declining trend

since 2011 and that Washington is not meeting the statewide goal of
 50 percent recycling established in 1989.

(2) The legislature finds that packaging designs and materials 3 have changed and the way Washington's residents use, consume, and 4 manage materials when no longer wanted has also changed significantly 5 6 in recent years. These shifts have created unintended consequences, such as the deterioration of ecosystems regionally and worldwide, as 7 well as increased levels of pollution and greenhouse gas emissions 8 that contribute to global climate change, and reductions in human 9 well-being, especially for the most vulnerable populations. 10

11 (3) The legislature finds that convenient and environmentally 12 sound extended producer responsibility programs that include collecting, transporting, reusing, and recycling, or the proper end-13 of-life management of unwanted products help protect Washington's 14 environment and the health of state residents. In general, the 15 16 state's waste management hierarchy establishes that products should 17 be managed in a manner where a priority is placed on prevention, waste reduction, source reduction, reuse, and recycling over energy 18 19 recovery and landfill disposal.

(4) The legislature finds that many residents, particularly those who live in rural areas and in multifamily residences, do not have access to convenient or affordable curbside recycling, and must rely on taking recyclables to drop box locations, and that extended producer responsibility programs could make curbside recycling available and affordable for most people in the state.

26 (5) The legislature also finds that the department of ecology was 27 directed, through an independent consultant, to study how plastic packaging is managed in the state, assess various policy options, and 28 that the study recommendations included establishing an extended 29 producer responsibility policy for all consumer packaging and paper 30 31 products with a framework that makes producers responsible for 32 achieving specific management and environmental outcomes for the packaging and paper products they supply into Washington state, as 33 well as recommending that postconsumer recycled content requirements 34 and a deposit return system for beverage containers be established. 35

36 (6) In addition, the legislature finds extended producer 37 responsibility policies designed to cover all consumer packaging and 38 paper materials offer the potential for greater economies of scale 39 and operational efficiencies than could be achieved under a policy 40 applied only to a subset of materials.

1 (7) It is the intent of the legislature to require that extended producer responsibility programs, including the achievement 2 of recycling rates, are implemented by and for producers of consumer 3 packaging and paper products in a manner that involves producers in 4 material management from design concept to end-of-life. These 5 6 programs incentivize innovation and research to develop more 7 efficient recycling technologies and minimize environmental impacts of the packaging and paper products. 8

(8) It is also intended that these programs be responsibly 9 managed, so that covered products are handled and accounted for from 10 11 the point of collection through the final destination in a way that 12 benefits the environment and minimizes risks to public health and worker health and safety. It is intended that these programs build 13 14 expand on the existing waste and recycling system's and 15 infrastructure and reliance on the role of local governments and the 16 utilities and transportation commission in solid waste management.

(9) It is also the intent of the legislature that producers
increase the use of postconsumer recycled content in their products,
to achieve the goals in RCW 70A.520.010(2), in order to create strong
markets for recycled materials and achieve environmental benefits.

(10) It is the intent of the legislature that, through design and innovation, producers will reduce the use and climate impact of consumer packaging and paper products, increase the use of postconsumer recycled content, and make all packaging reusable, recyclable, or compostable.

(11) Finally, it is the intent of the legislature that Washington 26 27 should maintain the successful public-private partnership between 28 state, local government, and solid waste and recycling service providers. The legislature does not intend to diminish or displace 29 the primary role of the utilities and transportation commission and 30 31 local governments in regulating or contracting directly with service 32 providers for the curbside collection of residential recyclables. 33 Local governments maintain their existing authority to collect, contract for collection with solid waste and recycling service 34 providers, or defer to solid waste collection services regulated by 35 the utilities and transportation commission. 36

37 <u>NEW SECTION.</u> Sec. 102. DEFINITIONS. The definitions in this 38 section apply throughout this chapter unless the context clearly 39 requires otherwise.

1 (1) "Advisory council" means the advisory council created in 2 section 120 of this act.

3 (2) "Alternative recycling process" means a recycling process4 that occurs other than through purely mechanical means.

5 (3) "Aluminum" means a covered product made of the chemical 6 element aluminum that forms a silvery white to dull gray, nonmagnetic 7 metal.

8 (4) "Brand" means a name, symbol, word, logo, or mark that 9 identifies a product and attributes the product and its components, 10 including packaging, to the brand owner of the product as the 11 producer.

12 (5) "Brand owner" means a person who owns or licenses a brand or 13 who otherwise has rights to market a product under the brand, whether 14 or not the brand trademark is registered.

15 (6) "Compostable" means a product that is capable of undergoing 16 aerobic biological decomposition in a composting system, that results 17 in the material being broken down primarily into carbon dioxide, 18 water, inorganic compounds, and biomass, and is in compliance with 19 the requirements for a product labeled as compostable under chapter 20 70A.455 RCW.

(7) "Composting system" means a system meeting the requirements of chapter 70A.205 RCW applicable to facilities that treat solid waste for composting.

(8) "Consumer" means a person who purchases or receives a covered product and is the intended end user or recipient of the covered product.

27 (9) "Contamination" means:

(a) The presence of materials in a given collected material
 stream that are not on the list of materials designated for
 collection in that material stream; or

31 (b) The presence of materials in a given recycled material 32 delivered as a feedstock or commodity that are not specified or 33 accepted as a component of the feedstock or commodity.

34 (10) "Covered product" means packaging and paper products sold or35 supplied to consumers for personal, noncommercial use.

36 (11) "Department" means the department of ecology.

37 (12) "Designated for collection" means the covered products that 38 are included in the material categories listed in a producer 39 responsibility organization's plan to be collected for reuse or 40 recycling. 1 (13) "Eliminate" or "elimination," with respect to source 2 reduction, means the removal of a plastic component from a covered 3 material.

4 (14) "Final disposition" means the point at which a covered 5 product:

6 (a) Becomes a reused material;

7

(b) Becomes a recycled material; or

8 (c) Is delivered to a disposal site, as defined in RCW 9 70A.205.015.

10 (15) "Flexible plastic" means any covered product made of 11 polymers that is flexible in form, including films and multilayer 12 laminates.

13 (16) "Glass" means a covered product made of soda lime glass.

14 (17) "Government entity" means any:

(a) County, city, town, or other local government, including any
 municipal corporation, quasi-municipal corporation, or special
 purpose district, or any office, department, division, bureau, board,
 commission, or agency thereof, or other local public agency;

19 (b) State office, department, division, bureau, board, 20 commission, or other state agency;

(c) Federally recognized Indian tribe whose traditional lands and territories include parts of Washington; or

23 (d) Federal office, department, division, bureau, board,24 commission, or other federal agency.

(18) "Material category" means a group of covered products defined by the producer responsibility organization that have similar properties such as chemical composition, shape, or other characteristics including, but not limited to:

29

(a) Plastic beverage containers;

30 (b) Rigid plastic, excluding plastic beverage containers;

- 31 (c) Flexible plastic;
- 32 (d) Paper;
- 33 (e) Aluminum;
- 34 (f) Steel; and
- 35 (g) Glass.

36 (19) "Overburdened communities" means the overburdened 37 communities identified and prioritized by the department under RCW 38 70A.02.050(1)(a).

39 (20)(a) "Packaging" means a material, substance, or object that 40 is: 1

(i) Used to protect, contain, transport, or serve a product;

2 (ii) Sold or supplied to consumers expressly for the purpose of
3 protecting, containing, transporting, or serving products;

4 (iii) Attached to a product or its container for the purpose of 5 marketing or communicating information about the product;

6 (iv) Supplied at the point of sale to facilitate the delivery of 7 the product; or

8 (v) Supplied to or purchased by consumers expressly for the 9 purpose of facilitating food or beverage consumption that is 10 ordinarily discarded by consumers after a single use or short-term 11 use, whether or not it could be reused.

12 (b) "Packaging" does not include:

(i) Materials intended to be used for the long-term storage or protection of a durable product, that is intended to transport, protect, or store the product on an ongoing basis, and that can be expected to be usable for that purpose for a period of at least five years;

18 (ii) For purposes of this chapter only, materials used to package 19 pesticide products regulated by the federal insecticide, fungicide, 20 and rodenticide act, 7 U.S.C. Sec. 136 et seq. that are in direct 21 contact with the regulated product. This exemption does not include 22 products regulated by the United States food and drug administration;

23 (iii) Products excluded temporarily under section 128 of this 24 act;

25 (iv) Qualifying beverage containers and container labels and 26 closures, but not secondary or ancillary packaging, subject to the requirements of chapter 70A.--- RCW (the new chapter created in 27 28 section 603 of this act), upon the receipt by the department of a written notice under section 303 of this act regarding the 29 designation of a distributor responsibility organization to implement 30 31 a deposit return system under chapter 70A.--- RCW (the new chapter 32 created in section 603 of this act);

33 (v) Liquified petroleum gas containers that are designed to be 34 refilled and reused;

(vi) Packaging material that is in direct contact with a product that is regulated as animal biologics, including vaccines, bacterins, antisera, diagnostic kits, and other products of biological origin under the federal virus-serum-toxin act, 21 U.S.C. Sec. 151 et seq., as amended; and

1 (vii) Packaging related to containers of architectural paint that 2 has been collected by a stewardship organization under the program 3 established in chapter 70A.515 RCW.

4 (21) "Paper" means packaging or paper products made of paper
5 fiber, regardless of its cellulosic fiber source, which may include,
6 but is not limited to: Wood, wheat, rice, cotton, bananas,
7 eucalyptus, bamboo, hemp, and sugar cane or bagasse.

8 (22) "Paper product" means paper sold or supplied including, but 9 not limited to, flyers, brochures, booklets, catalogs, magazines, 10 copy paper, printing paper, and all other paper materials except for: 11 (a) Bound books; (b) conservation grade and archival grade paper; (c) 12 newspapers; (d) paper designed for use in building construction; and 13 (e) paper products that, by any common and foreseeable use, could 14 reasonably be anticipated to become unsafe or unsanitary to handle.

15 (23) "Plan" means description of the approach and activities 16 developed by a producer responsibility organization to fulfill the 17 requirements and to carry out the responsibilities of producers under 18 this chapter.

19 (24) "Postconsumer recycled content" has the same meaning as 20 defined in section 201 of this act.

(25) (a) "Producer" means the following person responsible for compliance with requirements under this chapter for a covered product sold, offered for sale, or distributed in or into this state:

24 (i) For products sold in or with packaging at a physical retail 25 location in this state:

(A) If the product is sold in or with packaging under the brand
of the product manufacturer or is sold in packaging that lacks
identification of a brand, the producer of the packaging is the
person that manufactures the product;

30 (B) If the product is sold under a retail brand, the producer is 31 the retail brand owner;

32 (C) If the product is manufactured by a person other than the 33 brand owner, the producer of the packaging is the person that is the 34 licensee of a brand or trademark under which a packaged item is used 35 in a commercial enterprise, sold, offered for sale, or distributed in 36 or into this state, whether or not the trademark is registered in 37 this state; or

38 (D) If there is no person described in (a)(i)(A), (B), or (C) of 39 this subsection within the United States, the producer of the 40 packaging is the person who imports the packaged product into the

SHB 1131

United States for use in a commercial enterprise that sells, offers
 for sale, or distributes the product in this state.

3 (ii) For products sold or distributed in packaging in or into 4 this state via e-commerce, remote sale, or distribution:

5 (A) For packaging used to directly protect or contain the 6 product, the producer of packaging is the same as the producer for 7 purposes of (a)(i) of this subsection; and

8 (B) For packaging used to ship the product to a consumer, the 9 producer of the packaging is the person that packages and ships the 10 product to the consumer.

(iii) For packaging that is a covered product and is not included in (a)(i) and (ii) of this subsection, the producer of the packaging is the person that first distributes the packaged product in or into this state.

(iv) For paper products that are magazines, newspapers, catalogs, telephone directories, or similar publications, the producer is the publisher.

18 (v) For paper products not described in (a)(iv) of this 19 subsection, the producer is:

20 (A) The person that manufactures the paper product under the 21 manufacturer's own brand;

(B) If the paper product is manufactured by a person other than the brand owner, the producer of the paper product is the person that is the owner or licensee of a brand or trademark under which the paper product is used in a commercial enterprise, sold, offered for sale, or distributed in or into this state, whether or not the trademark is registered in this state; or

(C) If there is no person described in (a)(v)(A) or (B) of this subsection within the United States, the producer of the paper product is the person that imports the paper product into the United States for use in a commercial enterprise that sells, offers for sale, or distributes the paper product in this state.

(vi) A person who would be considered a "producer" of a covered product sold, offered for sale, or distributed in or into this state, as defined in (a)(i) through (v) of this subsection, can designate another responsible producer for that covered product if another person agrees to accept responsibility and has registered as the producer responsible for that covered product under this chapter.

1 (i) Government agencies, municipalities, or other political subdivisions of the state; 2

(ii) Registered 501(c)(3) charitable organizations and 501(c)(4) 3 social welfare organizations; or 4

(iii) De minimis producers that annually sell, offer for sale, 5 6 distribute, or import:

7 (A) In Washington state less than one ton of covered products; 8 and

(B) That have a global gross revenue of less than \$5,000,000 for 9 the most recent fiscal year of the organization. 10

11

(26) "Producer responsibility organization" means:

12 (a) A nonprofit organization that qualifies for a tax exemption under 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code 13 and is designated by a producer or group of producers to develop and 14 carry out the activities required of producers by this chapter; 15

16

(b) Until January 15, 2026, an organization that has applied for 17 a tax exemption under 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code and is designated by a producer or group of 18 producers to develop and carry out the activities required of 19 producers under this chapter; 20

21 (c) A producer that registers with the department as a producer 22 responsibility organization; or

23 (d) An organization as defined by rule by the department consistent with section 104(6) of this act. 24

25 (27) "Program" means the activities conducted to implement an 26 approved producer responsibility organization plan.

(28) (a) "Public place" is an indoor or outdoor location open to 27 and generally used by the public and to which the public is permitted 28 29 to have access including, but not limited to, streets, sidewalks, plazas, town squares, public parks, beaches, forests, or other public 30 31 land open for recreation or other uses, and transportation facilities 32 such as bus and train stations, airports, and ferry terminals.

(b) "Public place" does not include a retail establishment or 33 industrial, commercial, or privately owned property that is not 34 required to be accessible to the public. 35

(29) "Recyclable" means a covered product that is collected, 36 separated, and reprocessed into a recycled material, and that does 37 not contain harmful chemical, physical, biological, or radiological 38 39 substances that will pose a threat to human health or the environment for its intended or likely manner of use. 40

1 (30)(a) "Recycled material" means material derived from covered 2 products that is reprocessed into products or delivered as feedstocks 3 or commodities to a responsible end market for use in the production 4 of new products whether for the original or another purpose.

5 (b) "Recycled material" does not include energy recovery and the 6 reprocessing of materials that are to be used as fuels or landfill 7 cover.

8 (31) "Responsible end market" means a materials market in which 9 the recycling of materials and the disposal of contaminants is 10 conducted in a way that:

11

(a) Minimizes impacts to the environment; and

12 (b) Minimizes risks to public health and worker health and 13 safety.

14 (32) "Responsible management" means the handling, tracking, and 15 disposition of covered products from the point of collection through 16 the final destination of the collected material in a way that 17 minimizes impacts to the environment and minimizes risks to public 18 health and worker health and safety.

19 (33) "Responsible producer" means a producer that is not a de 20 minimis producer.

(34) "Retail establishment" includes any person, corporation, partnership, business, facility, vendor, organization, or individual that sells or provides merchandise, goods, or materials directly to a customer.

25 (35) "Reusable" means:

26 (a) For packaging that is reused or refilled by a producer, the27 packaging satisfies all of the following:

(i) Explicitly designed and marketed to be utilized multiple
 times for the same product, or for another purposeful packaging use
 in a supply chain;

31 (ii) Designed for durability to function properly in its original 32 condition for multiple cycles of reuse or refill;

33 (iii) Supported by adequate infrastructure to ensure the 34 packaging can be conveniently and safely reused or refilled for 35 multiple cycles; and

36 (iv) Repeatedly recovered, inspected, and reissued into the 37 supply chain for reuse or refill for multiple cycles.

38 (b) For packaging that is reused or refilled by a consumer, the 39 packaging satisfies all of the following: (i) Explicitly designed and marketed to be utilized multiple
 times for the same product;

3 (ii) Designed for durability to function properly in its original 4 condition for utilization in multiple cycles of reuse or refill; and

5 (iii) Supported by adequate and convenient availability of 6 services or infrastructure to ensure the packaging can be 7 conveniently and safely reused or refilled by the consumer multiple 8 times.

9 (36) "Reused material" means material that is collected after use 10 and reused for its original or similar purpose or function.

11 (37) "Rigid plastic" means any covered product made of polymers 12 that is rigid or semirigid in form, including foams.

13 (38) "Socially just management" means practices that:

(a) Provide equitable access to and benefits from services,
regardless of race, income, socioeconomic status, health, and other
population vulnerability or sensitivity characteristics;

17 (b) Prevent or, if not preventable, minimize environmental harms 18 or risks; and

(c) Prevent or, if not preventable, minimize and mitigate impacts to overburdened communities or vulnerable populations identified by the department.

22 (39) "Steel" means any covered product made of a ferrous metal 23 substance.

24 (40) "Vulnerable populations" has the same meaning as defined in 25 RCW 70A.02.010.

Sec. 103. PRODUCER RESPONSIBILITY ORGANIZATION 26 NEW SECTION. 27 DUTIES. (1) (a) Beginning July 15, 2024, each producer that offers for sale, sells, or distributes in or into Washington a covered product 28 must join a producer responsibility organization that is registered 29 30 with the department or register with the department as a producer 31 responsibility organization. A producer that has not joined a producer responsibility organization may not sell or supply covered 32 products in or into Washington. 33

34 (b) Until the conclusion of the initial plan implementation 35 period as provided under section 108 of this act, the department must 36 only accept the registration of a single producer responsibility 37 organization, other than any producers that register individually as 38 a producer responsibility organization. Until the conclusion of the 39 initial plan implementation period, producers of covered products

p. 11

SHB 1131

1 must either join the producer responsibility organization or register individually as a producer responsibility organization for purposes 2 of compliance under this section. If applications for more than one 3 producer responsibility organization are submitted to the department 4 by July 15, 2024, not counting applications submitted by individual 5 6 producers, the department must determine which proposed producer 7 responsibility organization can most effectively implement this 8 chapter.

(c) If more than one producer responsibility organization is 9 registered with the department, the producer responsibility 10 11 organizations must submit a coordination plan to the department for 12 approval. If requested by the producer responsibility organizations, the department may serve as a coordinating body or oversee 13 coordination of producer responsibility organization plans. The 14 requirements of this subsection apply to the initial plan period 15 16 consisting of a single producer responsibility organization and any 17 producers registering individually, and subsequent plan periods where multiple producer responsibility organizations and individual 18 19 producers may register with the department.

(d) A person who would be determined to be the producer of a covered product, based on the definition of "producer" as defined in section 102 of this act, is not required to join a producer responsibility organization for that covered product if another person has joined a producer responsibility organization and registered as the producer responsible for that covered product under this chapter.

(2) A producer responsibility organization that meets the definition under section 102 of this act that implements or proposes to implement a plan under this chapter may not include on its board of directors, or otherwise be governed by, representatives or affiliates of any public or private entities that submit bids to perform work for the producer responsibility organization or that contract with the producer responsibility organization.

34 (3) By July 15, 2024, and each July 15th thereafter, each 35 producer, through a submission by a producer responsibility 36 organization, must register with the department. A registration 37 submission by a producer responsibility organization must include the 38 following:

39 (a) (i) A list of all their member producers and their brands of40 covered products, and members of the board of directors;

1 (ii) If there are changes to the list of member producers and 2 brands or members of the board of directors by the end of a given 3 quarter, a producer responsibility organization must submit an 4 updated list to the department within 30 days of the end of that 5 quarter.

6 (b) Until a producer responsibility organization begins to submit 7 annual reports, as specified under section 119 or 209 of this act, 8 the following data for the prior calendar year:

9 (i) The weight, by material category, of covered products 10 supplied into the state to consumers;

11 (ii) A description of how the producer responsibility 12 organization has distinguished and apportioned the quantities of packaging and paper products sold or supplied to consumers that are 13 considered covered products under this chapter, from quantities of 14 packaging and paper products sold or supplied for other uses that are 15 16 not considered covered products under this chapter. A producer 17 responsibility organization may rely on member reporting for this description. The weight of any covered products that are reusable or 18 19 compostable must each be reported separately from the weight of other types of covered products; and 20

(iii) A list of all member producers and their brands of postconsumer recycled content products required to meet the postconsumer recycled content requirements of chapter 70A.--- RCW (the new chapter created in section 602 of this act).

(c) A producer responsibility organization may submit national or regional data allocated on a per capita basis for Washington to approximate the information required in this subsection if statelevel data is not available or feasible to generate.

(4) By June 30, 2025, and every June 30th thereafter, every registered producer responsibility organization must submit an annual payment to the department for the preceding fiscal year, as determined by the department in section 104 of this act, to fund the:

(a) Costs to implement, administer, and enforce this chapter and
 chapter 70A.--- RCW (the new chapter created in section 602 of this
 act), including rule making;

36 (b) Statewide needs assessment established in section 105 of this 37 act; and

38 (c) Support and facilitation of the advisory council created in 39 section 120 of this act.

1 (5) Within six months of the first adoption of rules relating to 2 this chapter, every registered producer responsibility organization 3 must submit a plan meeting the requirements of section 107 of this 4 act to the department for approval consistent with the requirements 5 of this chapter.

6 (a) A producer responsibility organization registered with the 7 department as of July 15, 2026, must:

8 (i) Implement its plan as approved by the department by January 9 1, 2028, or within six months of plan approval, whichever is later;

10 (ii) Submit the annual postconsumer recycled content report to 11 the department in April for the prior calendar year required in 12 section 209 of this act; and

(iii) Submit an annual report for the prior calendar year to the department consistent with section 119 of this act by July 1, 2029, and each July 1st thereafter.

16 (b) A producer responsibility organization registering for the 17 first time with the department after July 15, 2026, must:

(i) Submit the list of producers, brands, board members, data, and department payment as required in subsections (3) and (4) of this section;

(ii) Submit a plan to the department for approval, informed by a stakeholder consultation process and consistent with the requirements of this chapter, within one year of registration;

(iii) Submit a new or revised plan within 60 days after receiptof a letter of disapproval from the department, if applicable;

26 (iv) Implement its plan as approved by the department within six 27 months of approval;

(v) Submit the annual postconsumer recycled content report forthe prior calendar year required in section 209 of this act; and

30 (vi) Submit an annual report for the prior calendar year to the 31 department consistent with section 119 of this act by July 1st, 32 beginning the first year after plan implementation.

33 (6) A producer responsibility organization must respond, in 34 writing, to the advisory council's written comments and 35 recommendations within 60 days of receipt.

36 <u>NEW SECTION.</u> Sec. 104. DEPARTMENT'S DUTIES. (1) The department 37 must implement, administer, and enforce this chapter. The 38 department's implementation, administration, and enforcement duties 39 under this chapter, including the requirements of this section, are

p. 14

SHB 1131

1 supplemented by the provisions of chapter 70A.--- RCW (the new 2 chapter created in section 602 of this act).

3 (2)(a) By April 1, 2025, and every April 1st thereafter, the 4 department must:

5 (i) Prepare a workload analysis that identifies the projected 6 annual costs to implement, administer, and enforce this chapter and 7 chapter 70A.--- RCW (the new chapter created in section 602 of this 8 act), including rule making, in the next fiscal year;

9 (ii) Determine a total annual fee payment to be paid by each 10 producer responsibility organization that is adequate to cover, but 11 not exceed, the costs identified in (a)(i) of this subsection and the 12 costs of the:

(A) Performance rates study and the statewide needs assessmentestablished in section 105 of this act; and

15 (B) Support and facilitation of the advisory council created in 16 section 120 of this act;

(iii) Until rules are adopted under (a)(iv) of this subsection, issue a general order to all registered producer responsibility organizations. The department must equitably determine fee amounts for producer responsibility organizations;

(iv) By 2026, adopt rules to equitably determine annual fee payments by producer responsibility organizations. Once these rules are adopted, the general order issued under (a)(iii) of this subsection is no longer effective; and

(v) Send notice to producer responsibility organizations of fee amounts due consistent with either the general order issued under (a)(iii) of this subsection or rules adopted under (a)(iv) of this subsection.

29 (b) The department must:

30 (i) Apply any remaining annual payment funds from the current 31 year to the annual payment for the coming fiscal year, if the 32 collected annual payment exceeds the costs identified under (a)(ii) 33 of this subsection for a given year; and

(ii) Increase annual payments for the coming fiscal year to cover the costs identified under (a)(ii) of this subsection, if the collected annual payment was less than the amount required to cover those costs for a given year.

38 (3) The department must review the performance rates proposed by 39 producer responsibility organizations as required in section 111 of

1 this act and which must be achieved by the ninth calendar year from 2 the effective date of this section. The department must:

3 (a) Upon receipt from the producer responsibility organization,
4 make proposed performance rates available for public review and
5 comment for at least 30 days;

6 (b) Review proposed performance rates within 90 days of receipt 7 of a complete submission;

8 (c) Make a determination as to whether or not to approve proposed 9 performance rates and notify the producer responsibility organization 10 of the:

(i) Determination of approval if the submission meets the requirements of this chapter, taking into consideration comments received under (a) of this subsection; or

14 (ii) Reasons for not approving a submission of proposed 15 performance rates. The producer responsibility organization must 16 submit new or revised proposed performance rates within 30 days after 17 receipt of the letter of disapproval.

18 (4) (a) The department must review new, updated, and revised plans 19 submitted by producer responsibility organizations as required in 20 section 108 of this act. The department must:

(i) Make new, updated, and revised plans available for public review and comment for at least 30 days prior to the department's approval decision;

(ii) Review new, updated, and revised producer responsibilityorganization plans within 120 days of receipt of a complete plan;

26 (iii) Make a determination as to whether or not to approve a 27 plan, plan update, or plan revision and notify the producer 28 responsibility organization of the:

(A) Determination of approval if a plan provides for a program
 that meets the requirements of this chapter, taking into
 consideration comments received under (a) (i) of this subsection; or

32 (B) Reasons for not approving a plan. The producer responsibility 33 organization must submit a new or revised plan within 60 days after 34 receipt of the letter of disapproval. In the event that a new or 35 revised plan submitted by a producer responsibility organization does 36 not sufficiently meet the requirements of this chapter, including any 37 deficiencies identified in the initial letter of disapproval, the 38 department may:

39 (I) Use the enforcement powers specified in section 123 of this 40 act; or 1 (II) Amend the contents of the insufficient new or revised plan 2 in a manner that ensures that the plan meets the requirements of this 3 chapter and the department may require the producer responsibility 4 organization to implement the plan as amended by the department.

5 (b) The approval of a plan by the department does not relieve 6 producers participating in the plan from responsibility for 7 fulfilling the requirements of this chapter.

8 (5) The department must review annual reports submitted by 9 producer responsibility organizations as required in section 119 of 10 this act and under chapter 70A.--- RCW (the new chapter created in 11 section 602 of this act). The department must:

12 (a) Make annual reports available for public review and comment 13 for at least 30 days upon the receipt of the annual report by the 14 department;

15 (b) Review within 120 days of receipt of a complete annual 16 report;

17 (c) Make a determination as to whether or not an annual report 18 meets the requirements of section 119 of this act and notify the 19 producer responsibility organization of the:

20

(i) Determination of approval of the annual report; or

(ii) Reasons for not approving the annual report. The producer responsibility organization must submit a revised annual report within 60 days after receipt of the letter of disapproval;

(d) Notify a producer responsibility organization if the annual report demonstrates that the program and activities to implement the plan fail to achieve the performance rates approved by the department or otherwise fail to achieve significant requirements under this chapter.

(6) The department must adopt rules as necessary to implement,
 administer, and enforce this chapter.

31 (7) Except where otherwise provided in this chapter, the 32 department shall seek to adopt rules that are harmonized with the 33 regulatory standards, exemptions, reporting obligations, and other 34 compliance requirements of other states that:

(a) Have adopted producer responsibility programs similar to theprogram established in this chapter; and

(b) (i) Are home to producers that supply, or have the potential to supply, significant quantities of covered products to Washington markets; or (ii) To which Washington supplies, or has the potential to
 supply, significant quantities of covered products.

3 (8) The department may by rule require producer responsibility organizations to fund activities to make convenient collection 4 services available for recycling of covered products designated for 5 6 collection from locations or entities determined to be significant sources of covered product waste and that are additional to those 7 locations identified under section 113 of this act. These locations 8 or entities may include, but are not limited to, public places and 9 official gatherings at which a local government provides solid waste 10 11 services. These locations or entities may not include retail 12 establishments. Rules adopted under this subsection apply to producer responsibility organizations no earlier than January 1, 2029, and may 13 14 be updated no more frequently than every five years.

15

(9) The department must maintain a public website that:

(a) Lists each registered producer responsibility organization
 along with its member producers and their covered products that are
 included under the producer responsibility organization's plan; and

19 (b) Makes available each plan and annual report received by the 20 department under this chapter.

21 <u>NEW SECTION.</u> Sec. 105. RATE STUDY AND STATEWIDE NEEDS 22 ASSESSMENT. (1) To inform the implementation of the program, the 23 department must conduct a performance rates study and a statewide 24 needs assessment that must be:

(a) Carried out by a third-party consultant selected by thedepartment; and

27 (b) Funded through payments or reimbursements collected from 28 producer responsibility organizations.

(2) (a) The performance rates study must be completed by September1, 2024, and must:

(i) Use the recycling rates from the department's January 2023
 Washington Consumer Packaging and Paper Study: Recycling Rate
 Assessment and Recommendations;

34 (ii) Use relevant information and recommendations from the 35 department's 2020 plastic packaging study reports, including:

36 (A) Plastic Packaging in Washington: Assessing Use, Disposal, and
 37 Management;

(B) Recycled Content Use in Washington: Assessing Demand,
 Barriers, and Opportunities;

p. 18

SHB 1131

1 (C) Successful Plastic Packaging Management Programs and 2 Innovations: Washington Plastic Packaging Management Study;

3 (D) Recommendations for Managing Plastic Packaging Waste in
 4 Washington; and

5 (E) Evaluation, Assessment, and Recommendations for the 6 Responsible Management of Plastic Packaging in Washington;

7 (iii) Review the performance rates set and achieved in 8 jurisdictions with producer responsibility programs for packaging or 9 similar programs and evaluate whether those rates are applicable in 10 the state;

11

(iv) Recommend performance rates, including:

12 (A) A rate for the overall combined reuse and recycling of13 covered products;

(B) A separate specific minimum reuse rate, that must be countedwithin the overall combined reuse and recycling rate;

16 (C) A source reduction rate to be achieved solely by eliminating 17 plastic components; and

(D) If a distributor responsibility organization under chapter 18 19 70A.--- RCW (the new chapter created in section 603 of this act) has notified the department of its intent to implement a deposit return 20 system at least six months prior to the date of the completion of a 21 22 new or updated performance rates study under this section, alternate 23 rates as described under (a) (iv) (A) through (C) of this subsection that exclude qualifying beverage containers that are to be managed 24 25 under the deposit return system.

(b) Recommendations under (a) of this subsection must consider the feasibility of achieving recommended rates based on current rates achieved in the state, rates achieved in other jurisdictions with similar programs, and additional relevant data. The recommended performance rates must be designed to be achieved for covered products statewide by 2032.

32 (c) The advisory council and any producer responsibility 33 organization that is registered with the department by July 15, 2024, 34 must have the opportunity to review and comment on a draft 35 performance rates study prior to its completion.

36 (d) No more frequently than every five years, the department may 37 update the performance rates study required under this section, 38 consistent with subsection (1) of this section.

39 (3) The first statewide needs assessment must be completed by 40 July 1, 2025, and must be consistent with the following requirements:

1 (a) The final scope of the statewide needs assessment must be 2 determined after considering comments and recommendations from the 3 advisory council established in section 120 of this act, from the 4 utilities and transportation commission, and from any producer 5 responsibility organization that is registered with the department by 6 July 15, 2024; and

7 (b) The utilities and transportation commission, the advisory 8 council created in section 120 of this act, and registered producer 9 responsibility organizations must have the opportunity to review and 10 comment on the draft statewide needs assessment prior to its 11 completion.

12 (4) The statewide needs assessment must be:

19

13 (a) Informed by the findings and recommendations of the 14 performance rates study established in this section and the rates 15 submitted by producer responsibility organizations and approved by 16 the department under section 111 of this act; and

17 (b) Accepted from the selected consultant as complete by the 18 department.

(5) The statewide needs assessment must:

20 (a) Evaluate the capacity, costs, gaps, and needs for the 21 following factors:

(i) Availability and types of recycling services for covered products relative to the convenience standards specified in section 113 of this act and to additional potential service methods recommended by producer responsibility organizations during the study scoping process;

(ii) Education and outreach activities relative to the standardsspecified in section 118 of this act;

(iii) Availability and performance of collection, transport, and processing capacity and infrastructure relative to the management standards specified in section 110 of this act and the approved performance rates submitted by producer responsibility organizations, including consideration of material quality and contamination;

34 (iv) Availability and performance of collection, transport, and 35 processing capacity and infrastructure to manage compostable covered 36 products, including consideration of the material quality and 37 contamination;

38 (v) Necessary capital investments to existing reuse and recycling 39 infrastructure; and 1 (vi) Infrastructure or other factors necessary to enable reuse of 2 covered products or the recycling of covered products not currently 3 recycled in the residential recycling system;

(b) Compile information related to actual costs incurred by 4 government entities, including entities of sparsely populated, remote 5 6 areas and dense urban areas, for curbside collection services, dropoff collection services, and other information relevant to the 7 funding requirements for producer responsibility organizations in 8 accordance with section 112 of this act, including costs for various 9 service methods recommended by producer responsibility organizations 10 11 during the study scoping process;

12 (c) Identify cost factors and other variables to be considered in 13 the development of base cost formulas for establishing per unit 14 reimbursement rates to government entities for curbside collection 15 services delivered in accordance with this chapter. Cost factors and 16 variables to be considered in the base cost formulas include:

17

(i) Population size and density of a local jurisdiction;

18

(ii) Types of households serviced and collection method used;

19 (iii) Distance from a local jurisdiction to the nearest recycling 20 facility;

(iv) Whether a jurisdiction pays for transportation and sorting of collected materials and whether it receives recycled commodity material revenue from processed materials;

(v) Geographic location or other variables contributing to regional differences in costs, including sparsely populated, remote areas and dense urban areas;

27

(vi) Cost increases over time; and

(vii) Any other factors, recycled commodity material revenue, as determined to be necessary by the department, with input from producer responsibility organizations, the advisory council, and the utilities and transportation commission;

32 (d) Identify cost factors, recycled commodity material revenue, 33 and other variables to be considered in the development of 34 reimbursement rates to government entities for any services other 35 than curbside collection that may be included in producer 36 responsibility organization plans to be carried out by government 37 entities;

(e) Identify issues to be considered in the development of aservice agreement template outlining terms and conditions for

1 reimbursement to government entities for services delivered in 2 accordance with the requirements of this chapter;

(f) Compile relevant information to be considered in the 3 development of criteria by the department to determine whether a 4 covered product is recyclable, reusable, or compostable. 5 The 6 department may adopt rules establishing criteria for the 7 determination of whether a covered product is recyclable, reusable, or compostable. The relevant information to be compiled may include 8 whether covered product materials are: 9

(i) Or may be, collected, separated, and processed in sufficient quantity and quality into a marketable feedstock that can be used in the production of new products; or

13 (ii) Designed in a way that is problematic for reuse, recycling, 14 or composting;

(g) Evaluate how the state's recycling system can be managed in a socially just manner for the purpose of informing how each producer responsibility organization implementing a plan can support this objective as it relates to activities required under this chapter. The assessment must:

(i) Include meaningful consultation with overburdened communitiesand vulnerable populations;

22 (ii) Determine conditions and make recommendations including, at 23 minimum:

24 (A) An evaluation of recycling processing facility worker25 conditions, wages, and benefits;

(B) The availability of opportunities in the recycling system forwomen and minority individuals;

28 (C) The sufficiency of local government requirements related to 29 multifamily recycling services and their implementation;

30 (D) Identification of activities that disproportionately impact 31 any community and in particular overburdened communities and 32 vulnerable populations;

(E) The sufficiency of recycling education and outreach programs
 relative to desired socially just management outcomes; and

35 (F) Recommendations for improving socially just management 36 practices and outcomes in the state's recycling system, including 37 considerations for how a producer responsibility organization 38 implementing a plan can support this objective as it relates to 39 activities required under this chapter;

1 (h) Evaluate the extent to which covered products contribute to 2 litter and marine debris for the purpose of informing how a producer 3 responsibility organization implementing a plan can support litter 4 and marine debris prevention as it relates to activities required 5 under this chapter. The assessment should draw on available data, 6 assess gaps, and identify strategies for improving prevention and 7 cleanup of litter and marine debris from covered products;

(i) Compile information from available data sources on the 8 presence of toxic substances in covered products and their potential 9 impacts on reuse, recycling, and composting systems. The information 10 11 compiled is intended to inform the development of eco-modulation 12 factors by a producer responsibility organization that incentivize the reduction of toxic substances that have potentially negative 13 impacts when covered products are managed through reuse, recycling, 14 and home and commercial composting systems. 15

16 (6) (a) In consultation with the advisory council, the utilities 17 and transportation commission, and registered producer responsibility 18 organizations, the department may update the statewide needs assessment to inform the development of producer responsibility 19 organization plans, including updates to base cost formulas to be 20 used for establishing reimbursement rates to government entities for 21 22 services delivered in accordance with the requirements of this 23 chapter. Any updates must include an evaluation of public place recycling needs prior to the department considering a requirement, by 24 25 rule, for public place recycling funding activities under section 26 104(8) of this act.

(b) The scope of a needs assessment or needs assessment update may be adjusted to modify or omit study elements described under subsection (3) of this section, after consultation with the advisory council, the utilities and transportation commission, and any producer responsibility organization by January 15th of the year in which the statewide needs assessment update is to be conducted.

33 (c) The scope of a needs assessment update may include an 34 analysis of the plastic resin market including:

(i) Analyzing market conditions and opportunities in the state's recycling industry for meeting the minimum postconsumer recycled content requirements for covered products identified in chapter 70A.--- RCW (the new chapter created in section 602 of this act); and

1 (ii) Determining the data needs and tracking opportunities to 2 increase the transparency and support of a more effective, fact-based 3 public understanding of the recycling industry.

(d) A needs assessment performed prior to January 1, 2029, that
includes an analysis of the plastic resin market as described in (c)
of this subsection is sufficient to satisfy the requirements of RCW
70A.245.060.

Sec. 106. PLAN PARTICIPATION OBLIGATION-8 NEW SECTION. 9 STAKEHOLDER CONSULTATION FOR PLAN. (1) Each producer of covered products must participate in, implement, and fund a producer 10 responsibility organization plan approved 11 by the department, 12 consistent with the timelines established in sections 103 and 108 of this act, and in accordance with the funding requirements established 13 in section 112 of this act. 14

15 (2) A producer responsibility organization that is registered 16 with the department must develop and maintain a public website with 17 enhanced language access informing the public of plan implementation 18 details, including collection services and locations for each type of 19 covered product, and a current list of all member producers and 20 brands of covered products participating in the plan.

21 (3) Prior to submitting a new, updated, or revised plan to the department, a producer responsibility organization must conduct a 22 23 consultation process to directly and actively involve stakeholders in development of key plan elements established in section 107 of this 24 25 act. The producer responsibility organization, through the 26 consultation process, must solicit and respond to input and recommendations from the advisory council established in section 120 27 of this act, the utilities and transportation commission, and other 28 stakeholders. The consultation process required in advance of the 29 submission of a plan to the department is in addition to the 30 31 department-led public comment process specified in section 104(4) of this act. At a minimum, the consultation process must include: 32

(a) Opportunities for all stakeholders, including the advisory council, the utilities and transportation commission, and members of the public to provide comment on the plan for no less than 30 days prior to its submission to the department; and

37 (b) Documentation of all comments received from the advisory 38 council and other stakeholders, and summary of responses provided by 39 the producer responsibility organization for purposes of a

p. 24

SHB 1131

1 stakeholder consultation report to be included with the submission of a plan to the department. The stakeholder consultation report must 2 also describe each forum in which comments or input was received and 3 how it was addressed in the plan. 4

NEW SECTION. Sec. 107. PLAN CONTENTS—OVERVIEW. All plans and 5 6 plan updates must contain the following information:

7 (1) Identification of the governing board members of the producer 8 responsibility organization;

(2) A list and explanation of the covered products supplied or 9 sold in or into Washington by each member producer and their brands 10 11 of covered products participating in the plan;

12 (3) A description of the structure of the fees owed by producers 13 to be used to implement the plan, including the eco-modulation of fees consistent with section 112 of this act; 14

(4) How the producer responsibility organization will encourage 15 16 and incentivize waste prevention and reduction of consumer packaging 17 and paper products and their associated climate impacts;

18 (5) How the producer responsibility organization will encourage and incentivize redesign of covered products to be 19 reusable, 20 recyclable, or compostable. Nothing in this chapter requires any 21 individual producer to redesign covered products to reduce waste or 22 to be reusable, recyclable, or compostable, or requires any 23 individual covered product to be reusable, recyclable, or 24 compostable;

(6) How the producer responsibility organization will use and 25 26 interact with recycling programs and infrastructure that predate the 27 implementation of the plan;

(7) How the producer responsibility organization will fund reuse 28 and recycling infrastructure and market development in Washington 29 state as described in section 117 of this act; 30

31 (8) How the program will maximize the efficiency of the system of collecting and managing covered products through reuse and recycling; 32

(9) (a) A list of covered products designated for collection 33 statewide as required under section 113 of this act; 34

35 (b) The list required in (a) of this subsection must identify the 36 covered products designated for collection from residents statewide:

Through curbside collection or, where curbside 37 (i) garbage service is not available, through permanent collection facilities; 38 39

(ii) Through alternate collection; and

1

(iii) Through public place collection;

2 (c) If the list required in (a) of this subsection includes any 3 covered product that is not recyclable as defined in section 102 of 4 this act, the plan must provide a justification for its inclusion on 5 the list and describe activities to be undertaken to allow the 6 covered product to meet the definition of recyclable within a 7 reasonable time frame;

8 (10)(a) A list and description of any covered products that are 9 compostable and the collection systems and processing infrastructure 10 and other activities that will be used to ensure responsible 11 management of compostable covered products;

12 (b) A list and description of covered product reuse and refill 13 collection systems and processing infrastructure;

(11) Activities to be undertaken to make convenient collection services available for covered products in accordance with the convenience standards established under section 113 of this act including, at minimum, the following information:

(a) The jurisdictions where curbside collection services are
 available or are anticipated to be available upon the implementation
 of a plan, including the following service details:

(i) Service provider information, including whether the service provider is a government entity, a private service provider under contract with a government entity, or a private service provider regulated by the utilities and transportation commission; and

(ii) Service frequency, schedule, collection methods, types of covered products included, and other pertinent service details, including whether any changes are anticipated as part of plan implementation;

(b) The locations of permanent collection facilities, the planned hours in which free and equitable access will be provided, and the types of covered products to be collected at each location, including whether any changes are anticipated as part of plan implementation;

33 (c) The types of alternate collection used other than permanent 34 collection facilities, including detailed descriptions of the 35 collection methods, any physical infrastructure used, covered 36 products included, and whether any changes are anticipated as part of 37 plan implementation; and

38 (d) The locations of public place collection services, covered 39 products included, and whether any changes are anticipated as part of 40 plan implementation;

SHB 1131

1 (12) Proposed performance rates for covered products reported as 2 supplied, as described in section 111 of this act, including a 3 description of the basis and reasoning for the rates proposed;

4

(13) Activities to be undertaken to meet the performance rates;

5 (14) Activities to be undertaken to implement the education and 6 outreach component as required under section 118 of this act;

(15) Activities to facilitate recycling of covered products back 7 into covered products and encourage development of circular economic 8 activity in the state and region. The producer responsibility 9 10 organization shall provide a description of how the producers would 11 propose to structure agreements to purchase recycled materials from 12 material recovery facilities or other processing facilities, reclaimers, or other end markets to support producers' priority 13 access to commodities, based on fair market pricing for commodities 14 15 of comparable quality and considering long-term contracts and other 16 purchase arrangements;

(16) Activities to be undertaken to minimize the amount and cost of residuals from the collection and processing of covered materials designated for collection. These include residuals from materials recovery facilities or similar facilities producing specificationgrade commodities for sale, but do not include residuals from further processing of end market-ready material;

23 (17) Activities to be undertaken to develop or support 24 responsible end markets for covered products;

(18) A description of how plan implementation will maintain responsible management practices for covered products through to final disposition and ensure that any covered products collected for recycling will be delivered to a responsible end market as reported by material recovery facilities under section 110(5) of this act;

30 (19) (a) A description of the base cost formulas to be used to 31 calculate per unit reimbursement rates for curbside collection 32 services with similar attributes that are delivered by government 33 entities in accordance with the requirements of this chapter, whether such services are provided directly or through a contracted service 34 provider. If a plan includes more than one base cost formula for 35 36 curbside collection services, the producer responsibility organization must make clear the conditions under which each formula 37 will be applied; 38

1 (b) A description of the reimbursement rates to be used for any 2 services other than curbside collection included in the plan that are 3 to be carried out by government entities;

(c) A description of:

5 (i) How the per unit reimbursement rates cover all obligations 6 associated with curbside collection services specified in this 7 chapter and any other services included in the plan that are to be 8 delivered by government entities;

9

4

(ii) How reimbursements will be distributed;

10 (iii) Any terms or conditions covered in the service agreements 11 with government entities for receiving reimbursements, including any 12 service standards and reporting requirements; and

13 (iv) How the producer responsibility organization will work with 14 government entities and other stakeholders to achieve successful 15 implementation of the services for which the producer responsibility 16 organization provides reimbursement;

17 (d) A template of the service agreement and any other forms, 18 contracts, or other documents for use in distribution of 19 reimbursements to government entities and other stakeholders;

(e) A description of how the producer responsibility organization will implement the program in a manner consistent with the requirements of section 115 of this act;

(20) A description of the service standards for residential curbside collection services provided in areas regulated by the utilities and transportation commission under the provisions of chapter 81.77 RCW;

(21) Activities to be undertaken to reduce contamination from covered products at compost or other organic material management facilities as defined in RCW 70A.205.015, including through decontamination equipment improvements and conducting packaging contamination composition studies;

32 (22) A stakeholder consultation report, as described in section 33 106(3)(b) of this act;

34 (23) A description of a third-party process to resolve disputes 35 for determining and paying the reasonable costs that arise between a 36 producer responsibility organization and a government entity or a 37 recycling service provider;

38 (24) A description of how the producer responsibility 39 organization will coordinate with other producer responsibility 40 organizations and any distributor responsibility organizations formed

under chapter 70A.--- RCW (the new chapter created in section 603 of 1 this act) in the state, in specific terms if more than one producer 2 responsibility organization or distributor responsibility 3 organization is registered with the department as of the date of a 4 plan's submission, and in general terms addressing coordination 5 6 priorities to ensure the smooth implementation of this chapter in the 7 event an additional plan or plans become registered with the department during the period of plan implementation; 8

9 (25) A list of the material categories if distinguished or 10 additional to the material categories identified in section 102(18) 11 (a) through (g) of this act;

12 (26) The contingency plan described in section 109 of this act; 13 and

14 (27) Any other information to be included in the plan as required 15 by the department by rule.

16 <u>NEW SECTION.</u> Sec. 108. PLAN APPROVAL, UPDATES, AND REVISIONS. 17 (1)(a) The initial plan due to be submitted under section 103(5) of 18 this act, and updated plans, may address no more than five calendar 19 years.

(b) A producer responsibility organization must submit to the department, one year prior to the expiration of any plan, an updated plan for the following five calendar years of operation to address changes in the operations and activities of the program. Updated plans must be designed to begin from the date on which the existing plan is expected to cease to be in effect.

(c) If the performance rates set in a producer responsibility 26 27 organization plan as described in section 111 of this act have not 28 been met as of the time of plan update, the producer responsibility organization must arrange for an independent evaluation to be 29 30 conducted of the producer responsibility organization's efforts to 31 implement the plan approved by the department. The evaluation must provide information for the producer responsibility organization to 32 use to target and improve program outcomes relative to the proposed 33 34 and approved performance rates.

35 (d) A producer responsibility organization must carry out the 36 consultation process established in section 106 of this act prior to 37 the submission of each plan and plan update. The consultation process 38 established in section 106 of this act is not required to be carried

1 out by a producer responsibility organization that is submitting a
2 revised plan:

(i) In response to an order from the department; or

4 (ii) Subsequent to a letter disapproving of a plan submission by 5 the producer responsibility organization and for which the original 6 plan submitted by the producer responsibility organization had been 7 subject to the consultation process required in section 106 of this 8 act.

9 (2)(a) A producer responsibility organization may choose to 10 update its plan if significant changes have occurred.

(b) The department may require a producer responsibility organization to update its plan more frequently than every five years if:

(i) The program and activities to implement the plan fail to achieve the performance rates set in producer responsibility organization plans as described in section 111 of this act or otherwise fail to achieve significant requirements under this chapter;

(ii) Additional producer responsibility organizations register with the department or receive approval from the department to begin implementing a plan; or

(iii) There are significant changes to the regulatory or economicenvironment in which plan activities are being carried out.

NEW SECTION. Sec. 109. CONTINGENCY PLAN. (1) A producer responsibility organization must submit to the department a comprehensive contingency plan demonstrating how the activities in the plan will continue to be carried out by some other entity, if needed, such as an escrow company:

(a) Until such time as a new plan is submitted and approved bythe department;

31

3

(b) Upon the expiration of an approved plan;

32 (c) In the event that the producer responsibility organization 33 has been notified by the department that they must transfer 34 implementation responsibility for the program to a different producer 35 responsibility organization;

36 (d) In the event that the producer responsibility organization 37 notifies the department that it will cease to implement an approved 38 plan; or

1 (e) In any other event that the producer responsibility 2 organization can no longer carry out plan implementation.

3 (2) The contingency plan required in this section must be 4 submitted to the department as a component of the producer 5 responsibility organization's initial plan submitted to the 6 department under section 103(5) of this act. The department may 7 require a producer responsibility organization to update the 8 contingency plan required under this section coincident with any plan 9 update under section 108 of this act.

10 (3) The department must follow the same process and timelines for 11 reviewing and approving the contingency plan as it follows for 12 reviewing and approving the producer responsibility organization's 13 program plan under section 108 of this act.

14 <u>NEW SECTION.</u> Sec. 110. COLLECTION AND MANAGEMENT. (1) Producer 15 responsibility organizations, government entities, and service 16 providers implementing the program must manage covered products in a 17 manner consistent with the state's solid waste management hierarchy 18 established in RCW 70A.205.005.

(2) Covered products collected by the program must be responsibly managed at facilities operating with human health and environmental protection standards that are broadly equivalent to or better than those required in the United States and other countries that are members of the organization for economic cooperation and development.

(3) Producer responsibility organizations implementing a planmust include measures to:

26 (a) Track, verify, and publicly report that the responsible 27 management of covered products collected by the program is maintained 28 and that recycled materials are delivered to a responsible end 29 market;

30 (b) Promote and facilitate reuse of covered products designed to 31 be reused;

32 (c) Meet the necessary quality standards for recycled materials 33 so that covered products collected by the program may be used to 34 manufacture new products;

35 (d)(i) Document the locations of all material recovery facilities 36 and other processing facilities used to meet the requirements of this 37 chapter, whether within Washington, elsewhere in North America, or 38 outside of North America; and

(ii) Describe whether the processing facilities were preexisting,
 planned, or under construction as of plan approval.

(4) (a) Prior to program use of any alternative recycling process 3 for conversion of postuse plastic polymers for the purpose of 4 producing recycled material to be counted toward performance rates 5 6 under this chapter, the producer responsibility organization must seek the department's approval and submit a third-party assessment of 7 the process's environmental impacts, as described under this 8 subsection. In order for an alternative recycling process to be 9 approved, the department must determine, after considering public 10 11 comment and input from the advisory council, that the alternative recycling process produces similar or lesser impacts than those 12 produced in recycling that uses purely mechanical means for each of 13 14 the following environmental impacts:

15 (i) Air and water pollution and release or creation of any 16 hazardous pollutants;

17

(ii) Energy efficiency and greenhouse gas emissions;

18 (iii) Generation of hazardous waste;

19 (iv) Environmental impacts on overburdened communities and 20 vulnerable populations;

(v) Water usage including, but not limited to, impacts to local
 water resources and sewage infrastructure; and

23 (vi) Other environmental impacts as determined by the department 24 by rule.

(b) The results of the assessment under (a) of this subsection must, whenever reported and communicated, provide full disclosure of geographical, temporal, and technological boundaries that have been selected for the assessment.

(c) The person preparing the assessment under (a) of this subsection may not be interested, directly or indirectly, in the ownership or operation of any recycling facility proposed to conduct the alternative recycling process under assessment.

Material recovery facilities and other processing 33 (5)(a) facilities receiving covered products from government entities or 34 private service providers collected through activities undertaken in 35 36 accordance with this chapter must measure and report annually to the department by commodity type and material category, in a form and 37 approved by the department, on the following parameters 38 format 39 associated with covered products and qualifying beverage containers

1 subject to the provisions of chapter 70A.--- RCW (the new chapter 2 created in section 603 of this act) received and processed:

3

(i) Tons received, by jurisdiction and service provider;

4

(ii) Inbound material quality and contamination;

5

(iii) Outbound material quality and contamination;

6 (iv) Outbound material tons and end markets by commodity type, 7 including whether the end markets are domestic, export to 8 organization for economic cooperation and development countries, or 9 export to facilities in other countries that meet organization for 10 economic cooperation and development operating standards;

(v) Management of contaminants and residue to avoid impacts on other waste streams or facilities;

13 (vi) Residuals, including residue rate, composition, and disposal 14 location;

(vii) Emission of pollutants to air and water, or other activities that impact public health or the environment, including any reporting required under existing permits where applicable; and

18 (viii) Labor metrics including, but not limited to, wages, 19 unions, and workforce demographics.

20 (b) All data reported to the department by material recovery 21 facilities and other processing facilities under this subsection must 22 be verified by an independent third party and shared with each 23 producer responsibility organization for which the material recovery 24 facility provides a service.

(c) The requirements of (a) and (b) of this subsection do not apply to any facility operated by a scrap metal business as defined in RCW 19.290.010 that holds a current scrap metal license unless the covered products handled by such a business were received directly from collection services for which a producer responsibility organization has provided reimbursement.

31 (6) To facilitate recycling of covered products back into covered 32 products and encourage development of circular economic activity in 33 state and region, material recovery facilities and other the processing facilities handling materials under the program shall 34 prioritize agreements with and on behalf of producers or producer 35 36 responsibility organizations regarding long-term contracts and other 37 purchase agreements based on fair market pricing for commodities of 38 comparable quality.

<u>NEW SECTION.</u> Sec. 111. PERFORMANCE RATES. (1) By January 1, 2025, any registered producer responsibility organization must submit to the department proposed performance rates for covered products reported by the producer responsibility organization as supplied into the state to be achieved by the ninth calendar year from the effective date of this section. In proposing rates, the producer responsibility organization must:

8 (a) Consider the rates recommended in the performance rates9 study;

10 (b) Propose, at minimum:

11 (i) An overall combined reuse and recycling rate of covered 12 products;

13 (ii) A separate specific minimum reuse rate, that must also be 14 counted within the overall combined reuse and recycling rate; and

15 (iii) A source reduction rate to be achieved solely by 16 eliminating plastic components;

17 (c) Provide a justification for the rates proposed, if they are 18 different from those recommended in the performance rates study; and

(d) Adhere to the performance rate calculation methodologyestablished in subsections (3), (4), and (5) of this section.

(2) Any producer responsibility organization plan submitted to the department must include rates for covered products reported by the producer responsibility organization as supplied into the state, taking into account the findings of the performance rates study, statewide needs assessment, and additional relevant data. The rates submitted by a producer responsibility organization must be achieved by the end of the plan implementation period.

28

(a) At minimum, the plan must include:

29 (i) An overall combined reuse and recycling rate of covered 30 products;

(ii) A separate minimum reuse rate of covered products, which is also to be counted within the overall combined reuse and recycling rate;

(iii) A combined reuse and recycling rate for each material
 category of covered products reported by the producer responsibility
 organization as supplied into the state; and

37 (iv) A source reduction rate to be achieved solely by eliminating 38 plastic components.

39 (b) Proposed rates must demonstrate continuous improvement in 40 performance rates of covered products over time. 1 (c) Proposed rates must adhere to the performance rate 2 calculation methodology established in subsections (3), (4), and (5) 3 of this section.

(d) Any plan submitted to the department prior to the ninth 4 calendar year from the effective date of this section must also 5 6 include performance rates to be achieved by the ninth calendar year from the effective date of this section. If the rates differ from 7 those previously approved by the department as required under 8 subsection (1) of this section, the producer responsibility 9 organization must provide a justification for the proposed 10 11 adjustment.

12 (3) For the purposes of this chapter, the department must adopt 13 rules for measuring the performance rates of each material category 14 of covered products included in a producer responsibility 15 organization plan.

16 (4) To be included in a performance rate calculation for purposes 17 of this chapter, recycled materials must be transferred to a 18 responsible end market.

19 (5) For purposes of calculations of reuse and elimination under 20 this section, a producer responsibility organization must include 21 both the weight and number of units.

22 <u>NEW SECTION.</u> Sec. 112. FUNDING REQUIREMENTS. (1) A producer 23 responsibility organization implementing a plan must fully fund all 24 activities required under this chapter.

(2) A nonreimbursable point-of-sale fee may not be charged to consumers to recoup the costs of meeting producer obligations under this chapter.

(3) (a) A producer responsibility organization must develop a system to collect fees from participating producers to cover the costs of plan implementation. To minimize the administrative and reporting costs of the producers and the organization, the fee system must include:

(i) A de minimis level in which no fees are charged by the producer responsibility organization, determined by weight of covered products sold into the state;

36 (ii) Additional charges applied specifically to producers of 37 postconsumer recycled content products covered by the requirements of 38 chapter 70A.--- RCW (the new chapter created in section 602 of this 39 act), in an amount roughly equivalent to fully cover the producer

1 responsibility organization's costs of implementing its duties under 2 chapter 70A.--- RCW (the new chapter created in section 602 of this 3 act), including funding the oversight of the department; and

4

(iii) An optional flat rate for producers below a certain size.

(b) A producer responsibility organization shall allow producers 5 6 of covered products that are magazines to satisfy their obligations under this section by providing advertisement or 7 publication supporting the education and outreach activities required under 8 section 118 of this act in their magazines, or on their websites in 9 lieu of program fees as long as the value of the advertisement is 10 equivalent to the estimated cost of managing the covered products 11 12 that are magazines, which are to be determined as described in subsection (4) of this section. The producer responsibility 13 organization may consider the in-state reach of the advertising when 14 determining the value of the advertising. 15

16 (4) A producer responsibility organization must base the system 17 of fees assessed to producers upon the estimated cost of managing the 18 material categories of covered products, while seeking to avoid a 19 material category that subsidizes any other material category. In 20 establishing a system of fees, a producer responsibility organization 21 must consider the following factors:

(a) The total annual amount of covered products sold or supplied
 into the state, by material category, whether or not the material is
 currently recyclable or designated for collection for recycling;

(b) The material characteristics and the costs associated withthe management of each material category; and

(c) The commodity value of each material category as a recycledmaterial.

(5) (a) The fee system must use eco-modulation factors to incentivize the use of packaging design attributes that reduce the environmental impacts of covered products. Examples of activities that a fee system may include to satisfy the requirement to use ecomodulation factors include, but are not limited to:

(i) Encourage designs that facilitate and improve infrastructure
 and systems for reuse, recycling, and home and industrial composting,
 and that achieve reuse, recycling, and home and industrial
 composting;

38 (ii) Encourage the use of postconsumer recycled content;

39 (iii) Encourage designs that reduce the amount of packaging 40 material used; 1 (iv) Discourage the use of problematic or difficult to recycle 2 materials that increase system costs of managing covered products; 3 and

4 (v) Encourage other design attributes that reduce the 5 environmental impacts of covered products.

6 (b) Any system of program fees under this section that includes 7 discounted fees or favorable treatment of covered products deemed to 8 be reusable must establish a basis for determining that products, in 9 practice, are designed and supported by adequate infrastructure to 10 ensure they are reused multiple times as part of a system of reuse.

(c) Fees collected under this fee system must be used exclusively for plan implementation and other activities required under this chapter and chapter 70A.--- RCW (the new chapter created in section 602 of this act).

(6) If more than one producer responsibility organization is 15 16 registered within the state, each producer responsibility 17 organization must coordinate with other producer responsibility organizations to provide reimbursement and ensure that government 18 entities and service providers are reimbursed for recycling services 19 as required under this chapter, and to ensure that covered products 20 are not reported as supplied or managed by more than one producer 21 22 responsibility organization.

NEW SECTION. Sec. 113. CONVENIENCE STANDARDS. (1) In every jurisdiction in which covered products are sold or supplied to consumers, a producer responsibility organization must fund activities to make convenient collection services available for the full list of covered products designated for collection in the plan. Convenient collection services must be available to residents as follows:

30 (a) Curbside collection must be provided to residents in single-31 family and multifamily residences wherever curbside garbage 32 collection services are provided to these entities, except in areas where a county has adopted an ordinance after the effective date of 33 this section that designates that covered products must be collected 34 exclusively through alternate collection, and except for covered 35 products designated for alternate collection under a producer 36 37 responsibility organization plan.

38 (b)(i) In jurisdictions without curbside garbage collection, and 39 in all areas for covered products designated for alternate

p. 37

SHB 1131

collection, free and equitable access to permanent collection
 facilities must be provided that are located, at minimum, at:

3 (A) Each solid waste transfer, processing, or disposal site, or 4 other drop-off location, or a location demonstrated to the department 5 to be of equal convenience, as it existed prior to the effective date 6 of this section; and

Additional drop-off locations or collection events 7 (B) in communities that are not covered by a collection location described 8 (b)(i)(A) of this subsection. A producer responsibility 9 in organization, after soliciting and accommodating input from the 10 department, the relevant government entity, and the local community, 11 must determine a reasonable number and location of additional drop-12 off locations or frequency and location of collection events to be 13 held in underserved areas. A producer responsibility organization 14 must give special consideration for providing opportunities to island 15 16 and geographically isolated populations.

(ii) A retail establishment may choose to serve as a drop-off location or as the site of a collection event, or both, through mutual agreement with a producer responsibility organization, but nothing in this chapter requires a retail establishment to serve as a drop-off location or site of a collection event.

(c) For the duration of the initial plan implementation term,collection must be provided in public places:

(i) Any location where government entities provided and managed recycling collection receptacles as of July 1, 2023. The number and location of receptacles may be adjusted to optimize collection based on mutual agreement between the producer responsibility organization and the government entity providing the service; and

(ii) At additional locations as determined by the producer responsibility organization, after considering the recommendations of the statewide needs assessment in section 105 of this act and stakeholder consultation in section 106 of this act. Collection in additional locations is subject to mutual agreement by the producer responsibility organization and the government entity or other entity responsible for the public place.

36 (2) In any jurisdiction where collection of source separated 37 recyclable materials from residences is provided by a city or town 38 under the authority of RCW 35.21.120, by a county under the authority 39 of RCW 36.58.040, or by a company that holds an applicable 40 certificate under the authority of chapter 81.77 RCW, a producer

p. 38

SHB 1131

1 responsibility organization must meet its curbside collection service 2 obligation through the curbside collection service in the 3 jurisdiction as described in section 114 of this act.

4 (3)(a) A producer responsibility organization must, in its plan,
5 establish a statewide list of covered products designated for
6 collection.

7 (b) If more than one producer responsibility organization is 8 registered with the department, each producer responsibility 9 organization must coordinate with other producer responsibility 10 organizations to establish and annually update in a coordinated 11 submission to the department the statewide list of covered products 12 designated for collection.

(4) Every producer responsibility organization must identify in 13 14 its plan and on its website, in appropriate languages, maps of each area where curbside and alternative collection services for covered 15 16 products are available, a list and map of the location of each 17 permanent collection opportunity for covered products, the types and 18 a list and map of locations of alternate collection methods used, and 19 a list and map of the locations of public place collection services 20 for covered products.

21 <u>NEW SECTION.</u> Sec. 114. GOVERNMENT ENTITIES—AUTHORITY TO COLLECT 22 COVERED PRODUCTS. (1) The provisions of this chapter do not:

(a) Obligate a county, city, or town that utilizes its contract authority under RCW 35.21.120 or 36.58.040 for collection of source separated recyclable materials from residents or a city or town that undertakes collection of source separated recyclable materials from residents to participate in a plan implemented by a producer responsibility organization;

29 (b) Restrict the authority of a city under RCW 35.21.120, 30 35.21.130, and 35.21.152; or

31

(c) Restrict the authority of a county under RCW 36.58.040.

32 (2) (a) A city, town, county, or other government entity may enter 33 into contractual agreements with a producer responsibility 34 organization or organizations for the purposes of reimbursement of 35 costs of services provided in accordance with the requirements of 36 this chapter.

37 (b) A producer responsibility organization must reimburse the 38 government entity for services delivered in accordance with the 39 requirements of this chapter as described in section 115 of this act. 1 (c) A government entity is not restricted from including 2 additional materials in curbside or noncurbside collection that are 3 not part of the statewide list of covered products designated for 4 collection, but a producer responsibility organization is not 5 obligated to reimburse costs associated with the additional 6 materials.

(3) Consistent with RCW 81.77.020, where a city or town chooses 7 not to exercise its authority under chapter 35.21 RCW, or a county 8 chooses not to exercise its authority under chapter 36.58 RCW, 9 curbside collection of covered products designated for collection as 10 11 source separated recyclable materials from residences in areas 12 regulated by the utilities and transportation commission under the provisions of chapter 81.77 RCW must be provided by a company that 13 14 holds applicable certificate issued by the utilities an and transportation commission. 15

16 (4) A county may, by ordinance, direct that covered products 17 designated for collection by a producer responsibility organization plan be collected exclusively through alternate collection in areas 18 regulated by the utilities and transportation commission under the 19 provisions of chapter 81.77 RCW if the area was designated as rural 20 21 in the county solid waste management plan and no curbside recycling 22 collection service was offered within those areas as of the effective 23 date of this section.

(5) Government entities are not obligated to provide resident education and outreach under this chapter but may carry out or contract for resident education and outreach consistent with producer responsibility organization plan provisions under section 118 of this act and be reimbursed for the costs of education and outreach performed by the government entity as described in section 115 of this act.

(6) A city, town, or county may not enact an ordinance requiring producers of covered products to provide residential recycling services for covered products that are additional to the requirements of this chapter unless producers are not required to fully fund the requirements of this chapter under section 112 of this act.

36 <u>NEW SECTION.</u> Sec. 115. COST REIMBURSEMENT FOR SERVICES PROVIDED 37 BY GOVERNMENT ENTITIES. (1) A producer responsibility organization 38 with covered products designated for curbside collection under its 39 plan must provide reimbursement to a government entity that chooses

1 to seek reimbursement for costs incurred in delivering curbside collection services, whether these services are provided directly or 2 through a contracted service provider, or both. Costs that must be 3 reimbursed by a producer responsibility organization include, 4 as applicable, any administrative, public education, collection, 5 6 transportation, and sorting or processing costs incurred in delivering curbside collection services in accordance with the 7 requirements of this chapter. Reimbursements for curbside collection 8 services must be calculated using base cost formulas established in 9 the producer responsibility organization plan approved by the 10 11 department.

12 (2) If a producer responsibility organization elects to use the services of a government entity for any services included in the 13 14 producer responsibility organization plan other than curbside collection services, it must provide reimbursement to the government 15 16 entity. Reimbursement for any services other than curbside collection 17 services may be calculated using reimbursement rates established for 18 noncurbside collection services in the producer responsibility 19 organization plan approved by the department.

(3) Any government entity that receives reimbursement for costs incurred in delivering curbside collection services must report or publish reimbursed costs to its residents annually and as part of each rate increase notification required under RCW 35.21.157.

24 NEW SECTION. Sec. 116. COST REIMBURSEMENT FOR SERVICES REGULATED BY THE UTILITIES AND TRANSPORTATION COMMISSION. In areas 25 where collection of source separated recyclable materials from 26 27 residences is regulated by the utilities and transportation commission under chapter 81.77 RCW, a producer responsibility 28 organization must provide reimbursement to the company granted a 29 30 certificate to provide the service in accordance with the rates 31 approved by the commission, including all associated taxes and fees 32 that would be otherwise charged to residential customers directly or indirectly for recycling service. To be eligible for reimbursement 33 from a producer responsibility organization under this section, the 34 35 company granted a certificate must provide service that:

(1) Is offered to residents in single-family and multifamily
 residences wherever curbside garbage collection services are offered;

38 (2) Includes collection of all covered products designated for 39 curbside collection; 1 (3) Aligns with service standards for curbside collection 2 established by the producer responsibility organization plan under 3 section 107 of this act; and

4 (4) Is provided in a manner consistent with the requirements of 5 this chapter for curbside collection services.

Sec. 117. INFRASTRUCTURE INVESTMENTS. (1) Each 6 NEW SECTION. 7 producer responsibility organization must fund and support investments in infrastructure and market development in Washington 8 9 state as needed to achieve the convenience standards specified in section 113 of this act, the management standards specified in 10 section 110 of this act, the performance rates set in producer 11 responsibility organization plans as described in section 111 of this 12 act, or to address infrastructure gaps, as identified through the 13 statewide needs assessment under section 105 of this act and through 14 the consultation process under section 106 of this act. Investments 15 16 in infrastructure and market development may include, but are not limited to, those needed to enable reuse of covered products or the 17 recycling or composting of covered products not currently recycled or 18 composted in the residential recycling system, such as: 19

20 (a) Installing or upgrading equipment to improve sorting of 21 covered products or mitigating the impacts of covered products to 22 other commodities at existing sorting and processing facilities; and

23 (b) Capital expenditures for new technology, equipment, and 24 facilities.

(2) Investments must be detailed in the annual report submitted 25 to the department in the manner specified in section 119 of this act. 26 meeting the requirements of this section, 27 In a producer 28 responsibility organization must prioritize investments in preexisting infrastructure within Washington state. If a producer 29 did 30 responsibility organization not invest in preexisting 31 infrastructure within Washington state, the annual report must include a statement of the reasons why no such investment was made. 32

33 <u>NEW SECTION.</u> Sec. 118. EDUCATION AND OUTREACH. (1) Each plan 34 implemented by a producer responsibility organization under this 35 chapter must include education and outreach activities that 36 effectively reach diverse residents, are accessible, are clear, and 37 support the achievement of the performance rates set in producer 38 responsibility organization plans as described in section 111 of this

p. 42

SHB 1131

act. To implement the education and outreach activities described in
 the plan, a producer responsibility organization must, at minimum:

3 (a) Develop and provide outreach and educational materials, 4 resources, and campaigns about the program to be used by retail 5 establishments, collectors, government entities, and nonprofit 6 organizations. The materials, resources, and campaigns developed 7 under this section must encourage participation in recycling 8 collection and reuse and refill systems and must achieve:

9 (i) Education and engagement with residents on recycling, reuse, 10 and refill behaviors;

11 (ii) Outreach to obtain consistently high levels of public 12 participation in and use of collection services and reuse and refill 13 systems, including where and how to recycle covered products 14 designated for collection, or return or refill reusable covered 15 products; and

16 (iii) Education and engagement to reduce the rate of inbound 17 contamination or unwanted materials;

(b) Coordinate and fund the distribution and deployment of statewide promotional campaigns developed under this section through media channels that may include, but are not limited to, print publications, radio, television, the internet, and online streaming services;

(c) Use consistent and easy to understand messaging and education statewide, with the aim of reducing resident confusion regarding the recyclability, reuse, compostability, and end-of-life management options available for different covered products;

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

31 (e) Establish a process for answering customer questions and 32 resolving customer concerns; and

33 (f) Evaluate the effectiveness of education and outreach efforts 34 for the purposes of making progress toward performance requirements 35 established in this chapter.

36 (2)(a) A producer responsibility organization must coordinate 37 with government entities that choose to participate in carrying out 38 resident education and outreach in accordance with the approach 39 specified in the producer responsibility organization's plan.

1 (b) All producer responsibility organizations implementing a plan approved by the department must collaborate to present a consistent 2 statewide program to ensure that all state residents can easily 3 identify, understand, and access services provided by any approved 4 producer responsibility organization. The department may require 5 6 producer responsibility organizations to coordinate and use 7 consistent signage and consistent messaging in education and outreach activities under this section. 8

9 Sec. 119. ANNUAL REPORTING ON ACTIVITIES. (1) NEW SECTION. 10 Beginning July 1, 2028, and each July 1st thereafter, each producer responsibility organization must submit an annual report to the 11 department for the preceding calendar year of plan implementation. 12 Each annual report must include data, descriptions, and other 13 information sufficient to allow the department to determine whether a 14 15 producer responsibility organization has fulfilled its obligations 16 under this chapter during the preceding calendar year, including 17 actions identified by the producer responsibility organization to be undertaken as part of the plan submitted under section 107 of this 18 act, and actions to implement the requirements and other provisions 19 of this chapter including, but not limited to, sections 110 through 20 21 118 of this act.

(2) In addition to the data, descriptions, and information specified in subsection (1) of this section, each annual report must include the following:

(a) Identification of the governing board members of the producerresponsibility organization;

(b) The final destinations of recycled material managed by the program as reported by material recovery facilities under section 110(5) of this act, including:

30 (i) Names and locations of end users or reprocessors that 31 received recycled material managed by the program, by material 32 category; and

33 (ii) Descriptions of material categories managed by the program 34 that were sold or supplied to the end users or reprocessors; and

35 (c) The total cost of implementing the plan approved by the 36 department, as determined by an independent financial audit and 37 performed by an independent auditor, including:

(i) Information regarding the independently audited financialstatements detailing all payments received and issued by the producer

1 responsibility organization covered by the plan approved by the 2 department;

3

(ii) A copy of the independent audit; and

4 (iii) A detailed description of how the program compensates 5 government entities, private collection and transportation service 6 providers, sorting and processing facilities, and other approved 7 entities for services under chapters 70A.--- (the new chapter created 8 in section 601 of this act), 70A.--- (the new chapter created in 9 section 602 of this act), and 70A.--- RCW (the new chapter created in 10 section 603 of this act).

(3) (a) Prior to the submission of the annual report, all 11 12 nonfinancial data and information that is material to the department's review of the program's compliance with the requirements 13 of this chapter must be audited annually by a third party that is a 14 nationally recognized, independent laboratory or certification body 15 16 that has received ISO/IEC 17065 accreditation as it existed as of 17 January 1, 2023, or a similar accreditation as determined by the 18 department.

19

(b) Annual independent auditing and verification must:

20 (i) Include documentation of the performance rate calculations;21 and

(ii) Encompass the management of materials from the point of collection through processing and sale of recycled materials to responsible end markets.

25 <u>NEW SECTION.</u> Sec. 120. ADVISORY COUNCIL. (1) The advisory 26 council is established.

(2) The advisory council consists of members appointed by thedepartment as follows:

(a) Four representatives of local governments representing geographic areas across the state, including two representatives of counties and two representatives of cities, each with one representative of urban communities and one representative of rural communities;

34 (b) One representative of tribal or indigenous solid waste 35 services organizations;

36 (c) One representative of special purpose districts involved in 37 activities related to the end-of-life management of solid waste; 1 (d) Two representatives of community-based organizations whose 2 mission is to serve the interests of overburdened communities and 3 vulnerable populations;

(e) Two representatives of environmental nonprofit organizations;

5 (f) One owner or operator of a small business that is not 6 eligible for representation under (g), (h), or (i) of this 7 subsection;

8 (g) Six representatives of the recycling industry, including 9 local governments' service providers, solid waste collection 10 companies or associations, material recovery facilities, or other 11 processing facilities;

(h) Three representatives of producers of covered products or producer trade associations representing different types of covered products. A member appointed to the council under this subsection may not be a representative or a member of the board of directors of a producer responsibility organization registered with the department under section 103 of this act;

18 (i) Two representatives of packaging suppliers that are not 19 producers as defined under this chapter representing different 20 material categories; and

21

4

(j) One representative of a retail establishment.

(3) Advisory councilmembers must be appointed by the director of the department by January 1, 2024. In appointing members, the department shall:

(a) Appoint members that, to the greatest extent practicable,
 represent diversity in race, ethnicity, age, and gender, urban and
 rural areas, and different regions of the state;

(b) Consider recommendations for appointments from relevant
 represented groups or associations and from individuals interested in
 participating on the advisory council.

(4) (a) The terms of initial appointments must be staggered to two
 and three-year appointments, with subsequent terms of three years.
 Members are eligible for reappointment.

34 (b) If there is a vacancy for any reason, the department shall 35 make an appointment to become effective immediately for the unexpired 36 term.

(5) (a) The advisory council shall elect one of its members to serve as chairperson and another to serve as vice chairperson, for the terms and with the duties and powers necessary for the performance of the functions of such offices as the advisory council 1 determines. The chairperson and vice chairperson may not both be 2 members appointed under the same subsection of subsection (2)(a) 3 through (i) of this section.

4 (b) The advisory council may adopt bylaws and a charter for the 5 operation of its business for the purposes of this chapter.

6 (6) The advisory council shall meet at least once every three 7 months for the first three years, at times and places specified by 8 the chairperson. The advisory council may also meet at other times 9 and places, including virtually, specified by the call of the 10 chairperson or of a majority of the councilmembers, as necessary, to 11 carry out the duties of the advisory council.

12 (7) (a) The department shall provide staff support and 13 facilitation as necessary for the advisory council to carry out its 14 duties.

15 (b) The department may select an impartial, third-party 16 facilitator to convene and provide administrative support to the 17 advisory council.

18

(8) The duties of the advisory council include the following:

(a) Advise and make recommendations to the department on thescope of the statewide needs assessments;

(b) Review and comment on a draft performance rate study and on a draft statewide needs assessment prior to their completion;

(c) Advise and make recommendations to any registered producer responsibility organization during stakeholder consultation on plans as required under section 106 of this act;

(d) Review and comment on all new and updated plans submitted by producer responsibility organizations to the department, including making recommendations to the department on plan approvals, as part of the public comment period as established under section 104 of this act;

31 (e) Advise and make recommendations to any registered producer 32 responsibility organization on annual reports prior to submission as 33 established in section 119 of this act;

34 (f) Review and comment on all annual reports submitted by 35 producer responsibility organizations to the department, including 36 making recommendations to the department regarding the need for any 37 plan amendments or other recommendations regarding program 38 activities; and

(g) Provide input, review, and comment on rule making developedby the department under this chapter.

1 (9) Advisory councilmembers that are representatives of tribes or 2 tribal and indigenous services organizations or community-based and 3 environmental nonprofit organizations must, if requested, be 4 compensated and reimbursed in accordance with RCW 43.03.050, 5 43.03.060, and 43.03.220.

6 (10) The department must include costs related to the advisory 7 council in the estimate of annual costs as established in sections 8 104 and 307 of this act, including costs for:

9

(a) Department resources, including staff time;

10

(b) A third-party facilitator, including related costs; and

11 (c) Expenses related to member participation as established in 12 subsection (9) of this section.

<u>NEW SECTION.</u> Sec. 121. CONFIDENTIAL INFORMATION SUBMISSION. A 13 producer responsibility organization, material recovery facility, or 14 15 other processing facility that submits information or records to the 16 department under this chapter may request that the information or 17 records be made available only for the confidential use of the department, the director of the department, or the appropriate 18 division of the department. The director of the department must give 19 20 consideration to the request and if this action is not detrimental to 21 the public interest and is otherwise in accordance with the policies 22 and purposes of chapter 43.21A RCW, the director must grant the request for the information to remain confidential as authorized in 23 24 RCW 43.21A.160.

25 <u>NEW SECTION.</u> Sec. 122. PROHIBITION ON THE USES OF FUNDS BY 26 PRODUCER RESPONSIBILITY ORGANIZATIONS. (1) A producer responsibility 27 organization may not use funds collected for purposes of implementing 28 a plan required under this chapter for costs associated with:

(a) The payment of an administrative penalty levied under this30 chapter;

31 (b) Administrative appeals of orders or penalties issued under 32 this chapter;

33 (c) Litigation between the producer responsibility organization 34 and the state;

35 (d) Compensation of a person whose position is primarily 36 representing the producer responsibility organization relative to the 37 passage, defeat, approval, or modification of legislation that is 38 being considered by a government entity; or 1 (e) Paid advertisements related to encouraging the passage, 2 defeat, or approval, or modification of legislation that is being 3 considered during an upcoming or current legislative session or was 4 considered during the previous legislative session.

5 (2) Nothing in this section limits the authority of a producer 6 responsibility organization to collect funds, such as through a 7 special assessment, for purposes other than implementing a plan 8 required under this chapter, such as for the purposes identified in 9 subsection (1)(a) through (e) of this section.

Sec. 123. ENFORCEMENT AUTHORITY. (1) (a) The 10 NEW SECTION. 11 department may administratively impose a civil penalty of up to \$1,000 per violation per day on any person who violates this chapter 12 or on any producer responsibility organization that violates the 13 postconsumer recycled content provisions applicable to producer 14 15 responsibility organizations under chapter 70A.--- RCW (the new 16 chapter created in section 602 of this act) and up to \$10,000 per violation per day for the second and each subsequent violation. 17

18 (b) For producers out of compliance with the requirements of this chapter, the department shall provide written notification and offer 19 20 information to producers in violation of this section. For the purposes of this section, written notification serves as notice of 21 22 the violation. The department must issue at least one notice of violation by certified mail prior to assessing a penalty and the 23 24 department may only impose a penalty on a producer that has not met the requirements of this chapter 60 days following the date the 25 26 written notification of the violation was sent.

(2) Upon the department notifying a producer responsibility organization that it has not met a significant requirement of this chapter or chapter 70A.--- RCW (the new chapter created in section 602 of this act), the department may, in addition to assessing the penalties provided in subsection (1) of this section, take any combination of the following actions:

33 (a) (i) Issue corrective action orders to a producer or producer 34 responsibility organization;

35 (ii) Issue orders to a producer responsibility organization to 36 provide for the continued implementation of the program in the 37 absence of an approved plan;

1 (b) Revoke the producer responsibility organization's plan 2 approval and require the producer responsibility organization to 3 implement its contingency plan under section 109 of this act;

4 (c) Require a producer responsibility organization to revise or 5 resubmit a plan within a specified time frame; or

6 (d) Require additional reporting related to compliance with the 7 significant requirement of this chapter that was not met.

8 (3) Prior to taking the actions described in subsection (2)(b) of 9 this section, the department must provide the producer responsibility 10 organization or the producer an opportunity to respond to or rebut 11 the written finding upon which the action is predicated.

12 (4) Any person who incurs a penalty under subsection (1) of this 13 section or an order under subsection (2) of this section may appeal 14 the penalty or order to the pollution control hearings board 15 established in chapter 43.21B RCW.

16 (5) Penalties levied under this section must be deposited in the 17 recycling enhancement account created in RCW 70A.245.100.

NEW SECTION. Sec. 124. TRUTH IN LABELING. (1) Beginning January 19 1, 2027, a producer may not offer for sale, sell, or distribute in or 20 into Washington, including by means of remote sale, any covered 21 product under this chapter, certified product under chapter 70A.245 22 RCW, or qualifying beverage container under chapter 70A.--- RCW (the 23 new chapter created in section 603 of this act) that makes a 24 deceptive or misleading claim about its recyclability.

25 (a) A covered product, certified product, or qualifying beverage container that displays a chasing arrows symbol, a chasing arrows 26 27 symbol surrounding a resin identification code, or any other symbol 28 or statement indicating that it is recyclable is deemed to be deceptive or misleading unless it is designated for collection in a 29 30 producer responsibility organization plan approved by the department 31 as described in section 107 of this act or is a qualifying beverage 32 container in a deposit return system under chapter 70A.--- RCW (the new chapter created in section 603 of this act). 33

34 (b) A label is not considered a misleading or deceptive claim of 35 recyclability if it:

36 (i) Is required by another state or by a federal law or agency at 37 the time that the claim is made;

38 (ii) Is part of a widely adopted and standardized third-party 39 labeling system; or 1 (iii) Uses a chasing arrows symbol in combination with a clearly 2 visible line placed at a 45-degree angle over the chasing arrows 3 symbol to convey that an item is not recyclable.

4 (2) At such time as an enforceable federal statutory or 5 regulatory standard is implemented for labeling packaging related to 6 recyclability, within 180 days the department shall review criteria 7 under this chapter with federal standards or requirements. Upon 8 completing its review, the department may adopt the federal criteria 9 in lieu of the requirements of this section.

10 (3) Beginning August 1, 2023, a city, town, or county may not 11 enforce an ordinance restricting the distribution or sale of covered 12 products, certified products, or qualifying beverage containers due 13 to displaying a chasing arrows symbol, a chasing arrows symbol 14 surrounding a resin identification code, or any other symbol or 15 statement indicating that it is recyclable if the covered product is, 16 at the time that the claim is made:

17 (a) Designated for collection in a producer responsibility 18 organization plan approved by the department as described in section 19 107 of this act;

(b) Required to display the symbol or statement by another stateor by a federal law or agency;

(c) Part of a widely adopted and standardized third-party labeling system; or

(d) Using a chasing arrows symbol in combination with a clearly
visible line placed at a 45-degree angle over the chasing arrows
symbol to convey that an item is not recyclable.

NEW SECTION. Sec. 125. PACKAGING REGISTRATION CLEARINGHOUSE-27 28 PRODUCER REGISTRATION. (1) The department is authorized to participate in the development and ongoing operation of a regional or 29 multistate clearinghouse for the 30 purpose of facilitating the implementation of state laws and rules on packaging and paper 31 products including, but not limited to, requirements established 32 under this chapter and in chapter 69.50 RCW pertaining to packaging 33 34 of cannabis products, and chapters 70A.222, 70A.230, 70A.245, 35 70A.340, 70A.350, 70A.455, 70A.--- (the new chapter created in 36 section 602 of this act), and 70A.--- RCW (the new chapter created in section 603 of this act) and other relevant laws. 37

38 (2) The department may direct producers, including third-party e-39 commerce sellers, to register and submit any required data, annual

1 reports, fees, and annual payments, and any additional information or 2 documentation to a clearinghouse in lieu of the department.

3 <u>NEW SECTION.</u> Sec. 126. OTHER ASSISTANCE PROGRAMS. Nothing in 4 this act impacts an entity's eligibility for any state or local 5 incentive or assistance program to which they are otherwise eligible.

Sec. 127. ACCOUNT. The responsible packaging 6 NEW SECTION. management account is created in the custody of the state treasury. 7 All receipts received by the department under this chapter and 8 chapter 70A.--- RCW (the new chapter created in section 602 of this 9 act) must be deposited in the account. Only the director of the 10 department or the director's designee may authorize expenditures from 11 the account. The account is subject to the allotment procedures under 12 chapter 43.88 RCW, but an appropriation is not required for 13 14 expenditures. Expenditures from the account may be used by the 15 department only for implementing, administering, and enforcing the requirements of this chapter and chapter 70A.--- RCW (the new chapter 16 created in section 602 of this act). 17

<u>NEW SECTION.</u> Sec. 128. PETITION FOR THE EXCLUSION OF CERTAIN 18 19 PRODUCTS. (1) Prior to the submission of a new or updated plan under section 107 of this act, the department may review and determine for 20 the duration of the upcoming plan's period of applicability whether 21 22 to temporarily exclude for reasons of public health and safety from the requirements of this chapter, except as provided in subsection 23 (5) of this section, packaging used to contain the following 24 25 categories of products, subcategories of the following categories of products, or individual products that are: 26

(a) Regulated as a drug, medical device, or dietary supplement by the federal food and drug administration under the federal food, drug, and cosmetic act, 21 U.S.C. Sec. 301 et seq., as amended or any federal regulation promulgated under the act, or any equipment and materials used to manufacture such products; and

32 (b) Other products subject to requirements under federal laws 33 that make their inclusion in the requirements of this chapter 34 infeasible or inadvisable.

35 (2) The department's review may be initiated by the department or 36 upon a petition by a producer, group of producers, or producer 37 responsibility organization. The department may specify the date by 1 which a petition must be filed under subsection (1) of this section 2 in order to be considered timely for purposes of an upcoming plan 3 implementation period.

(3) In making a determination to temporarily exclude a category
of products, subcategory of products, or individual product pursuant
to subsection (1) of this section, the department must consider, at a
minimum, all of the following factors:

8 (a) The technical feasibility of including the category of 9 product, subcategory of product, or individual product in the program 10 created by this chapter, and in recycling the packaging of the 11 product or products; and

12 (b) The progress made by producers of products, categories of 13 products, or subcategories of products in achieving the goals of this 14 chapter, including by reducing the amount of packaging used with the 15 products, increasing the recycled content of the product packaging, 16 and increasing the ability of the products' packaging to be reused or 17 recycled if appropriate.

(4) The petition process established in this section is distinct 18 from the processes pertaining to adjustments and exclusions to 19 postconsumer recycled content requirements in section 210 of this 20 21 act. A product that is temporarily excluded under this section 22 remains subject to postconsumer recycled content requirements established in chapter 70A.--- RCW (the new chapter created in 23 24 section 602 of this act) unless a petition is separately granted by 25 the department for a product under section 210 of this act.

(5) The producer of a product that is temporarily excluded from the requirements of this chapter under this section must report, directly to the department in a form and manner prescribed by the department, the information related to the temporarily excluded product that is required to be reported to the department by producer responsibility organizations under sections 103 and 119 of this act.

32

33

## Part Two

## Postconsumer Recycled Content Requirements

34 <u>NEW SECTION.</u> Sec. 201. DEFINITIONS. The definitions in this 35 section and section 102 of this act apply throughout this chapter 36 unless the context clearly requires otherwise. 1 (1)(a) "Beverage" means liquid products intended for human or 2 animal consumption and in a quantity more than or equal to two fluid 3 ounces and less than or equal to one gallon, including:

4 (i) Water and flavored water;

5 (ii) Beer or other malt beverages;

6 (iii) Wine;

7 (iv) Distilled spirits;

8 (v) Mineral water, soda water, and similar carbonated soft 9 drinks;

10 (vi) Dairy milk; and

11 (vii) Any other beverage identified by the department by rule.

(b) "Beverage" does not include infant formula as defined in 21 U.S.C. Sec. 321(z), medical food as defined in 21 U.S.C. Sec. 360ee(b)(3), or fortified oral nutritional supplements used for persons who require supplemental or sole source nutritional needs due to special dietary needs directly related to cancer, chronic kidney disease, diabetes, or other medical conditions as determined by the department.

19 (2) "Beverage manufacturing industry" means an association that 20 represents beverage producers.

(3) "Brand" means a name, symbol, word, logo, or mark that identifies a product and attributes the product and its components, including packaging, to the brand owner of the product as the producer.

(4) "Dairy milk" means a beverage made exclusively or principally
 from lacteal secretions obtained from one or more milk-producing
 animals. Dairy milk includes, but is not limited to:

(a) Whole milk, low-fat milk, skim milk, cream, half-and-half, orcondensed milk; or

30

(b) Cultured or acidified milk, kefir, or eggnog.

31 (5) "De minimis producer" means an entity that annually sells, 32 offers for sale, distributes, or imports:

(a) In or into the country for sale in Washington state less than
 one ton of PCRC products specified in subsection (18)(a)(i) through
 (vi) of this section; and

36 (b) That have a global gross revenue of less than \$5,000,000 for 37 the most recent fiscal year of the organization.

38

(6) "Department" means the department of ecology.

39 (7) "Durable good" means a product that provides utility over an 40 extended period of time. 1 (8) "Entity" means an individual and any form of business 2 enterprise. For purposes of calculating the de minimis producer 3 thresholds under this chapter, a producer entity includes all legal 4 entities that are affiliated by common ownership of 50 percent or 5 greater, including parents, subsidiaries, and commonly owned 6 affiliates.

7 (9) "Household" means all of the people who occupy a residential
8 property regardless of their relationship to one another.

9 (10) "Household cleaning and personal care product manufacturing 10 industry" means an association that represents companies that 11 manufacture household cleaning and personal care products.

12 (11) "Household cleaning products" means products labeled, 13 marketed, or otherwise indicating that the purpose of the product is 14 to clean, freshen, or remove unwanted substances, such as dirt, 15 stains, and other impurities from objects, interior or exterior 16 structures, vehicles, possessions, and environments associated with a 17 household. These items include:

18 (a) Liquid soaps, laundry soaps, detergents, softeners, surface19 polishes, and stain removers;

20

(b) Textile cleaners, carpet and pet cleaners, and treatments; or

21 (c) Other products used to clean or freshen areas associated with 22 a household.

(12) "Licensee" means a manufacturer of a PCRC product or entity who licenses a brand and manufactures a PCRC product under that brand.

(13) "Personal care product" means a product intended or marketed for use to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body for cleansing, beautifying, promoting attractiveness, or altering the appearance including:

(a) Shampoo, conditioner, styling sprays and gels, and other haircare products;

33 (b) Lotion, moisturizer, facial toner, and other skin care 34 products;

35 (c) Liquid soap and other body care products; or

36 (d) Other products used to maintain, improve, or enhance personal 37 care or appearance.

38 (14)(a) "Plastic beverage container" means a bottle or other 39 rigid container that is solely made of plastic material and is 40 capable of maintaining its shape when empty, comprised of one or

multiple plastic resins designed to contain a beverage. "Plastic 1 beverage container" includes a container's cap or lid. 2

3

(b) "Plastic beverage container" does not include:

(i) Reusable beverage containers, such as containers that are 4 sufficiently durable for multiple rotations of their original or 5 6 similar purpose and are intended to function in a system of reuse;

7 (ii) Rigid plastic containers or plastic bottles that are or are used for medical devices, medical products that are required to be 8 sterile, drugs, or dietary supplements as defined in RCW 82.08.0293 9 that do not contain a "nutrition facts" label required under federal 10 11 law;

12

(iii) Bladders or pouches that contain a beverage;

13 (iv) Paper-based beverage containers; or

14 (v) Liners, corks, closures, labels, and other items added externally or internally but otherwise separate from the structure of 15 16 the bottle or container, other than a lid or cap.

17 (15) (a) "Plastic household cleaning and personal care product container" means a bottle, jug, tub, tube, or other rigid container 18 with: 19

20 (i) A minimum capacity of eight fluid ounces or its equivalent 21 volume;

22 (ii) A maximum capacity of five fluid gallons or its equivalent 23 volume;

(iii) That is capable of maintaining its shape when empty; 24

25

26

(iv) Comprised solely of one or multiple plastic resins; and

(v) Containing a household cleaning or personal care product.

(b) "Plastic household cleaning and personal care product 27 container" does not include: 28

(i) Reusable household cleaning and personal care product 29 containers, such as containers that are sufficiently durable for 30 31 multiple rotations of their original or similar purpose and are intended to function in a system of reuse; 32

(ii) Rigid plastic containers or plastic bottles that are medical 33 devices, medical products that are required to be sterile, 34 prescription drugs, and dietary supplements as defined in RCW 35 36 82.08.0293, and packaging used for those products; and

(iii) Pesticide products regulated by the federal insecticide, 37 fungicide, and rodenticide act, 7 U.S.C. Sec. 136 et seq. that are in 38 direct contact with the regulated product. This exemption does not 39

1 include products regulated by the United States food and drug 2 administration.

3 (16)(a) "Plastic tub" means a wide-mouth rigid container used to 4 package consumable or durable goods that reach consumers, with a 5 maximum capacity of 50 ounces, that is:

(i) Capable of maintaining its shape when empty;

7 (ii) Comprised solely of one or multiple plastic resins and 8 designed to contain a product; and

9 (iii) Sealed with tamper-proof film or a detachable lid capable 10 of multiple openings and closures.

11

6

(b) "Plastic tub" does not include:

12 (i) Household cleaning and personal care products;

(ii) Plastic containers that are or are used for medical devices, medical products that are required to be sterile, nonprescription and prescription drugs, or dietary supplements as defined in RCW 82.08.0293;

17

(iii) Thermoform plastic containers;

18 (iv) Single-use plastic cups; and

19 (v) Other covered products subject to minimum PCRC requirements.

(17) (a) (i) "Postconsumer recycled content" or "PCRC" means the certified plastic resin incorporated into plastic packaging for a PCRC product and derived specifically from recycled material generated by households or by commercial or institutional facilities in their role as end users of packaged products that can no longer be used for their intended purpose.

26 (ii) "PCRC" includes returns of material from the distribution 27 chain.

28 (b) "PCRC" does not include plastic from preconsumer or 29 industrial plastic manufacturing sources.

30 (18)(a) "Postconsumer recycled content product" or "PCRC product" 31 means an item in one of the following categories subject to minimum 32 PCRC requirements under this chapter:

33 (i) Household cleaning products that use plastic household 34 cleaning product containers;

35 (ii) Personal care products that use personal care product 36 containers;

37 (iii) Beverages that use plastic beverage containers;

38 (iv) Plastic tubs for food products;

39 (v) Thermoform plastic containers; and

40 (vi) Single-use plastic cups.

1 (b) "PCRC product" does not include any type of container or bag 2 for which the state is preempted from regulating content of the container material under federal law or any items subject to the 3 postconsumer recycling content requirements of chapter 70A.245 RCW. 4

(19) (a) "Producer" means the following person responsible for 5 6 compliance with requirements under this chapter for a PCRC product 7 sold, offered for sale, or distributed in or into this state:

(i) If the product is sold in or with packaging under the brand 8 of the product manufacturer or is sold in packaging that lacks 9 identification of a brand, the producer of the packaging is the 10 11 person that manufactures the product;

(ii) If the product is sold under a retail brand, the producer is 12 13 the retail brand owner;

14 (iii) If the product is manufactured by a person other than the brand owner, the producer of the packaging is the person that is the 15 licensee of a brand or trademark under which a packaged item is used 16 in a commercial enterprise, sold, offered for sale, or distributed in 17 or into this state, whether or not the trademark is registered in 18 this state; 19

(iv) If there is no person described in (a)(i), (ii), or (iii) of 20 21 this subsection within the United States, the producer is the person who imports the product into the United States for use in a 22 commercial enterprise that sells, offers for sale, or distributes the 23 24 product in this state; or

25 (v) A person who would be considered a "producer" of a PCRC 26 product sold, offered for sale, or distributed in or into this state, 27 as defined in (a)(i) through (iv) of this subsection, can designate another responsible producer for that PCRC product if another person 28 29 agrees to accept responsibility and has registered as the producer responsible for that PCRC product under this chapter. 30

31

(b) "Producer" does not include:

Government agencies, municipalities, or other political 32 (i) subdivisions of the state; 33

(ii) Registered 501(c)(3) charitable organizations and 501(c)(4) 34 35 social welfare organizations; or

36 (iii) De minimis producers that annually sell, offer for sale, 37 distribute, or import:

(A) In Washington state less than one ton of PCRC products; and 38

(B) That have a global gross revenue of less than \$5,000,000 for 39 the most recent fiscal year of the organization. 40

1 (20) "Producer responsibility organization" has the same meaning 2 as defined in section 102 of this act.

3 (21) "Responsible producer" means a producer that is not a de 4 minimis producer.

5 (22)(a) "Retail establishment" means any person, corporation, 6 partnership, business, facility, vendor, organization, or individual 7 that sells or provides merchandise, goods, or materials directly to a 8 customer.

9 (b) "Retail establishment" includes, but is not limited to, food 10 service businesses as defined in RCW 70A.245.010, grocery stores, 11 department stores, hardware stores, home delivery services, 12 pharmacies, liquor stores, restaurants, catering trucks, convenience 13 stores, or other retail stores or vendors, including temporary stores 14 or vendors at farmers markets, street fairs, and festivals.

15 (23)(a) "Single-use plastic cup" means all beverage cups that are 16 nonsealed or sealed at point of sale.

17

18 (i) Commercially or home compostable cups;

(b) "Single-use plastic cups" do not include:

19 (ii) Expanded polystyrene cups; or

20 (iii) Composite plastic-lined fiber cups.

(24) (a) "Thermoform plastic container" means a clear or colored plastic container, such as a clamshell, lid, tray, egg carton, trifold, or similar rigid, nonbottle packaging, formed from sheets of extruded plastic resin and used to package consumable or durable goods that reach consumers, including:

(i) Branded and prepackaged containers that have been filled with
products and sealed prior to receipt by the retail establishment,
such as fresh produce, baked goods, nuts, toys, electronics, and
tools;

30 (ii) Containers that may be filled at the point of sale at a 31 retail establishment; and

32 33

40

(iii) Unfilled containers that are sold directly.

(b) "Thermoform plastic container" includes:

34 (i) Hinged plastic containers, commonly known as "clamshells" or 35 "blister packaging";

36 (ii) Two-piece unhinged containers;

37 (iii) One-piece containers without lids, such as trays; and

38 (iv) Trifold or tent containers with one or more hinges and a 39 flat bottom.

(c) "Thermoform plastic container" does not include:

- 1 (i) Household cleaning products or personal care products;
- 2 (ii) Plastic tubs;
- 3 (iii) Reusable containers;
- 4 (iv) A lid or seal of a different material type from plastic;

5 (v) A reusable thermoform plastic container that ordinarily would 6 be returned to the manufacturer to be refilled and resold;

(vi) Plastic containers that are or are used for medical devices,
medical products that are required to be sterile, prescription drugs,
or dietary supplements as defined in RCW 82.08.0293;

- 10
- (vii) Commercially or home compostable containers;

11 (viii) Other PCRC products; and

12 (ix) Thermoform plastic containers accompanying a durable good 13 when the durable good model, and the associated packaging, was 14 designed prior to January 1, 2025.

15 <u>NEW SECTION.</u> Sec. 202. DE MINIMIS PRODUCERS. (1) For purposes 16 of determining whether a producer is a de minimis producer, the 17 weight and revenue definitional thresholds must be calculated at the 18 level of the "entity" associated with the PCRC product by the 19 producer responsibility organization.

20 (2) The exemptions under this chapter for de minimis producers do 21 not apply to entities that have agreed to accept responsibility for 22 compliance with the requirements of this chapter for a PCRC product 23 on the behalf of another producer.

(3) (a) De minimis producers are not required to meet annual
 registration, reporting, PCRC, or fee requirements of PCRC products
 under this chapter.

(b) De minimis producers must annually notify the producer responsibility organization in which the producer participates to demonstrate that they are de minimis producers.

30 (4) The producer responsibility organization must submit to the 31 department information necessary to verify whether a producer 32 qualifies for the de minimis status, including:

33 (a) Annual global gross revenue dollar amount less than or equal 34 to \$5,000,000;

35 36 (b) Annual total resin weight less than or equal to one ton; and

(c) Any additional information requested by the department.

37 <u>NEW SECTION.</u> Sec. 203. PCRC REQUIREMENTS FOR PCRC PRODUCTS. 38 (1)(a) By January 1, 2025, and each January 1st thereafter, a

producer responsibility organization under chapter 70A.--- RCW (the 1 new chapter created in section 601 of this act) that represents 2 3 producers who offers for sale, sells, or distributes in or into Washington PCRC products must register with the department on behalf 4 of each producer registered with the producer responsibility 5 6 organization with sale or distribution of PCRC products in or into 7 Washington. A producer must continue to register and report to the department under the methods established in chapter 70A.245 RCW until 8 a producer responsibility organization registers with the department 9 under chapter 70A.--- RCW (the new chapter created in section 601 of 10 11 this act).

12 (b) The registration information submitted under (a) of this 13 subsection must include a list of the producers of PCRC products and 14 the associated brand names of the PCRC products represented in the 15 registration submittal.

(2) Producers that offer for sale, sell, or distribute in or into
 Washington the following products must meet the minimum postconsumer
 recycled content requirements:

(a) Beginning January 1, 2024, producers of beverages other than
 wine in 187 milliliter plastic beverage containers and dairy milk in
 plastic beverage containers must meet minimum PCRC requirements
 established under section 204 of this act.

(b) Beginning January 1, 2025, producers of household cleaning products or personal care products in plastic household cleaning product containers or plastic personal care product containers must meet minimum PCRC requirements as required under section 205 of this act.

(c) Beginning January 1, 2026, producers of plastic tubs used for
 food products must meet minimum PCRC requirements established under
 section 206 of this act.

31 (d) Beginning January 1, 2028, producers of wine in 187 32 milliliter plastic beverage containers or dairy milk in plastic 33 beverage containers must meet minimum PCRC requirements established 34 under section 204 of this act.

(e) Beginning January 1, 2029, producers of single-use plastic
 cups must meet minimum PCRC requirements established under section
 207 of this act.

(f) Beginning January 1, 2031, producers of thermoform plastic
 containers, except those containing durable goods, must meet minimum
 PCRC requirements established under section 208 of this act.

1 (g) Beginning January 1, 2036, producers of durable goods in 2 thermoform plastic containers must meet minimum PCRC requirements 3 established under section 208 of this act.

4 (3)(a) In addition to the registration information submitted
5 under subsection (1) of this section, each producer of a PCRC product
6 must annually report PCRC to the producer responsibility organization
7 with which it is registered, beginning on the following dates:

8 (i) No later than 30 days after the registration of a producer 9 with a producer responsibility organization under subsection (1)(a) 10 of this section, for plastic beverage containers other than plastic 11 dairy milk containers and 187 milliliter plastic wine containers;

12 (ii) February 1, 2026, for plastic household cleaning product 13 containers and plastic personal care product containers;

14 (iii) February 1, 2027, for plastic tubs used for food products;

15 (iv) February 1, 2029, for plastic dairy milk containers and 187 16 milliliter plastic wine containers;

17

(v) February 1, 2030, for single-use plastic cups;

18 (vi) February 1, 2032, for thermoform plastic containers except 19 those containing durable goods; and

20 (vii) February 1, 2037, for thermoform plastic containers 21 containing durable goods.

(b) Producer PCRC annual reports to the producer responsibility organization must include:

(i) The amount in pounds of virgin plastic and the amount in pounds of PCRC by resin type used within a single PCRC product category sold, offered for sale, or distributed in or into Washington;

(ii) The total PCRC resin as a percentage of the total weight of
 plastic reported for a single PCRC product category, or other metrics
 approved by the department; and

31 (iii) Any additional information adopted by rule by the 32 department.

33 <u>NEW SECTION.</u> Sec. 204. PCRC REQUIREMENTS FOR PLASTIC BEVERAGE 34 CONTAINERS. A producer of a beverage in a plastic beverage container 35 must meet the following annual minimum PCRC percentage on average for 36 the total quantity of plastic beverage containers, by weight, that 37 are sold, offered for sale, or distributed in or into Washington by 38 the producer effective:

1 (1) For beverages except wine in 187 milliliter plastic beverage 2 containers and dairy milk:

3 (a) January 1, 2024, through December 31, 2025: No less than 15 4 percent PCRC plastic by weight;

5 (b) January 1, 2026, through December 31, 2030: No less than 25 6 percent PCRC plastic by weight; and

7 (c) On and after January 1, 2031: No less than 50 percent PCRC 8 plastic by weight.

9 (2) For wine in 187 milliliter plastic beverage containers and 10 dairy milk:

(a) January 1, 2028, through December 31, 2030: No less than 15 percent PCRC plastic by weight;

13 (b) January 1, 2031, through December 31, 2035: No less than 25 14 percent PCRC plastic by weight; and

15 (c) On and after January 1, 2036: No less than 50 percent PCRC 16 plastic by weight.

17 <u>NEW SECTION.</u> Sec. 205. PCRC REQUIREMENTS FOR HOUSEHOLD CLEANING 18 PRODUCTS AND PERSONAL CARE PRODUCTS. A producer of household cleaning 19 products in plastic containers or a producer of personal care 20 products in plastic containers must meet the following annual minimum 21 PCRC percentage on average for the total quantity of plastic 22 containers, by weight, that are sold, offered for sale, or 23 distributed in or into Washington by the producer effective:

(1) January 1, 2025, through December 31, 2027: No less than 15percent PCRC plastic by weight;

(2) January 1, 2028, through December 31, 2030: No less than 25
 percent PCRC plastic by weight; and

(3) On and after January 1, 2031: No less than 50 percent PCRCplastic by weight.

30 <u>NEW SECTION.</u> Sec. 206. PCRC REQUIREMENTS FOR PLASTIC TUBS FOR 31 FOOD PRODUCTS. A producer of plastic tubs must meet the following 32 annual minimum PCRC percentage on average for the total quantity of 33 plastic tubs used for food products, by weight, that are sold, 34 offered for sale, or distributed in or into Washington by the 35 producer effective:

(1) January 1, 2026, through December 31, 2030: No less than 10percent PCRC plastic by weight; and

1 (2) On and after January 1, 2031: No less than 30 percent PCRC 2 plastic by weight.

3 <u>NEW SECTION.</u> Sec. 207. PCRC REQUIREMENTS FOR SINGLE-USE PLASTIC 4 CUPS. A producer of single-use plastic cups must meet the following 5 annual minimum PCRC percentage on average for the total quantity of 6 single-use plastic cups, by weight, that are sold, offered for sale, 7 or distributed in or into Washington by the producer effective:

8

(1) For polypropylene single-use plastic cups:

9 (a) January 1, 2029, through December 31, 2030: No less than 15 10 percent PCRC plastic by weight; and

(b) On and after January 1, 2031: No less than 25 percent PCRC plastic by weight.

13 (2) For polyethylene terephthalate and polystyrene, and other 14 types of single-use plastic cups:

(a) January 1, 2029, through December 31, 2030: No less than 20percent PCRC plastic by weight; and

17 (b) On and after January 1, 2031: No less than 30 percent PCRC 18 plastic by weight.

19 <u>NEW SECTION.</u> Sec. 208. PCRC REQUIREMENTS FOR THERMOFORM PLASTIC 20 CONTAINERS. A producer of a thermoform plastic container must meet 21 the following annual minimum PCRC percentage on average for the total 22 quantity of thermoform plastic containers, by weight, that are sold, 23 offered for sale, or distributed in or into Washington by the 24 producer effective:

25

For packaging for consumable goods:

(a) January 1, 2031, through December 31, 2035: No less than 10
 percent PCRC plastic by weight; and

(b) On and after January 1, 2036: No less than 30 percent PCRC plastic by weight.

30 (2)(a) Except as provided in (b) of this subsection, for 31 packaging used for durable goods: On and after January 1, 2036, no 32 less than 30 percent PCRC plastic by weight.

(b) Packaging designed to accompany a durable good where that durable good model is designed prior to the effective date of the requirement in (a) of this subsection is exempt.

36NEW SECTION.Sec. 209.PCRCREPORTINGBYPRODUCER37RESPONSIBILITYORGANIZATIONS.(1)Aproducerresponsibility

1 organization reporting to the department under this chapter must pay 2 fees as specified in chapter 70A.--- RCW (the new chapter created in 3 section 601 of this act).

4 (2) Beginning April 1, 2025, and each April 1st thereafter, a 5 producer responsibility organization must annually report to the 6 department for each producer of PCRC products for which it receives 7 reports from producers under section 203 of this act:

8

(a) The amount in pounds of virgin plastic resin;

9 (b) The amount in pounds of PCRC by resin type used for each 10 category of covered products that are sold, offered for sale, or 11 distributed in or into Washington;

12 (c) The total PCRC resins as a percentage of total weight;

13 (d) Any other information necessary to fulfill the intent of this14 chapter, as required by rule adopted by the department.

(3) (a) The report must be submitted in a format and manner prescribed by the department. A producer may submit national or regional data allocated on a per capita basis for Washington to approximate the information required in this section if the producer or third-party representative demonstrates to the department that state level data are not available or feasible to generate.

21 (b) A producer must maintain a certificate of compliance, conducted by a third-party certification entity, stating that the 22 covered product is in compliance with postconsumer recycled content 23 requirements under this chapter. A third-party certification entity 24 must be an independent, accredited (ISO/IEC 17065) certifying body. A 25 producer shall maintain a certificate of compliance within a year by 26 the dates on which the postconsumer recycled content requirements 27 28 take effect for the producer's PCRC products.

(c) If compliance with minimum recycled content requirements is achieved through an adjustment made pursuant to section 210 of this act, the certificate must state the specific basis upon which the exemption is claimed.

33 (d) The certificate of compliance must be kept on file by the 34 producer for three years from the date of the last sale or 35 distribution by the producer.

36 (e) A producer must furnish a certificate of compliance to the 37 department upon request within 60 days.

38 (f) Requests from a member of the public for any certificate of 39 compliance must be made in writing to the department and must be 40 specific as to the PCRC product information requested. The department

1 must respond to requests from a member of the public under this 2 subsection within 90 days.

3 (g) If manufacturers are required under any other state statute, 4 including chapter 70A.222 RCW, to provide a certificate of 5 compliance, one certificate may be developed containing all required 6 information.

(h) If the producer of the PCRC product reformulates or creates a
new PCRC product, the producer shall develop an amended or new
certificate of compliance for the reformulated or new PCRC product.

10 (4) (a) A producer responsibility organization may, as part of the 11 annual report submitted to the department under this section, or as a 12 separate submission in advance of the effective dates in sections 205 13 through 208 of this act, petition for an exclusion or adjustment 14 under section 210 of this act covering the upcoming calendar year to 15 the minimum PCRC requirements on behalf of producers registered with 16 the producer responsibility organization.

(b) When submitting a petition for a PCRC rate adjustment, the producer responsibility organization must provide necessary information that will allow the department to make a determination based on the factors listed in section 210(2) of this act.

(c) When submitting a petition for a PCRC rate temporary exclusion, the producer responsibility organization must provide necessary information that will allow the department to make a determination based on the factors listed in section 210(4) of this act.

(5) The department must review and determine whether to approve
 PCRC reports submitted by producer responsibility organizations. The
 department must:

(a) Make PCRC reports submitted under this section, including petitions for exclusions or rate adjustments under section 210 of this act, available for public review and comment for at least 30 days upon the receipt of the annual report by the department;

33 (b) Make a determination as to whether or not an annual report 34 meets the requirements of this section and notify the producer 35 responsibility organization of the:

36 (i) Determination of approval of the PCRC annual report; or

37 (ii) Reasons for not approving the PCRC annual report. The 38 producer responsibility organization must submit a revised PCRC 39 annual report within 60 days after receipt of the letter of 40 disapproval. 1 (6) The department must post approved PCRC annual reports 2 submitted by each producer responsibility organization under this 3 section on its website.

NEW SECTION. Sec. 210. ADJUSTMENTS AND TEMPORARY EXCLUSIONS TO 4 5 PCRC RATES. (1) The department may review and determine for the following calendar year whether to adjust the minimum PCRC percentage 6 required for a type of container or PCRC product or category of PCRC 7 products under this chapter. The department's review may be initiated 8 by the department or upon a petition by a producer responsibility 9 10 organization in its annual report submitted to the department under 11 section 209 of this act.

12 (2) In making a determination pursuant to subsection (1) of this 13 section, the department must consider, at a minimum, all of the 14 following factors:

(a) Changes in market conditions, including supply and demand for PCRC plastics, collection rates, and bale availability both domestically and globally;

18

(b) Recycling rates;

(c) The availability of recycled plastic suitable to meet the minimum PCRC requirements pursuant to subsection (3) or (4) of this section, including the availability of high quality recycled plastic, and food-grade recycled plastic from recycling programs;

23

(d) The capacity of recycling or processing infrastructure;

(e) The technical feasibility of achieving the minimum PCRC
requirements in covered products that are regulated under 21 C.F.R.,
chapter I, subchapter G, 7 U.S.C. Sec. 136, 15 U.S.C. Sec. 1471-1477,
49 C.F.R. Sec. 178.33b, 49 C.F.R. Sec. 173, 40 C.F.R. Sec. 152.10, 15
U.S.C. Sec. 1261-1278, 49 U.S.C. Sec. 5101 et seq., 49 C.F.R. Sec.
178.509, 49 C.F.R. Sec. 179.522, 49 C.F.R. Sec. 178.600-609, and
other federal laws; and

31 (f) The progress made by producers in achieving the goals of this 32 chapter.

(3) (a) Under this section, the department may not adjust the minimum PCRC requirements above the minimum PCRC percentages under sections 204, 206, 207, and 208 of this act for the year under review.

37 (b) For plastic household cleaning product containers and plastic 38 personal care product containers, the department may not adjust the 39 minimum PCRC requirements above the minimum PCRC percentages for the year under review required pursuant to section 205 of this act or
 below a minimum of 10 percent.

3 (4) (a) The department must temporarily exclude from minimum PCRC 4 requirements for the upcoming year any types of PCRC products in 5 plastic containers for which a producer responsibility organization 6 demonstrates to the department in its annual report under section 209 7 of this act that the:

8 (i) Producer cannot achieve the PCRC requirements and remain in 9 compliance with applicable rules and regulations adopted by the 10 United States food and drug administration, or any other state or 11 federal law, rule, or regulation; or

12 (ii) Achievement of PCRC requirements in the container material 13 is not technologically feasible.

(b) The producer responsibility organization must continue to provide producer registration data and report consistent with the requirements of this chapter for PCRC products temporarily excluded from minimum PCRC requirements under this subsection.

(5) A producer or producer responsibility organization may appeal a decision by the department to adjust PCRC percentages under this section or to temporarily exclude covered products from minimum PCRC requirements under subsection (4) of this section to the pollution control hearings board within 30 days of the department's determination.

24 <u>NEW SECTION.</u> Sec. 211. ADMINISTRATIVE ROLE AND ENFORCEMENT BY 25 THE DEPARTMENT. (1)(a) A producer that does not pay fees, register, 26 report, or achieve the PCRC requirements established under this 27 chapter is subject to the penalties provided in this section.

(b) A producer responsibility organization that does meet the registration, fee payment, or reporting requirements under this chapter is subject to the provisions provided in section 123 of this act.

(2) (a) A producer assessed a penalty pursuant to this chapter 32 must remit the penalty to the producer responsibility organization 33 with which it is registered. A producer responsibility organization 34 must submit aggregated penalty payments comprised of the remitted 35 penalty payments from all producers owing penalties under this 36 chapter that are members of the producer responsibility organization. 37 38 The producer responsibility organization's aggregated payment may be a single annual payment, paid in quarterly installments, or on an 39

SHB 1131

alternative payment schedule arranged subject to the approval of the department. The department may not approve an alternative payment schedule that exceeds a 12-month time frame unless the department determines that an extension is needed due to unforeseen circumstances, such as a public health emergency, state of emergency, or natural disaster.

(b) Beginning June 1st of the year following the first year that 7 minimum PCRC requirements apply to a category of PCRC product, and 8 annually thereafter, the department must determine the penalty for 9 the previous calendar year based on the PCRC requirement of the 10 11 previous calendar year. The department shall calculate the amount of 12 the penalty based upon the amount in pounds in the aggregate of virgin plastic, PCRC plastic, and any other plastic per category used 13 by the producer to produce PCRC products sold or offered for sale in 14 or into Washington, in accordance with the following: 15

16 (i) (A) Based on data provided in the annual report submitted 17 under section 209 of this act by a producer responsibility organization, the annual penalty amount assessed to a producer must 18 equal the product of both of the following: The total pounds of 19 plastic used per category multiplied by the relevant minimum PCRC 20 21 plastic target percentage, less the pounds of total plastic 22 multiplied by the percent of PCRC plastic used; multiplied by 20 23 cents.

(B) Example: [(Total pounds of plastic used x minimum PCRC
plastic target percentage) - (Total pounds of plastic used x PCRC
plastic percentage used)] x 20 cents.

27 (ii) For the purposes of (b)(i) of this subsection, both of the 28 following apply:

(A) The total pounds of plastic used must equal the sum of the
 amount of virgin plastic, PCRC plastic, and any other plastic used by
 the producer, as reported pursuant to section 209 of this act;

32 (B) If the mathematical product calculated pursuant to (b)(i) of 33 this subsection is equal to or less than zero, the department may not 34 assess a penalty.

(3) (a) Upon request by a producer responsibility organization, the department must consider granting a reduction of penalties assessed under this section for a producer's failure to achieve PCRC requirements established in this chapter. Penalty reduction requests under this subsection must be submitted to the department by August 1st of each year. A producer responsibility organization's request to

SHB 1131

1 the department must contain sufficient information described in (b) 2 of this subsection to allow the department to determine whether to 3 grant the request.

4 (b) In determining whether to grant a penalty reduction, the
5 department must consider, at minimum, all of the following factors:
6 (i) Anomalous market conditions;

6 7

(ii) Disruption in, or lack of supply of, recycled plastics; and

8 (iii) Other factors that have prevented a producer from meeting 9 the minimum PCRC requirements of this chapter.

10 (c) In lieu of or in addition to assessing a penalty under this 11 section, the department may require a producer responsibility 12 organization to submit on behalf of a producer or group of producers 13 a corrective action plan detailing how the producer or producers plan 14 to come into compliance with this chapter.

15 (4) For purposes of determining compliance with the PCRC 16 requirements of this chapter, the department may consider information 17 provided by the producer responsibility organization regarding the 18 date of manufacture of a PCRC product or the container of a PCRC 19 product.

(5) (a) A producer or a producer responsibility organization may appeal penalties assessed and orders issued under this chapter to the pollution control hearings board within 30 days of penalty assessment or order issuance.

(b) Penalties collected under this section must be deposited inthe recycling enhancement account created in RCW 70A.245.100.

(6) (a) A city, town, county, or municipal corporation may not
implement local recycled content requirements for a PCRC product that
is subject to minimum PCRC requirements established in this chapter.

(b) A city, town, county, or municipal corporation may establish local purchasing requirements that include recycled content standards that exceed the minimum recycled content requirements established by this chapter for plastic household cleaning product containers and plastic personal care product containers purchased by a city, town, or municipal corporation, or its contractor.

35 (7) In-state distributors, wholesalers, and retail establishments 36 in possession of PCRC products manufactured before the date that PCRC 37 requirements become effective may exhaust their existing stock 38 through sales to the public.

<u>NEW SECTION.</u> Sec. 212. RULE-MAKING AUTHORITY. The department
 may adopt rules as necessary to implement, administer, and enforce
 this chapter.

4 Sec. 213. RCW 70A.245.010 and 2021 c 313 s 2 are each amended to 5 read as follows:

6 The definitions in this section apply throughout this chapter 7 unless the context clearly requires otherwise.

8 (1) (("Beverage" means beverages identified in (a) through (f) of 9 this subsection, intended for human or animal consumption, and in a 10 quantity more than or equal to two fluid ounces and less than or 11 equal to one gallon:

- 12 (a) Water and flavored water;
- 13 (b) Beer or other malt beverages;
- 14 <del>(c) Wine;</del>
- 15 (d) Distilled spirits;

16 (e) Mineral water, soda water, and similar carbonated soft
17 drinks; and

18 (f) Any beverage other than those specified in (a) through (e) of 19 this subsection, except infant formula as defined in 21 U.S.C. Sec. 20 321(z), medical food as defined in 21 U.S.C. Sec. 360ee(b)(3), or 21 fortified oral nutritional supplements used for persons who require 22 supplemental or sole source nutritional needs due to special dietary 23 needs directly related to cancer, chronic kidney disease, diabetes, 24 or other medical conditions as determined by the department.

25 (2) "Beverage manufacturing industry" means an association that 26 represents beverage producers.

(3)) "Condiment packaging" means packaging used to deliver
 single-serving condiments to customers. Condiment packaging includes,
 but is not limited to, single-serving packaging for ketchup, mustard,
 relish, mayonnaise, hot sauce, coffee creamer, salad dressing, jelly,
 jam, and soy sauce.

32 (((4)(a) "Covered product" means an item in one of the following 33 categories subject to minimum postconsumer recycled content 34 requirements:

35 (i) Plastic trash bags;

36 (ii) Household cleaning and personal care products that use 37 plastic household cleaning and personal care product containers; and 38 (iii) Beverages that use plastic beverage containers. 1 (b) "Covered product" does not include any type of container or 2 bag for which the state is preempted from regulating content of the 3 container material or bag material under federal law.

4 (5) "Dairy milk" means a beverage that designates milk as the 5 predominant (first) ingredient in the ingredient list on the 6 container's label.

7

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

8 ((<del>(7)</del>)) <u>(3)</u> "Expanded polystyrene" means blown polystyrene and 9 expanded and extruded foams that are thermoplastic petrochemical 10 materials utilizing a styrene monomer and processed by any number of 11 techniques including, but not limited to, fusion of polymer spheres 12 (expandable bead polystyrene), injection molding, foam molding, and 13 extrusion-blow molding (extruded foam polystyrene).

((<del>(8)</del>)) <u>(4)</u> "Food service business" means a business selling or 14 providing food for consumption on or off the premises, and includes 15 16 full-service restaurants, fast food restaurants, cafes, 17 delicatessens, coffee shops, grocery stores, vending trucks or carts, home delivery services, delivery services provided through an online 18 application, and business or institutional cafeterias. 19

20 (((9))) (5) "Food service product" means a product intended for 21 one-time use and used for food or drink offered for sale or use. Food 22 service products include, but are not limited to, containers, plates, 23 bowls, cups, lids, beverage containers, meat trays, deli rounds, 24 utensils, sachets, straws, condiment packaging, clamshells and other 25 hinged or lidded containers, wrap, and portion cups.

26 (((10) "Household cleaning and personal care product" means any 27 of the following:

28 (a) Laundry detergents, softeners, and stain removers;

29 (b) Household cleaning products;

30 (c) Liquid soap;

31 (d) Shampoo, conditioner, styling sprays and gels, and other hair 32 care products; or

33 (e) Lotion, moisturizer, facial toner, and other skin care 34 products.

35 (11) "Household cleaning and personal care product manufacturing 36 industry" means an association that represents companies that 37 manufacture household cleaning and personal care products.

38 (12)) (6) "Licensee" means a manufacturer of a certified PCRC 39 product or entity who licenses a brand and manufactures a ((covered 40 product)) certified PCRC product under that brand. 1 (((13) "Oral nutritional supplement" means a manufactured liquid, 2 powder capable of being reconstituted, or solid product that contains 3 a combination of carbohydrates, proteins, fats, fiber, vitamins, and 4 minerals intended to supplement a portion of a patient's nutrition 5 intake.

6 (14) "Plastic beverage container" means a bottle or other rigid 7 container that is capable of maintaining its shape when empty, 8 comprised solely of one or multiple plastic resins designed to 9 contain a beverage. Plastic beverage container does not include:

10 (a) Refillable beverage containers, such as containers that are 11 sufficiently durable for multiple rotations of their original or 12 similar purpose and are intended to function in a system of reuse;

13 (b) Rigid plastic containers or plastic bottles that are or are 14 used for medical devices, medical products that are required to be 15 sterile, nonprescription and prescription drugs, or dietary 16 supplements as defined in RCW 82.08.0293;

17

(c) Bladders or pouches that contain wine; or

18 (d) Liners, caps, corks, closures, labels, and other items added 19 externally or internally but otherwise separate from the structure of 20 the bottle or container.

21 (15) (a) "Plastic household cleaning and personal care product 22 container" means a bottle, jug, or other rigid container with a neck 23 or mouth narrower than the base, and:

24 (i) A minimum capacity of eight fluid ounces or its equivalent 25 volume;

26 (ii) A maximum capacity of five fluid gallons or its equivalent 27 volume;

28 (iii) That is capable of maintaining its shape when empty;

29 (iv) Comprised solely of one or multiple plastic resins; and

30 (v) Containing a household cleaning or personal care product.

31 (b) "Plastic household cleaning and personal care product 32 container" does not include:

33 (i) Refillable household cleaning and personal care product 34 containers, such as containers that are sufficiently durable for 35 multiple rotations of their original or similar purpose and are 36 intended to function in a system of reuse; and

37 (ii) Rigid plastic containers or plastic bottles that are medical 38 devices, medical products that are required to be sterile, and 39 nonprescription and prescription drugs, dietary supplements as 40 defined in RCW 82.08.0293, and packaging used for those products. 1 (16))) (7) "Plastic trash bag" means a bag that is made of noncompostable plastic, is at least 0.70 mils thick, and is designed 2 and manufactured for use as a container to hold, store, or transport 3 materials to be discarded or recycled, and includes, but is not 4 limited to, a garbage bag, recycling bag, lawn or leaf bag, can liner 5 6 bag, kitchen bag, or compactor bag. "Plastic trash bag" does not 7 include any compostable bags meeting the requirements of chapter 70A.455 RCW. 8

9 ((<del>(17) "Plastic trash bag</del>)) <u>(8) "Certified PCRC product</u> 10 manufacturing industry" means an association that represents 11 companies that manufacture ((<del>plastic trash bags</del>)) <u>a certified PCRC</u> 12 <u>product</u>.

13 (((18))) (9) "Postconsumer recycled content" means the content of 14 a ((covered product)) certified PCRC product made of recycled 15 materials derived specifically from recycled material generated by 16 households or by commercial, industrial, and institutional facilities 17 in their role as end users of a product that can no longer be used 18 for its intended purpose. "Postconsumer recycled content" includes 19 returns of material from the distribution chain.

20 ((<del>(19)</del>)) <u>(10)</u>(a) "Producer" means the following person 21 responsible for compliance with minimum postconsumer recycled content 22 requirements under this chapter for a ((<del>covered product sold, offered</del> 23 <del>for sale, or distributed in or into this state:</del>

24 (i) If the covered product is sold under the manufacturer's own 25 brand or lacks identification of a brand, the producer is the person 26 who manufactures the covered product;

(ii) If the covered product is manufactured by a person other than the brand owner, the producer is the person who is the licensee of a brand or trademark under which a covered product is sold, offered for sale, or distributed in or into this state, whether or not the trademark is registered in this state, unless the manufacturer or brand owner of the covered product has agreed to accept responsibility under this chapter; or

34 (iii) If there is no person described in (a)(i) and (ii) of this 35 subsection over whom the state can constitutionally exercise 36 jurisdiction, the producer is the person who imports or distributes 37 the covered product in or into the state)) certified product sold, 38 offered for sale, or distributed in or into this state:

39 (i) If the product is sold in or with packaging under the brand 40 of the product manufacturer or is sold in packaging that lacks

1	identification of a brand, the producer of the packaging is the
2	person that manufactures the product;
3	(ii) If the product is sold under a retail brand, the producer is
4	the retail brand owner;
5	(iii) If the product is manufactured by a person other than the
6	brand owner, the producer of the packaging is the person that is the
7	licensee of a brand or trademark under which a packaged item is used
8	in a commercial enterprise, sold, offered for sale, or distributed in
9	or into this state, whether or not the trademark is registered in
10	this state;
11	(iv) If there is no person described in (a)(i), (ii), or (iii) of
12	this subsection within the United States, the producer is the person
13	who imports the product into the United States for use in a
14	commercial enterprise that sells, offers for sale, or distributes the
15	product in this state; or
16	(v) A person who would be considered a "producer" of a certified
17	product sold, offered for sale, or distributed in or into this state,
18	as defined in (a) (i) through (iv) of this subsection, can designate
19	another responsible producer for that certified product if another
20	person agrees to accept responsibility and has registered as the
21	producer responsible for that certified product under this chapter.
22	(b) "Producer" does not include:
23	(i) Government (( <del>agencies</del> )) <u>entities</u> , municipalities, or other
24	political subdivisions of the state; <u>or</u>
25	(ii) Registered 501(c)(3) charitable organizations and 501(c)(4)
26	social welfare organizations(( <del>; or</del>
27	(iii) De minimis producers that annually sell, offer for sale,
28	distribute, or import in or into the country for sale in Washington:
29	(A) Less than one ton of a single category of plastic beverage
30	containers, plastic household cleaning and personal care containers,
31	or plastic trash bags each year; or
32	(B) A single category of a covered product that in aggregate
33	generates less than \$1,000,000 each year in revenue)).
34	(( <del>(20)</del> )) <u>(11)</u> (a) "Retail establishment" means any person,
35	corporation, partnership, business, facility, vendor, organization,
36	or individual that sells or provides merchandise, goods, or materials
37	directly to a customer.
38	(b) "Retail establishment" includes, but is not limited to, food
39	service businesses, grocery stores, department stores, hardware
40	stores, home delivery services, pharmacies, liquor stores,

p. 75

SHB 1131

restaurants, catering trucks, convenience stores, or other retail
 stores or vendors, including temporary stores or vendors at farmers
 markets, street fairs, and festivals.

4 ((<del>(21)</del>)) <u>(12)</u>(a) "Utensil" means a product designed to be used by
5 a consumer to facilitate the consumption of food or beverages,
6 including knives, forks, spoons, cocktail picks, chopsticks, splash
7 sticks, and stirrers.

8 (b) "Utensil" does not include plates, bowls, cups, and other 9 products used to contain food or beverages.

10 (13) "Certified postconsumer recycled content product" or 11 "certified PCRC product" means:

(a) Plastic household cleaning products or personal care 12 products, as defined in section 201 of this act, that are pesticide 13 products regulated by the federal insecticide, fungicide, and 14 rodenticide act, 7 U.S.C. Sec. 136 et seq., that are in direct 15 contact with the regulated product, and that are excluded from the 16 17 requirements of chapters 70A.--- (the new chapter created in section 601 of this act) and 70A.--- RCW (the new chapter created in section 18 19 602 of this act);

20 (b) H

(b) Plastic trash bags; and

21 (c) Plastic plant pots and trays.

22 <u>(14) "Plant pot or tray" means a single-use or durable container,</u>
23 <u>material transport tray, or water collection tray used to grow,</u>
24 <u>contain, cultivate, display, or transport plants or soil.</u>

25 Sec. 214. RCW 70A.245.020 and 2021 c 313 s 3 are each amended to 26 read as follows:

27 (1) ((<del>(a) Beginning January 1, 2023, producers that offer for</del> 28 sale, sell, or distribute in or into Washington:

29 (i) Beverages other than wine in 187 milliliter plastic beverage 30 containers and dairy milk in plastic beverage containers must meet 31 minimum postconsumer recycled content requirements established under 32 subsection (4) of this section; and

33 (ii) Plastic trash bags must meet minimum postconsumer recycled 34 content requirements established under subsection (6) of this 35 section.

36 (b) Beginning January 1, 2025, producers that offer for sale, 37 sell, or distribute in or into Washington household cleaning and 38 personal care products in plastic household cleaning and personal 1 care product containers must meet minimum postconsumer recycled 2 content as required under subsection (5) of this section.

3 (c) Beginning January 1, 2028, producers that offer for sale, 4 sell, or distribute in or into Washington wine in 187 milliliter 5 plastic beverage containers or dairy milk in plastic beverage 6 containers must meet minimum postconsumer recycled content as 7 required under subsection (4) of this section.

8 (2)(a) On or before April 1, 2022, and annually thereafter, a 9 producer that offers for sale, sells, or distributes in or into 10 Washington covered products must register with the department 11 individually or through a third-party representative registering on 12 behalf of a group of producers.

13 (b) The registration information submitted to the department under this section must include a list of the producers of covered 14 15 products and the brand names of the covered products represented in the registration submittal. Beginning April 1, 2024, for plastic 16 17 trash bags and plastic beverage containers other than wine in 187 milliliter plastic beverage containers and dairy milk in plastic 18 beverage containers, April 1, 2026, for plastic household and 19 personal care product containers, and April 1, 2029, for wine in 187 20 milliliter plastic beverage containers and dairy milk, a producer may 21 submit registration information at the same time as the information 22 submitted through the annual reporting required under RCW 23 24 70A.245.030.

25 (3) (a) By January 31, 2022, and every January 31st thereafter, 26 the department must:

(i) Prepare an annual workload analysis for public comment that identifies the annual costs it expects to incur to implement, administer, and enforce this section and RCW 70A.245.030 through 70A.245.060 and 70A.245.090 (1), (2), and (4), including rule making, in the next fiscal year for each category of covered products;

32 (ii) Determine a total annual fee payment by producers or their 33 third-party representatives for each category of covered products 34 that is adequate to cover, but not exceed, the workload identified in 35 (a)(i) of this subsection;

36 (iii) Until rules are adopted under (a) (iv) of this subsection, 37 issue a general order to all entities falling within the definition 38 of producer. The department must equitably determine fee amounts for 39 an individual producer or third-party representatives within each 40 category of covered product; 1 (iv) By 2024, adopt rules to equitably determine annual fee 2 payments by producers or their third-party representatives within 3 each category of covered product. Once such rules are adopted, the 4 general order issued under (a)(iii) of this subsection is no longer 5 effective; and

6 (v) Send notice to producers or their third-party representatives
7 of fee amounts due consistent with either the general order issued
8 under (a) (iii) of this subsection or rules adopted under (a) (iv) of
9 this subsection.

10

(b) The department must:

11 (i) Apply any remaining annual payment funds from the current 12 year to the annual payment for the coming year, if the collected 13 annual payment exceeds the department's costs for a given year; and

14 (ii) Increase annual payments for the coming year to cover the 15 department's costs, if the collected annual payment was less than the 16 department's costs for a given year.

17 (c) By April 1, 2022, and every April 1st thereafter, producers 18 or their third-party representative must submit a fee payment as 19 determined by the department under (a) of this subsection.

20 (4) A producer of a beverage in a plastic beverage container must 21 meet the following annual minimum postconsumer recycled content 22 percentage on average for the total quantity of plastic beverage 23 containers, by weight, that are sold, offered for sale, or 24 distributed in or into Washington by the producer effective:

25 (a) For beverages except wine in 187 milliliter plastic beverage 26 containers and dairy milk:

27 (i) January 1, 2023, through December 31, 2025: No less than 15 28 percent postconsumer recycled content plastic by weight;

(ii) January 1, 2026, through December 31, 2030: No less than 25
 percent postconsumer recycled content plastic by weight; and

31 (iii) On and after January 1, 2031: No less than 50 percent
32 postconsumer recycled content plastic by weight.

33 (b) For wine in 187 milliliter plastic beverage containers and 34 dairy milk:

35 (i) January 1, 2028, through December 31, 2030: No less than 15 36 percent postconsumer recycled content plastic by weight;

37 (ii) January 1, 2031, through December 31, 2035: No less than 25 38 percent postconsumer recycled content plastic by weight; and

39 (iii) On and after January 1, 2036: No less than 50 percent 40 postconsumer recycled content plastic by weight.

1 (5)) A producer of household cleaning ((and)) or plastic personal care products that are pesticide products regulated by the 2 federal insecticide, fungicide, and rodenticide act, 7 U.S.C. Sec. 3 136 et seq. that are in direct contact with the regulated product and 4 that are excluded from the requirements of chapters 70A. --- (the new 5 6 chapter created in section 601 of this act) and 70A. --- RCW (the new chapter created in section 602 of this act) in plastic containers 7 must meet the following annual minimum postconsumer recycled content 8 percentage on average for the total quantity of plastic containers, 9 by weight, that are sold, offered for sale, or distributed in or into 10 11 Washington by the producer effective:

(a) January 1, 2025, through December 31, 2027: No less than 15
 percent postconsumer recycled content plastic by weight;

(b) January 1, 2028, through December 31, 2030: No less than 25percent postconsumer recycled content plastic by weight; and

16 (c) On and after January 1, 2031: No less than 50 percent 17 postconsumer recycled content plastic by weight.

18 ((<del>(6)</del>)) <u>(2)</u> A producer of plastic trash bags must meet the 19 following annual minimum postconsumer recycled content percentage on 20 average for the total quantity of plastic trash bags, by weight, that 21 are sold, offered for sale, or distributed in or into Washington by 22 the producer effective:

(a) January 1, 2023, through December 31, 2024: No less than 10
 percent postconsumer recycled content plastic by weight;

(b) January 1, 2025, through December 31, 2026: No less than 15
 percent postconsumer recycled content plastic by weight; and

(c) On and after January 1, 2027: No less than 20 percent
 postconsumer recycled content plastic by weight.

29 (((7)(a) Beginning January 1, 2024, or when rule making is 30 complete, whichever is sooner, the department may, on an annual basis 31 on January 1st,)) (3) A producer of plastic plant pots or trays must 32 meet the following annual minimum postconsumer recycled content 33 percentage on average for the total quantity of covered products, by 34 weight, that are sold, offered for sale, or distributed in or into 35 <u>Washington by the producer effective:</u>

36 <u>(a) January 1, 2026, through December 31, 2030: No less than 30</u> 37 percent postconsumer recycled content plastic by weight;

38 (b) On and after January 1, 2031: No less than 80 percent 39 postconsumer recycled content plastic by weight.

1 (4) (a) By October 31st of each year, the department may review and determine for the following year whether to adjust the minimum 2 3 postconsumer recycled content percentage ((required for a type of container or product or category of covered products)) pursuant to 4 subsection ((<del>(4), (5), or (6)</del>)) <u>(1), (2), or (3)</u> of this section. The 5 6 department's review may be initiated by the department or at the 7 petition of a producer or ((a covered product)) the certified PCRC product manufacturing industry not more than once annually. Petitions 8 for review and adjustment must be made to the department by June 30th 9 of the year prior to the year in which the adjustment would apply. 10 When submitting a petition, producers or ((a producer)) the certified 11 12 PCRC product manufacturing industry must provide necessary information that will allow the department to make a determination 13 under (b) of this subsection. 14

(b) In making a determination pursuant to this subsection, the 15 16 department must consider, at a minimum, all of the following factors:

17 (i) Changes in market conditions, including supply and demand for postconsumer recycled content plastics, collection rates, and bale 18 19 availability both domestically and globally;

20

(ii) Recycling rates;

21 (iii) The availability of recycled plastic suitable to meet the 22 minimum postconsumer recycled content requirements pursuant to 23 subsection ((((4), (5), or (6))) (1), (2), or (3) of this section, including the availability of high quality recycled plastic((, and 24 25 food-grade recycled plastic from recycling programs));

26

(iv) The capacity of recycling or processing infrastructure;

The technical feasibility of achieving the minimum 27 (V) postconsumer recycled content requirements in covered products that 28 29 are regulated under 21 C.F.R., chapter I, subchapter G, 7 U.S.C. Sec. 136, 15 U.S.C. Sec. 1471-1477, 49 C.F.R. Sec. 178.33b, 49 C.F.R. Sec. 30 31 173, 40 C.F.R. Sec. 152.10, 15 U.S.C. Sec. 1261-1278, 49 U.S.C. 5101 32 et seq., 49 C.F.R. Sec. 178.509, 49 C.F.R. Sec. 179.522, 49 C.F.R. 33 Sec. 178.600-609, and other federal laws; and

(vi) The progress made by producers in achieving the goals of 34 35 this section.

36

(c) Under (a) of this subsection((:

(i) The department may not adjust the minimum postconsumer 37 38 recycled content requirements above the minimum postconsumer recycled 39 content percentages for the year under review required pursuant to 40 subsection (4), (5), or (6) of this section.

1 (ii) For plastic household cleaning and personal care product 2 containers, the department may not adjust the minimum postconsumer 3 recycled content requirements above the minimum postconsumer recycled 4 content percentages for the year under review required pursuant to 5 subsection (5) of this section or below a minimum of 10 percent.

6 (iii) For plastic trash bags)), the department may not adjust the 7 minimum postconsumer recycled content requirements above the minimum 8 postconsumer recycled content percentages for the year under review 9 required pursuant to subsection ((+6+)) (1), (2), or (3) of this 10 section or below the minimum percentage required in subsection 11 ((+6+)) (1)(a), (2)(a), or (3)(a) of this section.

(d) A producer or the <u>certified PCRC product</u> manufacturing industry ((for a covered product)) may appeal a decision by the department to adjust postconsumer recycled content percentages under (a) of this subsection or to temporarily exclude covered products from minimum postconsumer recycled content requirements ((<del>under</del> <del>subsection (8) of this section</del>)) to the pollution control hearings board within 30 days of the department's determination.

19 ((-(8))) (5) The department must temporarily exclude from minimum postconsumer recycled content requirements for the upcoming year any 20 21 types of covered products in plastic containers for which a producer 22 annually demonstrates to the department by December 31st of a given 23 that the achievement of postconsumer recycled content vear requirements in the container material is not technically feasible in 24 25 order to comply with health or safety requirements of federal law, 26 including the federal laws specified in subsection (7)(b)(v) of this section. A producer must continue to register and report consistent 27 28 with the requirements of this chapter for covered products 29 temporarily excluded from minimum postconsumer recycled content requirements under this subsection. 30

31 (((9))) (6) A producer that does not achieve the postconsumer 32 recycled content requirements established under this section or does 33 not comply with the labeling requirements established in chapter 34 <u>70A.245 RCW</u> is subject to penalties established in RCW 70A.245.040.

35 (((10))) (7)(a) A city, town, county, or municipal corporation 36 may not implement local recycled content requirements for ((a covered 37 product that is)) certified PCRC products that are subject to minimum 38 postconsumer recycled content requirements established in this 39 section.

1 (b) A city, town, county, or municipal corporation may establish local purchasing requirements that include recycled content standards 2 that exceed the minimum recycled content requirements established by 3 this chapter for ((plastic household cleaning and personal care 4 product containers or plastic trash bags)) certified PCRC products 5 6 purchased by a city, town, or municipal corporation, or its 7 contractor.

8 ((<del>(11)</del> The department may enter into contracts for the services 9 required to implement this chapter and related duties of the 10 department.

11 (12)) (8) In-state distributors, wholesalers, and retailers in 12 possession of ((covered products)) certified PCRC products 13 manufactured before the date that postconsumer recycled content 14 requirements become effective may exhaust their existing stock 15 through sales to the public.

16 Sec. 215. RCW 70A.245.030 and 2021 c 313 s 4 are each amended to 17 read as follows:

18 (1) ((<del>(a) Except as provided in (b) and (c) of this subsection</del>, beginning April 1, 2024, each producer of covered products, 19 20 individually or through a third party representing a group of producers, must provide an annual report to the department that 21 includes the amount in pounds of virgin plastic and the amount in 22 23 pounds of postconsumer recycled content by resin type used for each 24 category of covered products that are sold, offered for sale, or distributed in or into Washington state, including the total 25 26 postconsumer recycled content resins as a percentage of total weight. 27 The report must be submitted in a format and manner prescribed by the department. A manufacturer may submit national data allocated on a 28 29 per capita basis for Washington to approximate the information required in this subsection if the producer or third-party 30 representative demonstrates to the department that state level data 31 are not available or feasible to generate. 32

33 (b) The requirements of (a) of this subsection apply to household 34 cleaning and personal care products in plastic containers beginning 35 April 1, 2026.

36 (c) The requirements of (a) of this subsection apply to wine in 37 187 milliliter plastic beverage containers and dairy milk in plastic 38 beverage containers beginning April 1, 2029.

1 (d) The department must post the information reported under this subsection on its website, except as provided in subsection (2) of 2 this section)) A plastic trash bag producer must maintain a 3 certificate of compliance, conducted by a third-party certification 4 entity, stating that a plastic trash bag is in compliance with the 5 6 labeling requirements of RCW 70A.245.060 and the postconsumer 7 recycled content requirements of RCW 70.245.020. A producer of other certified PCRC products must maintain a certificate of compliance 8 stating that the certified PCRC product is in compliance with the 9 10 postconsumer recycled content requirements of RCW 70A.245.020. A third-party certification entity must be an independent, accredited 11 12 (ISO/IEC 17065) certifying body.

13 (2) A producer ((that submits information or records to the 14 department under this chapter may request that the information or records be made available only for the confidential use of the 15 16 department, the director, or the appropriate division of the 17 department. The director of the department must give consideration to the request and if this action is not detrimental to the public 18 interest and is otherwise in accordance with the policies and 19 purposes of chapter 43.21A RCW, the director must grant the request 20 for the information to remain confidential as authorized in RCW 21 22 43.21A.160)) shall develop a compliance certificate by the dates on 23 which the postconsumer recycled content requirements in RCW 24 70A.245.020 take effect for the producer's certified PCRC products.

25 (3) If compliance with minimum recycled content requirements is 26 achieved through an adjustment made pursuant to RCW 70A.245.020(4), 27 the certificate must state the specific basis upon which the 28 exemption is claimed.

29 <u>(4)(a) The certificate of compliance must be signed by an</u> 30 <u>authorized official of the producer.</u>

31 (b) The certificate of compliance must be kept on file by the 32 producer for three years from the date of the last sale or 33 distribution by the producer.

34 (c) A producer must furnish a certificate of compliance to the 35 department upon request within 60 days.

36 <u>(d) Requests from a member of the public for any certificate of</u> 37 compliance must be made in writing to the department and must be 38 specific as to the certified PCRC product information requested. The 39 department must respond to requests from a member of the public under 40 this subsection within 90 days. 1 (e) If manufacturers are required under any other state statute, 2 including chapter 70A.222 RCW, to provide a certificate of 3 compliance, one certificate may be developed containing all required 4 information.

5 <u>(f) If the producer of the certified PCRC product reformulates or</u> 6 <u>creates a new certified PCRC product, the producer shall develop an</u> 7 <u>amended or new certificate of compliance for the reformulated or new</u> 8 <u>certified PCRC product</u>.

9 Sec. 216. RCW 70A.245.040 and 2021 c 313 s 5 are each amended to 10 read as follows:

11 (1) ((<del>(a) A producer that does not meet the minimum postconsumer</del> recycled content requirements pursuant to RCW 70A.245.020 is subject 12 to a penalty pursuant to this section. Beginning June 1st of the year 13 14 following the first year that minimum postconsumer recycled product 15 content requirements apply to a category of covered product, the penalty must be calculated consistent with subsection (2) of this 16 section unless a penalty reduction or corrective action plan has been 17 approved pursuant to subsection (3) of this section. 18

19 (b) A producer that is assessed a penalty pursuant to this 20 section may pay the penalty to the department in one payment, in 21 quarterly installments, or arrange an alternative payment schedule 22 subject to the approval of the department, not to exceed a 12-month 23 payment schedule unless the department determines an extension is 24 needed due to unforeseen circumstances, such as a public health 25 emergency, state of emergency, or natural disaster.

26 (2) Beginning June 1st of the year following the first year that 27 minimum postconsumer recycled product content requirements apply to a category of covered product, and annually thereafter, the department 28 29 shall determine the penalty for the previous calendar year based on 30 the postconsumer recycled content requirement of the previous calendar year. The department shall calculate the amount of the 31 penalty based upon the amounts in pounds in the aggregate of virgin 32 33 plastic, postconsumer recycled content plastic, and any other plastic 34 per category used by the producer to produce covered products sold or offered for sale in or into Washington state, in accordance with the 35 36 following:

37 (a) (i) The annual penalty amount assessed to a producer must 38 equal the product of both of the following: The total pounds of 39 plastic used per category multiplied by the relevant minimum

1	postconsumer recycled plastic target percentage, less the pounds of
2	total plastic multiplied by the percent of postconsumer recycled
3	plastic used; multiplied by 20 cents.
4	(ii) Example: [(Total pounds of plastic used x minimum
5	postconsumer recycled plastic target percentage) - (Total pounds of
6	<pre>plastic used x postconsumer recycled plastic percentage used)] x 20</pre>
7	cents.
8	(b) For the purposes of (a) of this subsection, both of the
9	following apply:
10	(i) The total pounds of plastic used must equal the sum of the
11	amount of virgin plastic, postconsumer recycled content plastic, and
12	any other plastic used by the producer, as reported pursuant to RCW
13	<del>70A.245.030.</del>
14	(ii) If the product calculated pursuant to (a) of this subsection
15	is equal to or less than zero, the department may not assess a
16	penalty.
17	(3)(a)(i) The department shall consider granting a reduction of
18	penalties assessed pursuant to this section for the purpose of
19	meeting the minimum postconsumer recycled content requirements
20	required pursuant to RCW 70A.245.020.
21	(ii) In determining whether to grant the reduction pursuant to
22	(a)(i) of this subsection, the department shall consider, at a
23	minimum, all of the following factors:
24	(A) Anomalous market conditions;
25	(B) Disruption in, or lack of supply of, recycled plastics; and
26	(C) Other factors that have prevented a producer from meeting the
27	requirements.
28	(b) In lieu of or in addition to assessing a penalty under this
29	section, the department may require a producer to submit a corrective
30	action plan detailing how the producer plans to come into compliance
31	
32	with RCW 70A.245.020.
	with RCW 70A.245.020. (4) For the purposes of determining compliance with the
33	
33 34	(4) For the purposes of determining compliance with the
	(4) For the purposes of determining compliance with the postconsumer recycled content requirements of this chapter, the
34	(4) For the purposes of determining compliance with the postconsumer recycled content requirements of this chapter, the department may consider the date of manufacture of a covered product
34 35	(4) For the purposes of determining compliance with the postconsumer recycled content requirements of this chapter, the department may consider the date of manufacture of a covered product or the container of a covered product.
34 35 36	(4) For the purposes of determining compliance with the postconsumer recycled content requirements of this chapter, the department may consider the date of manufacture of a covered product or the container of a covered product. (5) A producer shall pay the penalty assessed pursuant to this
34 35 36 37	(4) For the purposes of determining compliance with the postconsumer recycled content requirements of this chapter, the department may consider the date of manufacture of a covered product or the container of a covered product. (5) A producer shall pay the penalty assessed pursuant to this section, as applicable, based on the information reported to the

(a) The department may assess a civil penalty to a producer in violation of the requirements of RCW 70A.245.020, 70A.245.030, or 70A.245.060 in the amount of up to \$2,000 for the first violation of this chapter, up to \$5,000 for the second violation of this chapter, and up to \$10,000 for the third and any subsequent violation of RCW 70A.245.020, 70A.245.030, or 70A.245.060.

7 (b) A specific violation is deemed to have occurred upon the sale 8 of noncompliant product by stock-keeping unit number or unique item 9 number. The repeated sale of the same noncompliant product by stock-10 keeping unit number or unique item number is considered a single 11 violation.

12 (2) In addition to the penalties authorized under subsection (1) 13 of this section, the department may prohibit the sale of any 14 certified PCRC products for which a manufacturer has failed to 15 respond to a request by the department for a certificate of 16 compliance within 60 days.

17 <u>(3) For the purposes of determining compliance with the</u> 18 <u>postconsumer recycled content requirements of this chapter, the</u> 19 <u>department may consider the date of manufacture of a certified PCRC</u> 20 <u>product.</u>

21 <u>(4)</u> A producer may appeal the penalty assessed under this section 22 to the pollution control hearings board within 30 days of assessment.

23 (((-7))) (5) Penalties collected under this section must be 24 deposited in the recycling enhancement account created in RCW 25 70A.245.100.

26 Sec. 217. RCW 70A.245.090 and 2021 c 313 s 12 are each amended 27 to read as follows:

(1) ((The department may conduct audits and investigations for
 the purpose of ensuring compliance with RCW 70A.245.020 and
 70A.245.040 based on the information reported under RCW 70A.245.030.

31 (2) The department shall annually publish a list of registered 32 producers of covered products and associated brand names, their 33 compliance status, and other information the department deems 34 appropriate on the department's website.

35 (3)) To assist regulated parties with the requirements specified 36 under RCW 70A.245.070 and 70A.245.080, the department:

37 (a) Must prepare and post on its website information regarding38 the prohibitions on the sale and distribution of expanded polystyrene

products as specified under RCW 70A.245.070 and restrictions on the provision of optional serviceware under RCW 70A.245.080;

3 (b) For education and outreach to help implement RCW 70A.245.070 4 and 70A.245.080, may develop culturally appropriate and translated 5 educational materials and resources for the state's diverse ethnic 6 populations from existing materials used by local jurisdictions and 7 other states.

8 ((<del>(4)</del>)) <u>(2)</u> The department may adopt rules as necessary to 9 administer, implement, and enforce this chapter.

10 Sec. 218. RCW 70A.245.100 and 2021 c 313 s 13 are each amended 11 to read as follows:

The recycling enhancement account is created in the custody of 12 13 the state treasurer. All penalties collected by the department pursuant to RCW 70A.245.040 ((and)), 70A.245.050, and sections 123, 14 15 211, and 319 must be deposited in the account. Only the director of 16 the department or the director's designee may authorize expenditures 17 from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for 18 expenditures. Expenditures from the account may be used by the 19 20 department only for providing grants to local governments for the 21 purpose of supporting local solid waste and financial assistance 22 programs.

23 Sec. 219. RCW 70A.245.120 and 2021 c 313 s 15 are each amended 24 to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose prior to January 1, 2028, the department shall contract with a research university or an independent third-party consultant to study the plastic resin markets for all of the following:

30 (a) Analyzing market conditions and opportunities in the state's recycling industry for meeting the minimum postconsumer recycled 31 content requirements for ((covered products)) certified PCRC products 32 pursuant to RCW 70A.245.020 and 70A.245.030 for products subject to 33 minimum <u>postconsumer</u> recycled content requirements under chapter 34 70A.--- RCW (the new chapter created in section 601 of this act); and 35 (b) Determining the data needs and tracking opportunities to 36 37 increase the transparency and support of a more effective, fact-based

p. 87

public understanding of the recycling industry.

38

1 (2) If funding is provided pursuant to subsection (1) of this 2 section and the department undertakes the study, the study must be completed by May 1, 2029. The requirements of this section may be 3 satisfied through a needs assessment as described in section 105(6) 4 5

of this act.

6

(3) This section expires July 1, 2029.

Sec. 220. RCW 70A.245.060 and 2021 c 313 s 7 are each amended to 7 read as follows: 8

(1) Beginning January 1, 2023, producers shall label each package 9 10 containing plastic trash bags sold, offered for sale, or distributed in or into Washington with: 11

12 (a) The name of the producer and the city, state, and country where the producer is located, which may be designated as the 13 location of the producer's corporate headquarters, and, beginning 14 15 January 1, 2025, the percentage of postconsumer recycled content that 16 the plastic trash bag contains; or

17 (b) A uniform resource locator or quick response code to an internet website that contains the information required pursuant to 18 (a) of this subsection. 19

(2) (a) The provisions of subsection (1) of this section do not 20 apply to a plastic bag that is designed and manufactured to hold, 21 store, or transport dangerous waste or biomedical waste. 22

23 (b) For the purposes of this subsection:

24 (i) "Biomedical waste" means any waste defined as that term under 25 RCW 70A.228.010; and

26 (ii) "Dangerous waste" means any waste defined as dangerous 27 wastes under RCW 70A.300.010.

28

## Part Three

## 29 Reimbursable Deposit Program Standards (Beverage Container Deposit 30 Program Provisions)

31 <u>NEW SECTION.</u> Sec. 301. INTENT. (1) The legislature finds that 32 the department of ecology was directed, through an independent 33 consultant, to study how plastic packaging is managed in the state, to assess various policy options, and to provide recommendations to 34 35 achieve certain goals, which included:

(a) Plastic packaging sold into the state is 100 percent 36 recyclable, reusable, or compostable by January 1, 2025; 37

1 (b) Plastic packaging sold into the state incorporates at least 2 20 percent postconsumer recycled content by January 1, 2025; and

3 (c) Plastic packaging is reduced when possible and optimized to 4 meet the need for it.

(2) The legislature also finds that the study recommendations 5 6 included establishing an extended producer responsibility policy for 7 all consumer packaging and paper with a framework that makes producers responsible for achieving specific management 8 and environmental outcomes for the consumer packaging they supply into 9 Washington state. In addition, the legislature finds that the study 10 11 recommends that a deposit return system is an effective way for 12 producers to meet outcomes required by an extended producer responsibility framework. 13

(3) The legislature further intends that packaging materials be 14 recycled or reused through extended producer responsibility programs, 15 16 including a deposit return system for qualifying beverage containers. 17 is the intent of the legislature that extended producer It 18 responsibility programs be implemented by and for producers of plastic packaging and other material types so that the design and 19 management of their packaging is accomplished in a manner that 20 21 ensures minimal environmental impact, involves producers from design 22 concept to end-of-life management, and incentivizes innovation and 23 industry stewardship to minimize environmental impacts.

24 <u>NEW SECTION.</u> Sec. 302. DEFINITIONS. The definitions in this 25 section apply throughout this chapter unless the context clearly 26 requires otherwise.

(1) "Dealer" means a retail establishment, as that term is defined in section 102 of this act, that engages in the sale of beverages in qualifying beverage containers.

30

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

31 (3) "Deposit return system" means a beverage container redemption 32 program that pays a per-unit refund value to consumers for qualifying 33 beverage containers and collects and processes qualifying beverage 34 containers as described in section 307 of this act.

35 (4) "Distributor" means every person or entity who engages in the 36 sale of beverages in beverage containers to a dealer in this state, 37 including any manufacturer or importer who engages in such sales, and 38 dealers who self-distribute their own brands. 1 (5) "Distributor responsibility organization" means a cooperative 2 association as defined in chapter 23.86 RCW, or an alternative 3 structure as approved by the department, that is designated by a 4 group of distributors representing the majority of beverages sold in 5 qualifying beverage containers in the state, to develop and carry out 6 the activities required of distributors by this chapter.

7 (6) "Qualifying beverage container" means beverage containers as8 described in section 307(2) of this act.

9 Sec. 303. RELATIONSHIP WITH CHAPTER 70A.--- RCW NEW SECTION. (THE NEW CHAPTER CREATED IN SECTION 601 OF THIS ACT). (1)(a) As an 10 11 alternative to satisfying their compliance obligation under chapter 70A.--- RCW (the new chapter created in section 601 of this act) for 12 containers, a producer responsibility 13 beverage qualifying organization and the department may not consider qualifying beverage 14 15 containers to be covered products for purposes of chapter 70A.--- RCW 16 (the new chapter created in section 601 of this act) upon a distributor responsibility organization's establishment and operation 17 18 of a deposit return system for the qualifying beverage containers described in section 307(2) of this act. 19

(b) A producer of qualifying beverage containers subject to the requirements of this chapter must satisfy postconsumer recycled content requirements established in chapter 70A.--- RCW (the new chapter created in section 602 of this act) through limited participation in a producer responsibility organization only for purposes of chapter 70A.--- RCW (the new chapter created in section 602 of this act).

(2) This chapter, relating to the establishment of a deposit
 return system, establishes requirements for the management of the
 containers described in section 307(2) of this act.

30 (3) (a) The requirements of sections 304 through 319 of this act 31 do not apply to qualifying beverage containers unless and until a 32 distributor responsibility organization, other than a single distributor independently complying with the requirements of a 33 distributor responsibility organization in this chapter, 34 is established and files a written notice with the department at, or 35 prior to, the time of producer responsibility organization 36 registration under chapter 70A.--- RCW (the new chapter created in 37 38 section 601 of this act), that the distributor responsibility organization will establish and operate a deposit return system. 39

1 (b) Upon the receipt of the written notice by the department 2 under (a) of this subsection, all qualifying beverage containers of 3 all producers subject to the requirements of chapter 70A.--- RCW (the 4 new chapter created in section 601 of this act) cease to be 5 considered covered products for purposes of chapter 70A.--- RCW (the 6 new chapter created in section 601 of this act) and are instead 7 subject to the requirements of this chapter.

8 (c) Nothing in this section excludes packaging associated with 9 qualifying beverage containers, other than the qualifying beverage 10 container itself and any closures or labels, from the requirements of 11 chapter 70A.--- RCW (the new chapter created in section 601 of this 12 act).

(4) If a distributor responsibility organization, other than a single distributor independently fulfilling the requirements of a distributor responsibility organization, is approved by the department and operates a deposit return system as described in section 307 of this act, all qualifying beverage containers are included in the deposit return system and all requirements of this chapter apply to the distributors of qualifying beverage containers.

20 NEW SECTION. Sec. 304. DISTRIBUTOR RESPONSIBILITY ORGANIZATION 21 DUTIES. (1) Beginning July 1, 2024, or four months after a 22 responsibility organization is approved by the distributor department, whichever is later, each distributor that offers for 23 24 sale, sells, or distributes in or into Washington beverages in qualifying beverage containers must join a distributor responsibility 25 organization or independently carry out all duties and requirements 26 27 of a distributor responsibility organization described in this 28 chapter including, but not limited to, the following: (a) Providing a convenient bulk bag drop-off system as described in section 307(5) of 29 30 this act that accepts all qualifying beverage containers in the same 31 bag, and at no cost to consumers; (b) providing the same number, and geographic distribution, of drop-off locations as required of a 32 distributor responsibility organization; (c) paying to consumers the 33 refund value of qualifying beverage containers; (d) meeting the 34 performance targets described in section 306 of this act; (e) paying 35 applicable performance penalties; 36 all and (f) fulfilling all 37 reporting requirements in this chapter.

38 (2) To qualify as a distributor responsibility organization, 39 other than an individual distributor independently fulfilling the

p. 91

SHB 1131

1 duties required of a distributor responsibility organization, and be approved by the department as described in section 305 of this act, a 2 distributor responsibility organization must demonstrate to the 3 department's satisfaction that its initial membership represents the 4 majority of beverages in qualifying beverage containers sold or made 5 6 available for sale in the state. Distributors may not be initial members of more than one distributor responsibility organization 7 registering with the department. Distributors that have not joined a 8 distributor responsibility organization, or that do not independently 9 10 fulfill the duties required of a distributor responsibility 11 organization, may not sell or supply beverages in qualifying beverage containers after October 1, 2024, or 120 days after a distributor 12 responsibility organization is approved by the department, whichever 13 is later, in or into Washington. Any distributor that operates in 14 violation of this requirement is subject to penalties and damages as 15 16 described in sections 305 and 307 of this act.

17 (3) A distributor responsibility organization registering with18 the department must submit with its registration the following:

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

(b) The total gross sales volume of beverages in qualifying beverage containers distributed by its members in Washington during the preceding year, representing, to the satisfaction of the department, a majority of such sales in the state.

(4) Until a distributor responsibility organization begins to submit annual reports as specified in section 309 of this act, by January 15th of each year a distributor responsibility organization must submit the following data for the prior calendar year:

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

31 (b) The number of qualifying beverage containers sold or made 32 available for sale in the state, by material category and size. A 33 distributor responsibility organization may rely on member reporting 34 for the reporting requirements in this section.

35 (5) By June 30th of the fiscal year of initial distributor 36 responsibility organization registration and every June 30th 37 thereafter, a distributor responsibility organization registered with 38 the department must submit an annual payment to the department to 39 fund the costs to implement, administer, and enforce this chapter, 40 including rule making. 1 (6) Beginning July 1, 2026, or within 180 days of the first 2 adoption of rules relating to this chapter, whichever is later, a 3 distributor responsibility organization approved by the department as 4 described in section 305 of this act must submit a plan to the 5 department that meets the requirements of a deposit return system as 6 specified in section 307 of this act.

7 (7) A distributor responsibility organization registered with the 8 department must implement a deposit return system, as specified in 9 section 307 of this act, by July 1, 2027, or within one year of first 10 adoption of rules relating to this chapter, whichever is later.

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

(9) A distributor responsibility organization that 14 submits 15 information or records to the department under this chapter may 16 request that the information or records be made available only for confidential use of the department, the director, 17 the or the appropriate division of the department. The director of 18 the 19 department must give consideration to the request, and if the director determines that this action is not detrimental to the public 20 21 interest and is otherwise in accordance with the policies and purposes of chapter 43.21A RCW, the director must grant the request 22 for the information to remain confidential as authorized in RCW 23 43.21A.160. 24

(10) A distributor responsibility organization may not distribute or otherwise disseminate funds from unclaimed refunds to members of the distributor cooperative, or alternative structure approved by the department, as a dividend, and shall report on this requirement annually in the manner described in section 309 of this act.

30 (11) A manufacturer distributor producing a de minimis quantity 31 of beverages in qualifying beverage containers may alternatively 32 comply with the requirements of this chapter by operating an 33 independent refund program approved by the department, as described 34 in section 312 of this act.

35 <u>NEW SECTION.</u> Sec. 305. DEPARTMENT DUTIES. (1) The department 36 shall implement, administer, and enforce this chapter. The department 37 may adopt rules to implement, administer, and enforce this chapter.

38 (2) By April 1st of each year after a distributor responsibility
 39 organization has notified the department of its intent to implement a

1 deposit return system under section 303 of this act, the department 2 must:

3 (a) Prepare a workload analysis that, as narrowly, efficiently, 4 and cost-effectively as possible, identifies the annual costs to 5 implement, administer, and enforce this chapter, including rule 6 making, in the next fiscal year;

7 (b) Determine a total annual fee payment to be paid by a 8 distributor responsibility organization to cover, but not exceed, the 9 costs of implementing, administering, and enforcing this chapter 10 identified through the workload analysis; and

11 (c) Send notice to a distributor responsibility organization of 12 fee amounts due.

(3) (a) The department shall review new, updated, and revised 13 14 registrations submitted by a distributor responsibility organization as required in section 304 of this act. The department shall not 15 16 approve the registration of a distributor responsibility organization 17 whose initial membership at the time of registration does not represent a majority of beverages in qualifying beverage containers 18 19 sold or made available for sale in Washington the prior year. The department shall: 20

(i) Approve the registration of a distributor responsibility organization whose initial membership at the time of registration represents, to the department's satisfaction, a majority of beverages in qualifying beverage containers sold or made available for sale in Washington the prior year; and

(ii) Make a determination, when applicable, as to whether the distributor responsibility organization's plan, plan update, or plan revision meets the criteria established in section 307 of this act.

(b) The department shall notify the distributor responsibilityorganization of:

(i) The department's approval of a plan, if the plan provides fora program that meets the requirements of section 307 of this act; or

(ii) The department's disapproval of a plan, and its reasons for disapproval, if the department determines the plan does not meet the requirements of section 307 of this act.

36 (c) If a distributor responsibility organization's plan is not 37 approved by the department, the distributor responsibility 38 organization must submit a new or revised plan within 60 days after 39 receipt of the department's letter of disapproval.

1 (4) The department shall receive the annual reports submitted by 2 a distributor responsibility organization, or individual distributor 3 independently complying with the requirements of this chapter, 4 pursuant to section 309 of this act and:

5 (a) Ensure the reports contain the items required in sections 304 6 and 309 of this act; and

7 (b) Make public the annual reporting required of the distributor 8 responsibility organization registered by the department, and any 9 individual distributor independently complying with the requirements 10 of this chapter, as described in sections 304 and 309 of this act.

11 (5) (a) In order to determine compliance with the provisions of 12 section 306(2) of this act, the department may, within six months of the date that the department receives a report as described in 13 section 309 of this act, review the records of a distributor 14 15 responsibility organization specifically related to the accuracy of 16 the redemption rate. The records specifically related to the accuracy 17 of the redemption rate do not include financial details of a 18 distributor responsibility organization.

(b) If in the course of a review described in (a) of this 19 subsection the department determines that an audit of a distributor 20 responsibility organization is necessary to verify the redemption 21 rate, the department shall require the distributor responsibility 22 23 organization to retain an independent audit firm to determine the accuracy of the redemption rate. The scope of the audit must be 24 25 limited to records specifically related to the accuracy of the 26 redemption rate. A distributor responsibility organization that is 27 subject to review shall pay the costs of the audit. The audit must be 28 limited to the records described in (a) of this subsection.

(6) In lieu of the payment described in section 304(5) of this 29 act and subsection (2) of this section, after October 1, 2024, or 120 30 31 days after a distributor responsibility organization is approved by 32 the department, whichever is later, a distributor independently 33 carrying out the duties and requirements of a distributor responsibility organization described in this chapter shall pay a 34 registration fee to the department equal to 10 cents per qualifying 35 beverage container until such time as a distributor responsibility 36 organization begins operating a deposit return system. 37

38 (7)(a) After July 1, 2027, or the date in which a distributor 39 responsibility organization begins operating a deposit return system, 40 whichever is later, and after notification of noncompliance from the

department and a 60-day cure period, the department shall 1 administratively impose a civil penalty to any distributor who fails 2 3 to participate in a distributor responsibility organization as specified in section 304 of this act, or fails to otherwise comply 4 with the requirements of this chapter by independently carrying out 5 6 the duties of a distributor responsibility organization described in this chapter, which shall be at least 15 cents per qualifying 7 beverage container sold or made available for sale by that 8 distributor in the state, or \$10,000, whichever is greater. 9

10 (b) Any distributor who incurs a penalty under this section may 11 appeal the penalty to the pollution control hearings board 12 established in chapter 43.21B RCW.

13 (c) Fees paid under subsection (6) of this section must be 14 deposited into the deposit return organization program account 15 created in section 318 of this act and used by the department to 16 offset costs of implementing the requirements in this chapter. The 17 department shall direct and store any excess funds to make available 18 to the recycling revenue augmentation fund described in section 317 19 of this act.

20 (d) Penalties levied under this section must be deposited into 21 the deposit return organization program account created in section 22 318 of this act and be used to support the duties of the department 23 described in this section.

24 <u>NEW SECTION.</u> Sec. 306. REUSE AND RECYCLING PERFORMANCE 25 REQUIREMENTS. (1) To meet the reuse and recycling performance 26 requirements established in this section, a distributor 27 responsibility organization must:

(a) Demonstrate that all qualifying beverage containers are
 designed to be reusable or recyclable by January 1, 2031, in
 accordance with criteria established by the department; and

31 (b) Calculate the reuse sales rate and the redemption rate of qualifying beverage containers and provide the verification to the 32 department as part of the annual reporting requirements. The reuse 33 sales rate is the number of units in reusable packaging sold in a 34 35 year. For materials reclaimed under a deposit return system, the calculation point for the redemption rate is the number of qualifying 36 37 beverage containers redeemed statewide by the distributor 38 responsibility organization divided by the number of qualifying

1 beverage containers sold in the state by members of the distributor 2 responsibility organization.

3 (2) At a minimum, each plan must achieve the following 4 performance requirements:

5 (a) By 2028, a minimum of 60 percent of all qualifying beverage 6 containers supplied into the state are redeemed for reuse or 7 recycling through the deposit return system;

8 (b) By 2031, a minimum of 80 percent of all qualifying beverage 9 containers supplied into the state are redeemed for reuse or 10 recycling through the deposit return system; and

11 (c) By December 31, 2031, sales of beverages in reusable 12 packaging must reach at least one percent of all qualifying beverage 13 containers.

14 <u>NEW SECTION.</u> Sec. 307. DEPOSIT RETURN SYSTEM. (1) The 15 department shall make a determination of approval of a distributor 16 responsibility organization's plan, or plan update, to operate a 17 deposit return system for qualifying beverage containers based on the 18 criteria in this section:

(a) The distributor responsibility organization's registration
with the department meets the requirements described in sections 304
and 305 of this act;

(b) The distributor responsibility organization presents a plan that imposes a refund value of 10 cents for all qualifying beverage containers covered under the plan;

25 (c) The plan or plan update includes a method for paying the refund value and collecting qualifying beverage containers from 26 27 consumers, including a plan to provide convenient bulk, bagged returns, and a plan to accept direct, sorted returns at its 28 processing facilities for an additional refund value premium if the 29 30 containers are returned by organizations certified as nonprofit 31 organizations pursuant to section 501(c)(3) of the internal revenue 32 code that are approved by the distributor responsibility organization and serve very low-income individuals who rely on regular container 33 refunds through the deposit return system as a source of daily funds; 34

35 (d) Includes in the plan a process for annually reporting to the 36 department regarding the names, locations, return volume, cost per 37 container for each partnership, and other services provided through 38 the partnerships described in (c) of this subsection; and

1 (e) Includes a description of how the distributor responsibility organization and the deposit return system will coordinate with other 2 recycling systems and processes, including exploring the potential 3 for colocating facilities as described in section 308 of this act, 4 establishing policies to facilitate the redemption of materials from 5 6 other recycling pathways as described in section 314 of this act, and providing clear communications about which products are included in 7 the deposit return system as described in section 313 of this act. 8

9 (2) A deposit return system must include the following qualifying 10 beverage containers:

(a) Except as provided in (b) of this subsection, any individual, separate, sealed glass, metal, or plastic bottle or can, except for a carton, foil pouch, drink box, or metal container that requires a tool to be opened, that contains any beverage intended for human consumption and in a quantity of greater than four ounces and less than or equal to one gallon.

(b) The requirements of this chapter do not apply to beverageswith dairy milk as the first ingredient or infant formula.

(3) If a deposit return system is approved by the department, then for the duration of the plan, all qualifying beverage containers sold or offered for sale in the state of Washington:

22

(a) Must carry a 10 cent refund value;

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

(c) Must be sold by a distributor, importer, or producer that is a member of the distributor responsibility organization submitting the deposit return system plan for qualifying beverage containers or an individual distributor independently carrying out the duties required of a distributor responsibility organization described in this chapter; and

35 (d) Must carry a clear and conspicuous marking indicating the 36 refund value of the container in the state of Washington. This 37 requirement may be satisfied through the abbreviation "WARV" or any 38 other standard abbreviation approved by the department. A beverage 39 container for wine may satisfy the requirement to indicate the refund 40 value of the container through the use of a quick response code.

1 (4) (a) In lieu of any other penalties for not achieving the performance criteria in section 306 of this act, 2 should the redemption rate performance requirements described in section 306 of 3 this act not be met, the distributor responsibility organization 4 shall annually calculate the number of containers representing the 5 6 difference between the redemption rate of qualifying beverage containers and the redemption rate performance requirements described 7 in section 306(2) (a) and (b) of this act, and pay a penalty that is 8 equal to 10 cents times the number of containers representing the 9 difference. 10

(b) At the sole discretion of the department, if the requirements 11 12 in (a) of this subsection result in a penalty to be paid by the distributor responsibility organization, the department 13 may alternatively identify priority areas for additional drop-off access 14 to be provided, and the department and the distributor responsibility 15 16 organization may agree to provide additional access accordingly. If 17 agreement is not reached, the financial penalty in (a) of this 18 subsection must be paid.

19 (c) There is no penalty assessed on the distributor 20 responsibility organization related to the reuse performance 21 requirements described in section 306 of this act.

22 (5) The distributor responsibility organization must, at its own 23 cost, provide a convenient bulk drop-off option for bagged qualifying at geographically dispersed locations 24 beverage containers in 25 Washington that sell beverages in qualifying beverage containers, are 26 located a convenient distance from a dealer, or are located at a publicly owned facility. The distributor responsibility organization 27 may not charge customers for this drop-off service and must credit 28 the cost of any required bag purchase back to the customer when the 29 bag is processed. If drop-off bags are made of plastic film, bags 30 31 must have a minimum 50 percent recycled content and the distributor 32 responsibility organization must be able to demonstrate that waste 33 film from bags is being recycled in the best commercially available 34 manner.

(6) Upon launch of the deposit return system, the distributor 35 responsibility organization shall provide at least 270 bag drop sites 36 around the state, with at least one drop site located in each county, 37 and at least one drop site located in each island community served by 38 39 Washington state ferries system, distributed the by county 40 proportional to the volume of qualifying beverage containers sold in

each county. The distributor responsibility organization shall 1 calculate a drop-off capacity formula that is equal to the ratio of 2 drop-off locations to total sales of beverages in qualifying beverage 3 containers represented by the initial deployment of 270 sites, and 4 the number of beverages in qualifying beverage containers sold the 5 6 year prior to the year the distributor responsibility organization begins operating a deposit return system in Washington. Within two 7 years of the date in which the distributor responsibility 8 organization begins operating a deposit 9 return system, the distributor responsibility organization shall add an additional 10 10 drop-off locations. The locations of the additional 10 drop-off sites 11 12 must be agreed upon by the distributor responsibility organization and the department, in consultation with the consumer convenience 13 advisory council established in section 310 of this act, balancing 14 15 the need for consumer convenience and access in rural counties, small 16 cities, and underserved areas, and data regarding where beverages in 17 qualifying beverage containers are sold. Five years after the distributor responsibility organization is required to provide 280 18 19 drop-off locations, and every five years after that, the distributor responsibility organization shall calculate an updated number of 20 21 drop-off locations required using the drop-off capacity formula. If this calculation determines that the distributor responsibility 22 organization needs to add additional drop-off sites to reach the 23 required by the capacity formula, the distributor 24 number 25 responsibility organization shall provide the department with a list of proposed new locations, equal to the number determined by the 26 drop-off capacity formula, based on input from the consumer 27 28 convenience advisory council established in section 310 of this act, consideration of consumer convenience, and data regarding where 29 beverage sales occur. The distributor responsibility organization 30 31 shall make the new drop-off locations available within three years. 32 Drop-off locations may be located at dealers, or any other retail 33 establishment, publicly owned facility, or any other location 34 convenient to consumers but nothing in this chapter may be interpreted to create a legal obligation on the part of dealers 35 either to accept returned qualifying beverage containers or allow a 36 drop-off location to be sited at a dealer. Local governments shall 37 coordinate with the distributor responsibility organization 38 to 39 identify opportunities for the siting of necessary collection 40 infrastructure including, where appropriate, on city and county

1 properties, to help ensure convenient access across the state. All sites must be paid for in full by the distributor responsibility 2 organization. The distributor responsibility organization may provide 3 an alternative access plan for any county that has not reached the 4 required number of drop-off locations and the department may approve 5 6 an alternative access plan for that county if it deems the alternative access plan for that county to be similarly convenient to 7 consumers as the proportional drop site requirement. The distributor 8 responsibility organization shall pay for the cost of 9 these facilities. 10

(7) Unless otherwise specified in a distributor responsibility 11 12 organization's bylaws or in a contract between a distributor responsibility organization and an individual distributor arranging 13 specifically for the collection of beverage containers sold for the 14 purpose of consumption on premises, any manufacturer, distributor, or 15 16 importer that fails to pay to a distributor responsibility organization the refund value of qualifying beverage containers 17 included in this chapter is liable to the distributor responsibility 18 19 organization for treble the unpaid refund value and treble the collection costs incurred by the distributor responsibility 20 21 organization for any beverage containers that were sold without the 22 refund value of the container being remitted to the distributor 23 responsibility organization.

(8) The distributor responsibility organization is not requiredto accept or pay refunds for:

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

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

32 (c) Any beverage container for which the distributor 33 responsibility organization has reasonable grounds to believe was not 34 purchased through the state's deposit return system or for which a 35 refund has already been given.

36 (9) If the distributor responsibility organization uses automated 37 industrial counting equipment to count containers returned in bulk 38 and credit refund values to consumers, the distributor responsibility 39 organization may use commercially viable methods of counting, and

shall have a customer service system, which serves as the remedy to
 resolve complaints and discrepancies.

3 (10) The distributor responsibility organization may create 4 reasonable terms and conditions for participation in the program.

(11) For the first five years in which a deposit return system is 5 6 operated by a distributor responsibility organization in this state, a distributor responsibility organization shall remit \$15,000,000 by 7 December 31st of each year for the first five years in which it 8 operates a deposit return system, to the department of commerce's 9 recycling revenue augmentation fund created in section 317 of this 10 act. If the first year of operations of a deposit return system 11 12 begins after January 1st, the payment amount shall be prorated in accordance with the portion of the year in which the deposit return 13 14 system is operating. These payments constitute the full financial obligation of the distributor responsibility organization to the 15 recycling revenue augmentation fund created in section 317 of this 16 17 act.

(12) (a) All retailers over 5,000 square feet and with qualifying 18 beverage unit sales greater than 100,000 annually must install a 19 self-serve kiosk, provided at no charge by the distributor 20 21 responsibility organization, to facilitate the printing of redemption vouchers, pay the value of redemption vouchers to customers, and must 22 23 sell bags for redemption at the price established by the distributor distributor responsibility responsibility organization. 24 The 25 organization shall reimburse dealers for the value of valid vouchers redeemed by customers. Dealers may additionally offer a voucher 26 redemption option for funds to be used as store credit. There is no 27 28 other cost or requirement for retailers associated with container 29 redemption.

30 (b) Storage and drop-off containers sited for the purposes of 31 fulfilling the requirements of this section are considered mobile 32 containers regardless of whether they have wheels, have electrical 33 power, or are affixed to the site.

34 (c) The distributor responsibility organization shall establish a 35 geographically distributed network of processing facilities across 36 the state for the purpose of counting, crediting, sorting, and 37 compacting bagged container returns and facilitating the program for 38 organizations certified as nonprofit organizations pursuant to 39 section 501(c)(3) of the internal revenue code as described in 40 subsection (1)(c) of this section.

1 <u>NEW SECTION.</u> Sec. 308. PARTICIPATION IN THE FEASIBILITY STUDY. In order to facilitate the potential for shared drop-off locations 2 3 other depots or return pathways provided with by producer organizations, the distributor 4 responsibility responsibility organization must participate in the feasibility study described in 5 6 section 505 of this act. The distributor responsibility 7 organization's participation in the feasibility study is limited to helping identify potential partnerships and shared drop-off locations 8 between the distributor responsibility organization and producer 9 responsibility organizations, and the distributor responsibility 10 11 organization retains sole discretion to determine how to achieve the 12 required number and geographic distribution of drop-off locations required of the distributor responsibility organization. 13

14 <u>NEW SECTION.</u> Sec. 309. ANNUAL REPORTING ON ACTIVITIES. (1) 15 Beginning July 1, 2028, and each July 1st thereafter, a distributor 16 responsibility organization must submit an annual report to the 17 department for the preceding calendar year of plan implementation.

(2) Each annual report must include the following information:
(a) A list of its member distributors and their brands of
beverages in qualifying beverage containers;

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

25 (c) The number of beverages in reusable containers that were 26 sold;

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

31 (e) A list and explanation of the beverages in qualifying 32 beverage containers supplied or sold in Washington by members of the 33 distributor responsibility organization and brands of qualifying 34 beverage containers participating in the deposit return system;

35 (f) The final destinations of recycled material managed by the 36 program;

37 (g) The total budget for the distributor responsibility 38 organization;

1 (h) Total value of unclaimed refunds used by the distributor 2 responsibility organization to support operations; and

3

(i) The annual redemption rate and reuse sales rate.

4 (3) The reporting described in subsection (2)(b) of this section 5 does not include containers that are sold to dealers or other 6 entities outside of the state.

7 (4) A distributor responsibility organization may rely on member
8 reporting for reporting requirements in this chapter.

9 (5) Included in its annual report, a distributor responsibility 10 organization shall provide verification from a third-party financial 11 auditing firm confirming the total budget for the distributor 12 responsibility organization, the total value of unclaimed refunds, 13 and a verification that funds represented by unclaimed refunds were 14 not distributed to members of the cooperative as a dividend.

15 <u>NEW SECTION.</u> Sec. 310. CONSUMER CONVENIENCE ADVISORY COUNCIL. 16 (1) In coordination with the department, the distributor 17 responsibility organization shall establish the consumer convenience 18 advisory council within six months following initial registration of 19 a distributor responsibility organization.

20 (2) The consumer convenience advisory council must include the 21 following members:

(a) A representative of the distributor responsibility organization charged with securing and making available drop-off locations;

(b) Two representatives of a grocery association, or individual grocers with more than 10 retail locations over 5,000 square feet in size in the state;

(c) Two representatives of a city association, or individual city government, with one representing a city with a population over 200,000 people;

31 (d) Two representatives of a county association, or individual 32 county government, with one representing an urban county and one 33 representing a rural county; and

34

(e) An environmental organization.

35 (3) Any additional representatives deemed by the distributor 36 responsibility organization to provide important insight into 37 assisting with the deployment of drop-off locations may be approved 38 by the department. 1 (4) The consumer convenience advisory council shall work with the 2 distributor responsibility organization to identify potential bag 3 drop-off locations and achieve the consumer convenience required in 4 section 307 of this act.

5 (5) The consumer convenience advisory council shall meet at least 6 twice per year and more frequently at the request of the distributor 7 responsibility organization.

Sec. 311. CONSUMER CONVENIENCE ASSESSMENT. (1) In 8 NEW SECTION. fifth full year in which a distributor responsibility 9 the 10 organization operates a deposit return system in the state, the department, in partnership with the distributor responsibility 11 organization, and in consultation with the consumer convenience 12 advisory council established in section 310 of this act, shall 13 conduct an assessment of consumer convenience, identifying any 14 15 barriers to achieving the number of drop-off locations required by 16 the consumer convenience requirements in section 306 of this act and 17 any other potential barriers to consumer convenience or 18 participation.

19 (2) If the required number of drop-off locations has not been 20 achieved, or if the system's redemption rate is significantly lower 21 than the redemption rate performance targets described in section 307 22 of this act, the department shall make policy recommendations 23 regarding ways to increase consumer convenience and enhance 24 performance.

25 <u>NEW SECTION.</u> Sec. 312. INDEPENDENT REFUND PROGRAM. (1) A 26 distributor that is also a manufacturer may submit a plan to the 27 department to operate an independent refund program for beverages in 28 qualifying beverage containers produced by the manufacturer, and the 29 department may approve the plan if it meets all of the following 30 criteria:

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

33 (b) The beverages are packaged in reusable qualifying beverage 34 containers;

35 (c) The manufacturer offers a refund value for the containers 36 that is greater than the refund value for containers redeemed by the 37 distributor responsibility organization; 1 (d) The department determines that the plan includes return 2 pathways and options that are convenient for consumers returning 3 their brand of beverage containers covered by the plan for a refund; 4 and

5 (e) The plan includes annual reporting requirements that, in the 6 department's determination, are sufficient to measure the performance 7 of the independent refund program.

8 (2) If the department approves an independent refund program plan 9 as described in subsection (1) of this section, the distributor 10 manufacturer operating a plan approved by the department is not 11 subject to the requirements of distributors independently complying 12 with the requirements in this chapter, as described in section 304(1) 13 of this act and elsewhere in this chapter.

14 (3) Reusable containers sold through a program approved through 15 this section count towards the reusable container performance 16 requirements described in section 306 of this act.

17 (4) The department may revoke plan approval for a manufacturer 18 distributor operating an independent refund program at any time if, 19 in its sole discretion, the department determines that the program is 20 not providing sufficient performance or not meeting the consumer 21 convenience requirements submitted with its plan.

22 Sec. 313. EDUCATION AND OUTREACH ACTIVITIES. (1) NEW SECTION. Each plan implemented by a distributor responsibility organization 23 24 under this chapter must include education and outreach activities 25 that effectively reach diverse residents, are accessible, are clear, and support the achievement of the performance requirements described 26 27 in section 306 of this act. To implement the education and outreach 28 activities described in the plan, a distributor responsibility organization must, at minimum: 29

30 (a) Develop and provide outreach and educational materials, 31 resources, and campaigns about the program to be used by the 32 distributor responsibility organization, dealers, governmental 33 entities, and nonprofit organizations. The materials, resources, and 34 campaigns developed under this section to encourage participation in 35 the deposit return system must, at minimum:

36 (i) Provide information to residents on recycling and reuse 37 practices related to the deposit return system, including where and 38 how to redeem qualifying beverage containers, and what happens to 39 containers once they are returned; and

1 (ii) Education and engagement with users of the deposit return 2 system to reduce the rate of inbound contamination or unwanted 3 materials;

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

7 (c) Use consistent and easy to understand messaging and education 8 statewide, with the aim of reducing resident confusion regarding the 9 recyclability, reuse, compostability, and end-of-life management 10 options available for different qualifying beverage containers;

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

15 (e) Establish a process for answering customer questions and 16 resolving customer concerns;

17 (f) Provide a map of each area where drop-off and other 18 collection services for qualifying beverage containers are available 19 on its website; and

20 (g) Evaluate the effectiveness of education and outreach efforts 21 for the purposes of making progress toward performance requirements 22 established in this chapter.

(2) A distributor responsibility organization may coordinate with
 government entities that choose to participate in carrying out
 resident education and outreach regarding the deposit return system.

Sec. 314. PAYMENT OF REFUND VALUE FOR COLLECTION 26 NEW SECTION. USING OTHER INFRASTRUCTURE. (1) The distributor responsibility 27 28 organization must accept, and must pay the full refund value for, any qualifying beverage containers returned the 29 to distributor 30 responsibility organization by material recovery facilities, 31 governmental entities, and other processing facilities if all of the 32 following criteria are met:

33 (a) The qualifying beverage containers have been collected and 34 separated in accordance with standards established by the distributor 35 responsibility organization and are delivered directly to a 36 distributor responsibility organization processing facility;

37 (b) In order to avoid redeeming containers not purchased in the 38 state, the material recovery facilities, governmental entities, and 39 other processing facilities may only handle or process materials from

1 this state, or provide third-party auditing and verification 2 sufficient to confirm that the containers being returned were 3 recovered only from material originating in the state; and

4 (c) The containers are separated by material type, not 5 contaminated with other materials, and are not crushed, broken, or 6 otherwise substantially manipulated into a shape other than the shape 7 of the container at the time of purchase.

8 (2) Nothing in this chapter requires a person, including a 9 business, to use the infrastructure provided by a deposit return 10 system created under this chapter or precludes the disposal for 11 recycling of qualifying beverage containers via curbside recycling 12 collection systems.

13 <u>NEW SECTION.</u> Sec. 315. CIVIL PENALTIES. (1) Upon notice of a 14 significant violation of the deposit return system plan or 15 performance requirements of this chapter, and after a cure period of 16 at least 60 days, the department may assess a civil penalty of at 17 least \$200 per violation per day, but no more than \$500 per violation 18 per day.

19 (2) The department shall make its best efforts to work with the 20 distributor responsibility organization to remedy issues without the 21 use of penalties and make reasonable accommodations when the nature 22 of the violation is significantly outside of the distributor 23 responsibility organization's control.

(3) Notwithstanding the performance penalty described in section
 307 of this act, a civil penalty may not be assessed based on the
 redemption rate or reuse sales rate performance requirements.

27 <u>NEW SECTION.</u> Sec. 316. RECYCLING REVENUE AUGMENTATION FUND. (1) 28 The department of commerce shall administer the recycling revenue 29 augmentation fund, created in section 317 of this act, which shall, 30 for the first five years in which a distributor responsibility 31 organization operates a deposit return system in the state:

32 (a) Collect funds from a distributor responsibility organization33 as described in section 307(11) of this act; and

34 (b) Beginning January 1st of the year following the year in which 35 a distributor responsibility organization first operates a deposit 36 return system in the state, and each January 1st for the following 37 four years, accept requests annually from local governments, or 38 operators of curbside or drop-off recycling programs in the state, or

p. 108

SHB 1131

both, to receive funds from the recycling revenue augmentation fund 1 to offset revenue losses from the previous year from scrap material 2 being diverted to the deposit return system. These requests must 3 include third-party audited financial data demonstrating any revenue 4 losses from the value of scrap materials diverted from curbside or 5 6 drop-off recycling programs by a deposit return system, less any decreased operating costs from not collecting, hauling, processing, 7 or landfilling the material, less any new revenue provided through 8 other provisions within this chapter that offsets revenue losses, and 9 less any material weight losses represented by the operator serving 10 fewer accounts. For local government and publicly operated curbside 11 12 or drop-off recycling programs, the government entity's annual audit may satisfy the audited data requirement of this section if the 13 department of commerce determines that it is sufficient to verify the 14 claim. Each request must include the average total tons of glass, 15 16 plastic, and metal for that applicant for the three years preceding the operation of a deposit return system in the state, compared to 17 18 the total tons of glass, plastic, and metal material for the year for 19 which funds are requested.

20

(2) The department of commerce shall:

(a) Evaluate all requests annually and determine the validity ofthe data submitted by each requester;

23 (b) Reject requests that do not include sufficient or 24 sufficiently accurate data;

(c) Distribute funds to operators of curbside and drop-off recycling systems proportionally, based on valid requests and available revenue in the fund; and

28 (d) If the total amount of requests deemed valid by the department of commerce is less than the amount of funds available 29 each year, less the department of commerce's program 30 funding 31 described in subsection (3) of this section, the department of 32 commerce shall remit the remaining balance back to the distributor 33 responsibility organization, with the exception of funds generated by section 305(7)(c) of this act, which shall remain in the recycling 34 revenue augmentation fund to support future requests. 35 If funds generated by section 305(7)(c) of this act remain in the recycling 36 revenue augmentation fund upon the conclusion of the program, they 37 shall be deposited into the deposit return organization program 38 account created in section 318 of this act and shall be used to 39 support the department of commerce's requirements in this chapter. 40

1 (3) The department of commerce may use funds provided for in 2 section 307(11) of this act for each of the five years the program 3 operates to cover costs associated with implementing and 4 administering the recycling revenue augmentation fund.

5 <u>NEW SECTION</u>. Sec. 317. ACCOUNT FOR RECYCLING REVENUE AUGMENTATION FUND. The recycling revenue augmentation fund is created 6 in the custody of the state treasurer. All receipts received by the 7 department of commerce under section 316 of this act must be 8 deposited in the account. Expenditures from the account may be used 9 10 by the department of commerce only for implementing and administering 11 the requirements of section 316 of this act. Only the director of the department of commerce or the director's designee may authorize 12 expenditures from the account. The account is subject to the 13 allotment procedures under chapter 43.88 RCW, but an appropriation is 14 15 not required for expenditures.

Sec. 318. DEPOSIT RETURN ORGANIZATION PROGRAM 16 <u>NEW SECTION</u>. 17 ACCOUNT. The deposit return organization program account is created 18 in the custody of the state treasurer. All receipts received by the 19 department under this chapter must be deposited in the account. 20 Expenditures from the account may be used by the department only for 21 implementing, administering, and enforcing the requirements of this chapter. Only the director of the department or the director's 22 23 designee may authorize expenditures from the account. The account is 24 subject to the allotment procedures under chapter 43.88 RCW, but an 25 appropriation is not required for expenditures.

NEW SECTION. Sec. 319. CONTINGENCY. If a distributor responsibility organization ceases to exist and operate a deposit return system in Washington, other than for temporary disruptions due to unforeseen circumstances, as determined by the department, qualifying beverage containers become covered products under chapter 70A.--- RCW (the new chapter created in section 601 of this act).

32 Part Four
 33 Amendments to Solid Waste Management Laws

34 Sec. 401. RCW 70A.205.005 and 2002 c 299 s 3 are each amended to 35 read as follows:

1

The legislature finds:

(1) Continuing technological changes in methods of manufacture, packaging, and marketing of consumer products, together with the economic and population growth of this state, the rising affluence of its citizens, and its expanding industrial activity have created new and ever-mounting problems involving disposal of garbage, refuse, and solid waste materials resulting from domestic, agricultural, and industrial activities.

9 (2) Traditional methods of disposing of solid wastes in this 10 state are no longer adequate to meet the ever-increasing problem. 11 Improper methods and practices of handling and disposal of solid 12 wastes pollute our land, air and water resources, blight our 13 countryside, adversely affect land values, and damage the overall 14 quality of our environment.

15 (3) Considerations of natural resource limitations, energy 16 shortages, economics and the environment make necessary the 17 development and implementation of solid waste recovery and/or 18 recycling plans and programs.

19 (4) Waste reduction must become a fundamental strategy of solid 20 waste management. It is therefore necessary to change manufacturing 21 and purchasing practices and waste generation behaviors to reduce the 22 amount of waste that becomes a governmental responsibility.

(5) Source separation of waste must become a fundamental strategy of solid waste management. Collection and handling strategies should have, as an ultimate goal, the source separation of all materials with resource value or environmental hazard.

(6) (a) It should be the goal of every person and business to minimize their production of wastes and to separate recyclable or hazardous materials from mixed waste.

It is the responsibility of state, county, and city 30 (b) 31 governments to provide for a waste management infrastructure to fully 32 implement waste reduction and source separation strategies and to process and dispose of remaining wastes in a manner that 33 is environmentally safe and economically sound. It is further the 34 responsibility of state, county, and city governments to monitor the 35 cost-effectiveness and environmental safety of combusting separated 36 waste, processing mixed municipal solid waste, and recycling 37 38 programs.

39 (c) It is the responsibility of county and city governments to 40 assume primary responsibility for solid waste management and to

1 develop and implement aggressive and effective waste reduction and 2 source separation strategies.

(d) It is the responsibility of state government to ensure that 3 local governments are providing adequate source reduction and 4 separation opportunities and incentives to all, including persons in 5 both rural and urban areas, and nonresidential waste generators such 6 as commercial, industrial, and institutional entities, recognizing 7 the need to provide flexibility to accommodate differing population 8 densities, distances to and availability of recycling markets, and 9 collection and disposal costs in each community; and to provide 10 11 county and city governments with adequate technical resources to 12 accomplish this responsibility.

13 (e) It is the responsibility of producers to help provide for the 14 responsible management of their products.

15 (7) Environmental and economic considerations in solving the 16 state's solid waste management problems requires strong consideration 17 by local governments of regional solutions and intergovernmental 18 cooperation.

19 (8) The following priorities for the collection, handling, and 20 management of solid waste are necessary and should be followed in 21 descending order as applicable:

22 (a) Waste reduction;

(b) Recycling, with source separation of recyclable materials asthe preferred method;

25 (c) Energy recovery, incineration, or landfill of separated 26 waste;

(d) Energy recovery, incineration, or landfill of mixed municipalsolid wastes.

(9) It is the state's goal to achieve a ((fifty)) 50 percent recycling rate by 2007.

(10) It is the state's goal that programs be established to eliminate residential or commercial yard debris in landfills by 2012 in those areas where alternatives to disposal are readily available and effective.

35 (11) Steps should be taken to make recycling at least as 36 affordable and convenient to the ratepayer as mixed waste disposal.

37 (12) It is necessary to compile and maintain adequate data on the 38 types and quantities of solid waste that are being generated and to 39 monitor how the various types of solid waste are being managed.

1 (13) Vehicle batteries should be recycled and the disposal of 2 vehicle batteries into landfills or incinerators should be 3 discontinued.

4 (14) Excessive and nonrecyclable packaging of products should be 5 avoided.

6 (15) Comprehensive education should be conducted throughout the 7 state so that people are informed of the need to reduce, source 8 separate, and recycle solid waste.

9 (16) All governmental entities in the state should set an example 10 by implementing aggressive waste reduction and recycling programs at 11 their workplaces and by purchasing products that are made from 12 recycled materials and are recyclable.

13 (17) To ensure the safe and efficient operations of solid waste 14 disposal facilities, it is necessary for operators and regulators of 15 landfills and incinerators to receive training and certification.

16 (18) It is necessary to provide adequate funding to all levels of 17 government so that successful waste reduction and recycling programs 18 can be implemented.

(19) The development of stable and expanding markets for recyclable materials is critical to the long-term success of the state's recycling goals. Market development must be encouraged on a state, regional, and national basis to maximize its effectiveness. The state shall assume primary responsibility for the development of a multifaceted market development program to carry out the purposes of chapter 431, Laws of 1989.

26 (20) There is an imperative need to anticipate, plan for, and 27 accomplish effective storage, control, recovery, and recycling of 28 discarded tires and other problem wastes with the subsequent 29 conservation of resources and energy.

30 Sec. 402. RCW 70A.205.010 and 2005 c 394 s 2 are each amended to 31 read as follows:

32 The purpose of this chapter is to establish a comprehensive 33 statewide program for solid waste handling, and solid waste recovery 34 and/or recycling which will prevent land, air, and water pollution 35 and conserve the natural, economic, and energy resources of this 36 state. To this end it is the purpose of this chapter:

(1) To assign primary responsibility for adequate solid waste handling to local government, reserving to the state, however, those functions necessary to assure effective programs throughout the

p. 113

SHB 1131

state, and sharing with producers' responsibility for the management of their covered products under chapter 70A.--- RCW (the new chapter created in section 601 of this act);

4 (2) To provide for adequate planning for solid waste handling by5 local government;

6 (3) To provide for the adoption and enforcement of basic minimum 7 performance standards for solid waste handling, including that all 8 sites where recyclable materials are generated and transported from 9 shall provide a separate container for solid waste;

10 (4) To encourage the development and operation of waste recycling 11 facilities needed to accomplish the management priority of waste 12 recycling, to promote consistency in the requirements for such 13 facilities throughout the state, and to ensure that recyclable 14 materials diverted from the waste stream for recycling are routed to 15 facilities in which recycling occurs;

16 (5) To provide technical and financial assistance to local 17 governments in the planning, development, and conduct of solid waste 18 handling programs;

19 (6) To encourage storage, proper disposal, and recycling of 20 discarded vehicle tires and to stimulate private recycling programs 21 throughout the state; and

(7) To encourage the development and operation of waste recycling facilities and activities needed to accomplish the management priority of waste recycling and to promote consistency in the permitting requirements for such facilities and activities throughout the state.

It is the intent of the legislature that local governments be encouraged to use the expertise of private industry and to contract with private industry to the fullest extent possible to carry out solid waste recovery and/or recycling programs.

31 Sec. 403. RCW 70A.205.045 and 2020 c 20 s 1163 are each amended 32 to read as follows:

33 Each county and city comprehensive solid waste management plan 34 shall include the following:

(1) A detailed inventory and description of all existing solid
 waste handling facilities including an inventory of any deficiencies
 in meeting current solid waste handling needs.

38 (2) The estimated long-range needs for solid waste handling39 facilities projected twenty years into the future.

1 (3) A program for the orderly development of solid waste handling 2 facilities in a manner consistent with the plans for the entire 3 county which shall:

4 (a) Meet the minimum functional standards for solid waste 5 handling adopted by the department and all laws and regulations 6 relating to air and water pollution, fire prevention, flood control, 7 and protection of public health;

8 (b) Take into account the comprehensive land use plan of each 9 jurisdiction;

10 (c) Contain a six year construction and capital acquisition 11 program for solid waste handling facilities; and

12 (d) Contain a plan for financing both capital costs and 13 operational expenditures of the proposed solid waste management 14 system.

15

(4) A program for surveillance and control.

16 (5) A current inventory and description of solid waste collection 17 needs and operations within each respective jurisdiction which shall 18 include:

(a) Any franchise for solid waste collection granted by the utilities and transportation commission in the respective jurisdictions including the name of the holder of the franchise and the address of his or her place of business and the area covered by the franchise;

24 (b) Any city solid waste operation within the county and the 25 boundaries of such operation;

(c) The population density of each area serviced by a city operation or by a franchised operation within the respective jurisdictions;

29 (d) The projected solid waste collection needs for the respective 30 jurisdictions for the next six years.

(6) A comprehensive waste reduction and recycling element that, in accordance with the priorities established in RCW 70A.205.005, provides programs that (a) reduce the amount of waste generated, (b) provide incentives and mechanisms for source separation, and (c) establish recycling opportunities for the source separated waste.

36 (7) The waste reduction and recycling element shall include the 37 following:

(a) Waste reduction strategies, which may include strategies toreduce wasted food and food waste that are designed to achieve the

1 goals established in RCW 70A.205.715(1) and that are consistent with 2 the plan developed in RCW 70A.205.715(3);

3

(b) Source separation strategies, including:

4 (i) Programs for the collection of source separated materials from residences ((in urban and rural areas. In urban areas, these)), 5 6 including programs that are the responsibility of producer responsibility organizations in chapter 70A.--- RCW (the new chapter 7 created in section 601 of this act) and distributor responsibility 8 organizations in chapter 70A.--- RCW (the new chapter created in 9 10 section 603 of this act). These programs shall include collection of source separated recyclable materials from single and multiple-family 11 12 residences, unless the county has adopted an ordinance establishing that covered products designated for collection by a producer 13 responsibility organization plan must be collected exclusively 14 15 through alternate collection in areas regulated by the utilities and transportation commission under the provisions of chapter 81.77 RCW 16 17 or the department approves an alternative program, according to the criteria in the planning guidelines. Such criteria shall include: 18 19 Anticipated recovery rates and levels of public participation, availability of environmentally sound disposal capacity, access to 20 21 markets for recyclable materials, unreasonable cost impacts on the 22 ratepayer over the six-year planning period, utilization of 23 environmentally sound waste reduction and recycling technologies, and other factors as appropriate. ((In rural areas, these)) These 24 25 programs shall <u>also</u> include but not be limited to drop-off boxes, buy-back centers, or a combination of both, at each solid waste 26 27 transfer, processing, or disposal site, or at locations convenient to 28 the residents of the county. The drop-off boxes and buy-back centers may be owned or operated by public, nonprofit, or private persons. 29 30 Comprehensive solid waste management plans that are newly developed, updated, or amended after July 1, 2026, may incorporate by reference 31 the plans of producer responsibility organizations established in the 32 jurisdiction under chapter 70A.--- RCW (the new chapter created in 33 34 section 601 of this act) to fulfill this requirement in whole or in 35 part;

36 (ii) Programs to monitor the collection of source separated waste 37 at nonresidential sites where there is sufficient density to sustain 38 a program;

39 (iii) Programs to collect yard waste and food waste, if the 40 county or city submitting the plan finds that there are adequate 1 markets or capacity for composted yard waste and food waste within or 2 near the service area to consume the majority of the material 3 collected; and

4 (iv) Programs to educate and promote the concepts of waste 5 reduction and recycling;

6 (c) Recycling strategies, including a description of markets for 7 recyclables, a review of waste generation trends, a description of 8 waste composition, a discussion and description of existing programs 9 and any additional programs needed to assist public and private 10 sector recycling, and an implementation schedule for the designation 11 of specific materials to be collected for recycling, and for the 12 provision of recycling collection services;

13 (d) Other information the county or city submitting the plan 14 determines is necessary.

(8) An assessment of the plan's impact on the costs of solid waste collection. The assessment shall be prepared in conformance with guidelines established by the utilities and transportation commission. The commission shall cooperate with the Washington state association of counties and the association of Washington cities in establishing such guidelines.

21 (9) A review of potential areas that meet the criteria as 22 outlined in RCW 70A.205.110.

23 A contamination reduction and outreach (10)plan. The contamination reduction and outreach plan must address reducing 24 25 contamination in recycling. Except for counties with a population of twenty-five thousand or fewer, by July 1, 2021, a contamination 26 27 reduction and outreach plan must be included in each solid waste management plan by a plan amendment or included when revising or 28 29 updating a solid waste management plan developed under this chapter. Jurisdictions may adopt the state's contamination reduction and 30 31 outreach plan as developed under RCW 70A.205.070 or participate in a 32 producer responsibility organization's plan in lieu of creating their own plan. In comprehensive solid waste management plans that are 33 newly developed, updated, or amended after July 1, 2027, a 34 jurisdiction must reference the plans of producer responsibility 35 organizations established in the jurisdiction under chapter 70A.---36 RCW (the new chapter created in section 601 of this act) and any 37 plans of distributor responsibility organizations under chapter 38 39 70A.--- RCW (the new chapter created in section 603 of this act). A

1 recycling contamination reduction and outreach plan must include the 2 following:

3 (a) A list of actions for reducing contamination in recycling 4 programs for single-family and multiple-family residences, commercial 5 locations, and drop boxes depending on the jurisdictions system 6 components;

7 (b) A list of key contaminants identified by the jurisdiction or 8 identified by the department;

9 (c) A discussion of problem contaminants and the contaminants' 10 impact on the collection system;

11 (d) An analysis of the costs and other impacts associated with 12 contaminants to the recycling system; and

(e) An implementation schedule and details of how outreach is to be conducted. Contamination reduction education methods may include sharing community-wide messaging through newsletters, articles, mailers, social media, websites, or community events, informing recycling drop box customers about contamination, and improving signage.

19 Sec. 404. RCW 81.77.030 and 2020 c 20 s 1467 are each amended to 20 read as follows:

21 <u>(1)</u> The commission shall supervise and regulate every solid waste 22 collection company in this state,

23 ((<del>(1)</del>)) <u>(a)</u> By fixing and altering its rates, charges, 24 classifications, rules and regulations;

25 ((<del>(2)</del>)) <u>(b)</u> By regulating the accounts, service, and safety of 26 operations;

27 ((<del>(3)</del>)) <u>(c)</u> By requiring the filing of annual and other reports
28 and data;

29 ((<del>(4)</del>)) <u>(d)</u> By supervising and regulating such persons or 30 companies in all other matters affecting the relationship between 31 them and the public which they serve;

32 (((<del>(5)</del>)) <u>(e)</u> By requiring compliance with local solid waste 33 management plans and related implementation ordinances;

34 ((<del>(6)</del>)) <u>(f)</u> By reviewing producer responsibility organization 35 reimbursement of regulated service providers consistent with the 36 requirements of chapter 70A.--- RCW (the new chapter created in 37 section 601 of this act);

38 (g) By requiring certificate holders under <u>this</u> chapter ((<del>81.77</del> 39 RCW)) to use rate structures and billing systems consistent with the

1 solid waste management priorities set forth under RCW 70A.205.005 and the minimum levels of solid waste collection and recycling services 2 3 pursuant to local comprehensive solid waste management plans and with implementation of curbside recycling collection services designated 4 by a producer responsibility organization in an approved plan to meet 5 6 the requirements of chapter 70A.--- RCW (the new chapter created in 7 section 601 of this act). The commission may order consolidated billing and provide for reasonable and necessary expenses to be paid 8 to the administering company if more than one certificate is granted 9 in an area. 10

(2) The commission, on complaint made on its own motion or by an 11 12 aggrieved party, at any time, after providing the holder of any certificate with notice and an opportunity for a hearing at which it 13 shall be proven that the holder has willfully violated or refused to 14 observe any of the commission's orders, rules, or regulations, or has 15 16 failed to operate as a solid waste collection company for a period of 17 at least one year preceding the filing of the complaint, may suspend, revoke, alter, or amend any certificate issued under the provisions 18 of this chapter. 19

20 Sec. 405. RCW 81.77.040 and 2020 c 20 s 1468 are each amended to 21 read as follows:

22 A solid waste collection company shall not operate for the hauling of solid waste for compensation without first having obtained 23 24 from the commission a certificate declaring that public convenience and necessity require such operation. Operating for the hauling of 25 solid waste for compensation includes advertising, soliciting, 26 27 offering, or entering into an agreement to provide that service. To operate a solid waste collection company in the unincorporated areas 28 of a county, the company must comply with the solid waste management 29 30 plan prepared under chapter 70A.205 RCW in the company's franchise 31 area and, if applicable, the service standards for curbside recycling collection services established in an approved producer 32 responsibility organization plan to meet the requirements of chapter 33 70A.--- RCW (the new chapter created in section 601 of this act). 34

Issuance of the certificate of necessity must be determined on, but not limited to, the following factors: The present service and the cost thereof for the contemplated area to be served; an estimate of the cost of the facilities to be utilized in the plant for solid waste collection and disposal, set out in an affidavit or declaration; a statement of the assets on hand of the person, firm, association, or corporation that will be expended on the purported plant for solid waste collection and disposal, set out in an affidavit or declaration; a statement of prior experience, if any, in such field by the petitioner, set out in an affidavit or declaration; and sentiment in the community contemplated to be served as to the necessity for such a service.

8 When an applicant requests a certificate to operate in a 9 territory already served by a certificate holder under this chapter, 10 the commission may, after notice and an opportunity for a hearing, 11 issue the certificate only if the existing solid waste collection 12 company or companies serving the territory will not provide service 13 to the satisfaction of the commission or if the existing solid waste 14 collection company does not object.

In all other cases, the commission may, with or without hearing, issue certificates, or for good cause shown refuse to issue them, or issue them for the partial exercise only of the privilege sought, and may attach to the exercise of the rights granted such terms and conditions as, in its judgment, the public convenience and necessity may require.

Any right, privilege, certificate held, owned, or obtained by a solid waste collection company may be sold, assigned, leased, transferred, or inherited as other property, only if authorized by the commission.

For purposes of issuing certificates under this chapter, the commission may adopt categories of solid wastes as follows: Garbage, refuse, recyclable materials, and demolition debris. A certificate may be issued for one or more categories of solid waste. Certificates issued on or before July 23, 1989, shall not be expanded or restricted by operation of this chapter.

31 Sec. 406. RCW 81.77.160 and 1997 c 434 s 1 are each amended to 32 read as follows:

33 (1) The commission, in fixing and altering collection rates 34 charged by every solid waste collection company under this section, 35 shall include in the base for the collection rates:

(a) All charges for the disposal of solid waste at the facility
 or facilities designated by a local jurisdiction under a local
 comprehensive solid waste management plan or ordinance; and

1 (b) All known and measurable costs related to implementation of 2 the approved county or city comprehensive solid waste management plan 3 or to the implementation of curbside recycling collection services 4 performed by a solid waste collection company and designated by a 5 producer responsibility organization in an approved plan to meet the 6 requirements of chapter 70A.--- RCW (the new chapter created in 7 section 601 of this act).

8 (2) If a solid waste collection company files a tariff to recover 9 the costs specified under this section, and the commission suspends 10 the tariff, the portion of the tariff covering costs specified in 11 this section shall be placed in effect by the commission at the 12 request of the company on an interim basis as of the originally filed 13 effective date, subject to refund, pending the commission's final 14 order. The commission may adopt rules to implement this section.

(3) This section applies to a solid waste collection company that has an affiliated interest under chapter 81.16 RCW with a facility, if the total cost of disposal, including waste transfer, transport, and disposal charges, at the facility is equal to or lower than any other reasonable and currently available option.

20 Sec. 407. RCW 81.77.185 and 2010 c 154 s 3 are each amended to 21 read as follows:

22 (1) The commission shall allow solid waste collection companies collecting recyclable materials other than covered products collected 23 24 under an approved plan in chapter 70A.--- RCW (the new chapter created in section 601 of this act) and qualifying beverage 25 containers under an approved plan in chapter 70A.--- RCW (the new 26 27 chapter created in section 603 of this act) to retain up to ((fifty)) 28 50 percent of the revenue paid to the companies for the material if the companies submit a plan to the commission that is certified by 29 30 the appropriate local government authority as being consistent with 31 the local government solid waste plan and that demonstrates how the 32 revenues will be used to increase recycling. The remaining revenue shall be passed to residential customers. 33

34 (2) By December 2, 2005, the commission shall provide a report to35 the legislature that evaluates:

36 (a) The effectiveness of revenue sharing as an incentive to 37 increase recycling in the state; and

38

(b) The effect of revenue sharing on costs to customers.

1 NEW SECTION. Sec. 408. APPLICATION OF CHAPTER-COLLECTION AND 2 TRANSPORTATION OF RECYCLABLE MATERIALS BY RECYCLING COMPANIES OR 3 NONPROFIT ENTITIES-REUSE OR RECLAMATION. (1) Nothing in this chapter 4 or chapter 70A.--- (the new chapter created in section 602 of this 5 act) or 70A.--- RCW (the new chapter created in section 603 of this act) prevents a recycling company or nonprofit entity from collecting 6 7 and transporting recyclable materials from a buy-back center, drop box, or from a commercial or industrial generator of recyclable 8 9 materials that does not include materials generated from single and 10 multiple-family residences upon agreement with a solid waste 11 collection company.

(2) Nothing in this chapter or chapter 70A.--- (the new chapter 12 13 created in section 602 of this act) or 70A.--- RCW (the new chapter 14 created in section 603 of this act) may be construed as prohibiting a 15 commercial or industrial generator of commercial recyclable materials that does not contain materials generated from single or multiple-16 17 family residences from selling, conveying, or arranging for 18 transportation of the material to a recycler for reuse or 19 reclamation.

20 <u>NEW SECTION.</u> Sec. 409. A new section is added to chapter 21 70A.222 RCW to read as follows:

The department of ecology may direct producers to register and submit any required data, annual reports, fees, and annual payments, and any additional information or documentation to the clearinghouse established in section 125 of this act in lieu of submission to the department.

27 <u>NEW SECTION.</u> Sec. 410. A new section is added to chapter 28 70A.350 RCW to read as follows:

The department may direct producers to register and submit any required data, annual reports, fees, and annual payments, and any additional information or documentation to the clearinghouse established in section 125 of this act in lieu of submission to the department.

34 <u>NEW SECTION.</u> Sec. 411. A new section is added to chapter 35 70A.245 RCW to read as follows:

The department may direct producers to register and submit any required data, annual reports, fees, and annual payments, and any

p. 122

SHB 1131

1 additional information or documentation to the clearinghouse 2 established in section 125 of this act in lieu of submission to the 3 department.

4 <u>NEW SECTION.</u> Sec. 412. A new section is added to chapter 5 70A.230 RCW to read as follows:

6 The department may direct producers to register and submit any 7 required data, annual reports, fees, and annual payments, and any 8 additional information or documentation to the clearinghouse 9 established in section 125 of this act in lieu of submission to the 10 department.

11 <u>NEW SECTION.</u> Sec. 413. A new section is added to chapter 12 70A.340 RCW to read as follows:

13 The department may direct producers to register and submit any 14 required data, annual reports, fees, and annual payments, and any 15 additional information or documentation to the clearinghouse 16 established in section 125 of this act in lieu of submission to the 17 department.

18 <u>NEW SECTION.</u> Sec. 414. A new section is added to chapter 19 70A.455 RCW to read as follows:

The department may direct producers to register and submit any required data, annual reports, fees, and annual payments, and any additional information or documentation to the clearinghouse established in section 125 of this act in lieu of submission to the department.

25 <u>NEW SECTION.</u> Sec. 415. The department of ecology may direct 26 distributors to register and submit any required data, annual 27 reports, fees, and annual payments, and any additional information or 28 documentation to the clearinghouse established in section 125 of this 29 act in lieu of submission to the department.

30

Part Five

31 Other Conforming Amendments and Miscellaneous Provisions

32 Sec. 501. RCW 43.21B.110 and 2022 c 180 s 812 are each amended 33 to read as follows:

1 (1) The hearings board shall only have jurisdiction to hear and 2 decide appeals from the following decisions of the department, the 3 director, local conservation districts, the air pollution control 4 boards or authorities as established pursuant to chapter 70A.15 RCW, 5 local health departments, the department of natural resources, the 6 department of fish and wildlife, the parks and recreation commission, 7 and authorized public entities described in chapter 79.100 RCW:

8 (a) Civil penalties imposed pursuant to RCW 18.104.155, 9 70A.15.3160, 70A.300.090, 70A.20.050, 70A.530.040, 70A.350.070, 10 70A.515.060, 70A.245.040, 70A.245.050, 70A.245.070, 70A.245.080, 11 70A.65.200, 70A.455.090, <u>sections 123, 211, and 319 of this act,</u> 12 76.09.170, 77.55.440, 78.44.250, 88.46.090, 90.03.600, 90.46.270, 13 90.48.144, 90.56.310, 90.56.330, and 90.64.102.

(b) Orders issued pursuant to RCW 18.104.043, 18.104.060,
43.27A.190, 70A.15.2520, 70A.15.3010, 70A.300.120, 70A.350.070,
70A.245.020, 70A.65.200, sections 123, 211, and 319 of this act,
86.16.020, 88.46.070, 90.14.130, 90.46.250, 90.48.120, and 90.56.330.

18 (c) Except as provided in RCW 90.03.210(2), the issuance, modification, or termination of any permit, certificate, or license 19 by the department or any air authority in the exercise of its 20 21 jurisdiction, including the issuance or termination of a waste 22 disposal permit, the denial of an application for a waste disposal permit, the modification of the conditions or the terms of a waste 23 disposal permit, or a decision to approve or deny an application for 24 25 a solid waste permit exemption under RCW 70A.205.260.

26 (d) Decisions of local health departments regarding the grant or27 denial of solid waste permits pursuant to chapter 70A.205 RCW.

(e) Decisions of local health departments regarding the issuance and enforcement of permits to use or dispose of biosolids under RCW 70A.226.090.

31 (f) Decisions of the department regarding waste-derived 32 fertilizer or micronutrient fertilizer under RCW 15.54.820, and 33 decisions of the department regarding waste-derived soil amendments 34 under RCW 70A.205.145.

35 (g) Decisions of local conservation districts related to the 36 denial of approval or denial of certification of a dairy nutrient 37 management plan; conditions contained in a plan; application of any 38 dairy nutrient management practices, standards, methods, and 39 technologies to a particular dairy farm; and failure to adhere to the 40 plan review and approval timelines in RCW 90.64.026. 1 (h) Any other decision by the department or an air authority 2 which pursuant to law must be decided as an adjudicative proceeding 3 under chapter 34.05 RCW.

4 (i) Decisions of the department of natural resources, the 5 department of fish and wildlife, and the department that are 6 reviewable under chapter 76.09 RCW, and the department of natural 7 resources' appeals of county, city, or town objections under RCW 8 76.09.050(7).

9 (j) Forest health hazard orders issued by the commissioner of 10 public lands under RCW 76.06.180.

(k) Decisions of the department of fish and wildlife to issue, deny, condition, or modify a hydraulic project approval permit under chapter 77.55 RCW, to issue a stop work order, to issue a notice to comply, to issue a civil penalty, or to issue a notice of intent to disapprove applications.

16 (1) Decisions of the department of natural resources that are 17 reviewable under RCW 78.44.270.

(m) Decisions of an authorized public entity under RCW 79.100.010 to take temporary possession or custody of a vessel or to contest the amount of reimbursement owed that are reviewable by the hearings board under RCW 79.100.120.

(n) Decisions of the department of ecology that are appealable under RCW 70A.245.020 or section 211 of this act to set recycled minimum postconsumer content for ((covered)) products or to temporarily exclude types of ((covered)) products in plastic containers from minimum postconsumer recycled content requirements.

(o) Orders by the department of ecology under RCW 70A.455.080.

27

(2) The following hearings shall not be conducted by the hearingsboard:

30 (a) Hearings required by law to be conducted by the shorelines31 hearings board pursuant to chapter 90.58 RCW.

32 (b) Hearings conducted by the department pursuant to RCW 33 70A.15.3010, 70A.15.3070, 70A.15.3080, 70A.15.3090, 70A.15.3100, 34 70A.15.3110, and 90.44.180.

35 (c) Appeals of decisions by the department under RCW 90.03.110 36 and 90.44.220.

37 (d) Hearings conducted by the department to adopt, modify, or 38 repeal rules. 1 (3) Review of rules and regulations adopted by the hearings board 2 shall be subject to review in accordance with the provisions of the 3 administrative procedure act, chapter 34.05 RCW.

4 Sec. 502. RCW 43.21B.300 and 2022 c 180 s 813 are each amended 5 to read as follows:

(1) Any civil penalty provided in RCW 18.104.155, 70A.15.3160, 6 70A.205.280, 70A.300.090, 70A.20.050, 70A.245.040, 70A.245.050, 7 70A.245.070, 70A.245.080, 70A.65.200, 70A.455.090, sections 123, 211, 8 and 319 of this act, 88.46.090, 90.03.600, 90.46.270, 90.48.144, 9 90.56.310, 90.56.330, and 90.64.102 and chapter 70A.355 RCW shall be 10 imposed by a notice in writing, either by certified mail with return 11 receipt requested or by personal service, to the person incurring the 12 13 penalty from the department or the local air authority, describing the violation with reasonable particularity. For penalties issued by 14 15 local air authorities, within 30 days after the notice is received, 16 the person incurring the penalty may apply in writing to the authority for the remission or mitigation of the penalty. Upon 17 receipt of the application, the authority may remit or mitigate the 18 penalty upon whatever terms the authority in its discretion deems 19 proper. The authority may ascertain the facts regarding all such 20 21 applications in such reasonable manner and under such rules as it may deem proper and shall remit or mitigate the penalty only upon a 22 demonstration of extraordinary circumstances such as the presence of 23 24 information or factors not considered in setting the original 25 penalty.

(2) Any penalty imposed under this section may be appealed to the pollution control hearings board in accordance with this chapter if the appeal is filed with the hearings board and served on the department or authority 30 days after the date of receipt by the person penalized of the notice imposing the penalty or 30 days after the date of receipt of the notice of disposition by a local air authority of the application for relief from penalty.

33

(3) A penalty shall become due and payable on the later of:

34

(a) Thirty days after receipt of the notice imposing the penalty;

35 (b) Thirty days after receipt of the notice of disposition by a 36 local air authority on application for relief from penalty, if such 37 an application is made; or

38 (c) Thirty days after receipt of the notice of decision of the 39 hearings board if the penalty is appealed.

1 (4) If the amount of any penalty is not paid to the department 2 within 30 days after it becomes due and payable, the attorney general, upon request of the department, shall bring an action in the 3 name of the state of Washington in the superior court of Thurston 4 county, or of any county in which the violator does business, to 5 recover the penalty. If the amount of the penalty is not paid to the 6 7 authority within 30 days after it becomes due and payable, the authority may bring an action to recover the penalty in the superior 8 court of the county of the authority's main office or of any county 9 in which the violator does business. In these actions, the procedures 10 11 and rules of evidence shall be the same as in an ordinary civil 12 action.

(5) All penalties recovered shall be paid into the state treasury 13 14 and credited to the general fund except those penalties imposed pursuant to RCW 18.104.155, which shall be credited to the 15 16 reclamation account as provided in RCW 18.104.155(7), RCW 17 70A.15.3160, the disposition of which shall be governed by that provision, RCW 70A.245.040 ((and)), 70A.245.050, and section 211 of 18 this act, which shall be credited to the recycling enhancement 19 account created in RCW 70A.245.100, RCW 70A.300.090, which shall be 20 21 credited to the model toxics control operating account created in RCW 70A.305.180, RCW 70A.65.200, which shall be credited to the climate 22 investment account created in RCW 70A.65.250, RCW 90.56.330, which 23 shall be credited to the coastal protection fund created by RCW 24 90.48.390, ((and)) RCW 70A.355.070, which shall be credited to the 25 26 underground storage tank account created by RCW 70A.355.090, and chapter 70A. --- RCW (the new chapter created in section 601 of this 27 act) and section 319 of this act, which shall be credited to the 28 29 recycling enhancement account created in RCW 70A.245.100.

30 <u>NEW SECTION.</u> Sec. 503. A new section is added to chapter 69.50
31 RCW to read as follows:

LIQUOR AND CANNABIS BOARD PACKAGING REQUIREMENTS. (1) By July 1, 2026, the board, in consultation with the department of ecology, must update the rules adopted under RCW 69.50.342 and 69.50.345 related to the nature, form, and capacity of containers used by licensees under this chapter, with a goal of:

37 (a) Reducing the use of plastic packaging in an amount that is at38 least commensurate with the source reduction rates for covered

products proposed by a producer responsibility organization under section 111(1)(a)(iii) of this act; and

3 (b) Allowing for and encouraging the reuse of containers for 4 cannabis, cannabis concentrates, useable cannabis, or cannabis-5 infused products.

6 (2) In addition to the source reduction and reuse to be achieved under subsection (1) of this section, the board may establish minimum 7 postconsumer recycled content requirements for packaging of at least 8 25 percent postconsumer recycled content by weight through the year 9 2030, and at least 50 percent postconsumer recycled content plastic 10 11 by weight beginning in the year 2031. If postconsumer recycled content requirements are established for packaging under this 12 subsection, the board may require that producers of packaging report 13 any required data, annual reports, fees, and annual payments, and any 14 additional information or documentation to the board or to the 15 16 department of ecology using the clearinghouse established in section 17 125 of this act.

18

(3) Rules adopted by the board under this section must:

19 (a) Not compromise public health, safety, or packaging integrity;

20 (b) Take into consideration the availability of recycled plastic 21 suitable to meet any minimum postconsumer recycled content 22 requirements established under this section; and

(c) Take into consideration the technical feasibility of source reduction, reuse, and postconsumer recycled content requirements.

Sec. AUTHORITY OF UTILITIES 25 NEW SECTION. 504. AND TRANSPORTATION COMMISSION. Nothing in this chapter or chapter 70A.---26 27 (the new chapter created in section 602 of this act) or 70A.--- RCW (the new chapter created in section 603 of this act) changes or 28 limits the authority of the Washington utilities and transportation 29 30 commission to regulate collection of solid waste, including curbside 31 collection of residential recyclable materials, in accordance with chapter 81.77 RCW. 32

33 <u>NEW SECTION.</u> Sec. 505. FEASIBILITY STUDY. (1) By December 1, 34 2025, the department of ecology must complete and publish on its 35 website the feasibility analysis described in this section.

36 (a) The purpose of the feasibility analysis is to:

37 (i) Identify options to improve the convenience experienced by38 consumers with unwanted products or packaging covered by state

1 product stewardship, extended producer responsibility, and similar 2 takeback programs, by harmonizing or establishing a system of common 3 or centralized takeback centers or depots for consumers; and

4 (ii) Consider the viability, costs, and tradeoffs associated with 5 each option that might lead to improved outcomes for consumers and 6 improved end-of-life management outcomes for covered unwanted 7 products.

8 (b) The department of ecology must deliver policy recommendations 9 to the legislature by December 1, 2025.

10 (2) The department of ecology must consult with the department of 11 health for purposes of considering the potential for integration of 12 collection infrastructure under chapter 69.48 RCW with the collection 13 infrastructure of other state programs.

14 (3) The feasibility analysis required under this section must:

15 (a) Be conducted by an independent third party selected by the 16 department;

(b) Consider the following:

18 (i) Existing common collection infrastructure models used by 19 other jurisdictions;

(ii) Existing voluntary and contractually established collection infrastructure currently used to collect unwanted products and packaging in Washington; and

23 (iii) Options to deploy curbside collection systems for the 24 specialized collection of products;

(c) Include policy recommendations to the legislature to improve consumer convenience and improve environmental end-of-life management outcomes for any combination of products and packaging covered by extended producer responsibility programs, takeback programs, or product stewardship programs;

30

17

(i) The policy recommendations must consider:

31 (A) Beverage containers covered by the deposit return 32 requirements of chapter 70A.--- RCW (the new chapter created in 33 section 603 of this act);

(B) Covered products under chapter 70A.--- RCW (the new chapter
 created in section 601 of this act);

36 (C) Covered drugs under chapter 69.48 RCW;

37 (D) Covered electronic products under chapter 70A.500 RCW;

38 (E) Mercury-containing lights under chapter 70A.505 RCW;

39 (F) Photovoltaic modules under chapter 70A.510 RCW; and

40 (G) Architectural paint under chapter 70A.515 RCW.

1 (ii) Any policy recommendations for changes to the collection of 2 products covered by programs identified in (c)(i) of this subsection 3 should consider:

(A) Whether and how to amend convenience standards established
under each program, including the types of curbside, drop off, event,
and public and private infrastructure that serves as collection
infrastructure; and

8 (B) Whether and how to specify that producers of products covered 9 by programs recommended for inclusion in the creation of a common 10 collection system be required to fund the establishment of the common 11 collection infrastructure; and

12 (d) Include an opportunity for public input on the feasibility13 study and on any draft recommendations.

14 <u>NEW SECTION.</u> Sec. 506. LITTER TAX STUDY. (1) In consultation 15 with producer responsibility organizations registered with the 16 department of ecology under chapter 70A.--RCW (the new chapter 17 created in section 601 of this act) and distributor responsibility 18 organizations under chapter 70A.--- RCW (the new chapter created in 19 section 603 of this act), the department of ecology and the 20 department of revenue must study:

(a) The impacts of producer and distributor requirements under
chapters 70A.--- (the new chapter created in section 601 of this act)
and 70A.--- RCW (the new chapter created in section 603 of this act)
on the litter rates of covered products and qualifying beverage
containers under those chapters; and

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

31 (2) By January 1, 2029, the department of ecology, in 32 consultation with the department of revenue, must provide 33 recommendations to the appropriate committees of the legislature on:

(a) Applicability of the litter tax to covered products and
 qualifying beverage containers, based on whether the purpose of the
 litter tax under chapter 82.19 RCW is being achieved for those
 products by the requirements of producers and distributors under
 chapters 70A.--- (the new chapter created in section 601 of this act)

1 and 70A.--- RCW (the new chapter created in section 603 of this act);
2 and

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

5 (3) This section expires July 1, 2029.

6 <u>NEW SECTION.</u> Sec. 507. RCW 70A.245.110 (Recycled content 7 account) and 2021 c 313 s 14 are each repealed, effective July 1, 8 2029.

9 <u>NEW SECTION.</u> Sec. 508. If any provision of this act or its 10 application to any person or circumstance is held invalid, the 11 remainder of the act or the application of the provision to other 12 persons or circumstances is not affected.

- 13
- 14

## Part Six

## Codification Directives

15 <u>NEW SECTION.</u> Sec. 601. Sections 101 through 128, 408, 504, and 16 506 of this act constitute a new chapter in Title 70A RCW.

17 <u>NEW SECTION.</u> Sec. 602. Sections 201 through 212 of this act 18 constitute a new chapter in Title 70A RCW.

19 <u>NEW SECTION.</u> Sec. 603. Sections 301 through 319 and 415 of this 20 act constitute a new chapter in Title 70A RCW.

--- END ---