S-0042.5

SENATE BILL 5110

State of Washington 62nd Legislature 2011 Regular Session

By Senators Kohl-Welles, Chase, Rockefeller, Kline, Ranker, Shin, Nelson, Fraser, and White

Read first time 01/13/11. Referred to Committee on Environment, Water & Energy.

- 1 AN ACT Relating to carpet stewardship; reenacting and amending RCW
- 2 43.21B.110 and 43.21B.110; adding a new chapter to Title 70 RCW;
- 3 prescribing penalties; providing an effective date; and providing an
- 4 expiration date.

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- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 <u>NEW SECTION.</u> **Sec. 1.** The legislature finds that:
- 7 (1) In 2009, discarded carpet equaled 2.9 percent of Washington's 8 disposed waste by weight. The estimated recycling rate for carpet and 9 padding in Washington was less than two percent in 2009.
 - (2) The national, voluntary, and industry-led approach to carpet stewardship, the 2002 memorandum of understanding for carpet stewardship, has not met its agreed-upon goal of forty percent carpet recovery and has only achieved a four to five percent recovery rate nationwide.
- 15 (3) Numerous products can be manufactured from recycled carpet, 16 including carpet backing and backing components, carpet fiber, carpet 17 underlayment, plastics and engineered materials, and erosion control 18 products.

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- NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
 - (1) "Brand" means a name, symbol, word, or mark that identifies the carpet, rather than its components, and attributes the carpet to the owner or licensee of the brand as the manufacturer.
 - (2) "Carpet" means a manufactured article that is used in commercial or residential buildings affixed or placed on the floor or building walking surface as a decorative or functional building interior or exterior feature and that is primarily constructed of a top visible surface of synthetic face fibers or yarns or tufts attached to a backing system derived from synthetic or natural materials. "Carpet" includes, but is not limited to, a commercial or a residential broadloom carpet or modular carpet tiles. "Carpet" includes a pad or underlayment used in conjunction with a carpet. "Carpet" does not include handmade rugs, area rugs, or mats.
- 16 (3) "Carpet stewardship organization" or "organization" means 17 either of the following:
 - (a) An organization appointed by one or more producers to act as an agent on behalf of the producer to design, submit, and administer a product stewardship program under this chapter; or
 - (b) A carpet producer that complies with this chapter as an individual producer.
 - (4) "Consumer" means a purchaser, owner, or lessee of carpet, including a person, business, corporation, limited partnership, nonprofit organization, or governmental entity.
 - (5) "Department" means the department of ecology.
 - (6) "Discarded carpet" means carpet that is no longer used for its manufactured purpose. However, the term does not include carpet scrap generated during carpet production.
 - (7) "Producer" means:

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- (a) The person who manufactures the carpet and who sells, offers for sale, or distributes that carpet in the state under that person's own name or brand;
- 34 (b) If there is no person who sells, offers for sale, or 35 distributes the carpet in the state under the person's own name or 36 brand, the producer of the carpet is the owner or licensee of a 37 trademark or brand under which the carpet is sold or distributed in the 38 state, whether or not the trademark is registered; and

1 (c) If there is no person who is a producer of the carpet, the 2 producer of that carpet is the person who imports the carpet into the 3 state for sale or distribution.

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- (8) "Product stewardship program" or "program" means the methods, systems, and services financed and provided by producers of carpet sold in the state including collecting, transporting, processing, and recycling of discarded carpet necessary to implement the program.
- 8 (9) "Product stewardship program plan" or "plan" means a detailed 9 plan describing the manner in which a product stewardship program will 10 be implemented.
- 11 (10) "Recycling" means transforming or remanufacturing waste 12 materials into a finished product for use other than landfill disposal 13 or incineration.
- 14 (11) "Reporting period" means the period commencing January 1st and 15 ending December 31st in the same calendar year.
- 16 (12) "Retailer" means every person who purchases, sells, offers for sale, or distributes new carpet for sale in this state.
 - (13) "Sell" or "sales" means a transfer of title of a carpet for consideration, including a remote sale conducted through a sales outlet, catalog, internet web site, or similar electronic means. For purposes of this chapter, "sell" or "sales" includes a lease through which a carpet is provided to a consumer by a producer, wholesaler, or retailer.
- 24 (14) "Wholesaler" means every person who purchases, sells, or 25 distributes new carpet in this state in a sale that is not a retail 26 sale, and in which the carpet is intended to be resold.
 - NEW SECTION. Sec. 3. (1) By January 1, 2013, carpet stewardship organizations must submit to the department sales data from the years 2002 through 2012 that includes the amount of carpet sold by square yards and weight in the state. The department shall use the sales data to set carpet recycling rates.
- 32 (2)(a) By January 1, 2014, a producer of carpet sold in this state 33 or brought into the state by other means shall participate in a carpet 34 stewardship organization.
- 35 (b) A carpet stewardship organization shall submit to the 36 department a product stewardship program plan that is consistent with

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the requirements of this section by March 1, 2014. A carpet stewardship organization with a department-approved product stewardship program must implement their program by July 1, 2014.

(3) A product stewardship program must:

- (a) Have in place methods and systems for financing the program and collecting, transporting, processing, and recycling discarded carpet;
- (b) Be provided at no cost to carpet installers throughout the state. The program may not charge a fee at the time discarded carpet is collected;
- 10 (c) Include five-year performance goals and set interim milestones 11 to:
- 12 (i) Increase the recycling of discarded carpet throughout the 13 state;
 - (ii) Increase the recyclability of carpets; and
- 15 (iii) Incentivize the market growth of secondary products made from discarded carpet;
 - (d) Describe how discarded carpet will be collected throughout the state and describe proposed measures that will enable the management of discarded carpet in a manner consistent with the state's solid waste management program including, but not limited to, source reduction, source separation and processing to segregate and recover recyclable materials, and environmentally safe management of materials that cannot feasibly be recycled;
 - (e) Identify each producer participating in the product stewardship program and provide contact information for each producer and the brands covered by each producer;
 - (f) Include a funding mechanism that provides sufficient funding for the product stewardship program, including: Education and outreach efforts; administrative and operational activities; capital costs of the program; and other efforts that will advance the purposes of this chapter;
 - (g) Include a proposal for achieving and maintaining performance standards, beyond the five-year period described in (c) of this subsection, consistent with performance goals established by rule under section 4 of this act;
 - (h) Provide opportunities for public comment on the product stewardship program, a summary of comments received, and responses to those comments both prior to its submittal and annually thereafter; and

(i) Include education and outreach efforts to consumers, commercial building owners, carpet installation contractors, and retailers throughout the state to promote their participation in achieving the product stewardship program's performance goals. At a minimum, the education and outreach efforts must include:

- (i) Signage that is prominently displayed and easily visible to the consumer;
- (ii) Written materials and templates of materials for reproduction to be provided to retailers, local governments, carpet installation contractors, and consumers at the time of purchase and delivery. The product stewardship program must provide the templates and materials free of charge.
- (4) The carpet stewardship organization administering a product stewardship program shall notify the department within thirty days after instituting a significant or material change to an approved product stewardship program.
- NEW SECTION. Sec. 4. (1) The department shall adopt rules necessary to implement, administer, and enforce this chapter. Rules adopted by the department must include the required components of a product stewardship program, including but not limited to:
 - (a) The management and organization of the product stewardship program that will oversee collecting, transporting, processing, and recycling services;
 - (b) A description of how the public will be informed about the product stewardship program;
 - (c) A public review and comment process; and
 - (d) Any other information deemed necessary by the department to ensure an effective product stewardship program that is in compliance with all applicable laws and rules.
 - (2) The rules must establish standards for product stewardship programs' performance goals under section 3(3) of this act, and for demonstrating substantial achievement of the goals of the program as required by section 6 of this act. The standards, at a minimum, must be guided by national standards developed collaboratively by carpet producers and product stewardship advocacy organizations.
 - (3) The department or its designee may inspect or review audits of

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- 1 carpet stewardship organizations or of carpet processing and recycling
- 2 facilities used to fulfill the requirements of a product stewardship
- 3 program.

- NEW SECTION. Sec. 5. (1) Within sixty days after receiving a product stewardship program for approval, the department shall review the program, determine whether the program complies with the requirements of this chapter, and notify the carpet stewardship organization of its decision to approve or not approve the program.
 - (2) A product stewardship program may not be approved if the department determines that the program will have the effect of reducing the level of recycling of discarded carpet that has been achieved since the effective date of this section or if the product stewardship program does not meet program elements as required in section 3 of this act.
 - (3) The department shall describe the reasons for its decision to not approve a product stewardship program in the notice to a carpet stewardship organization. The carpet stewardship organization shall revise and resubmit the product stewardship program within sixty days after receiving notice that the program was not approved. The department shall review and approve or not approve the revised product stewardship program within sixty days after receipt.
 - (4) On and after July 1, 2014, a product stewardship program not approved by the department is not in compliance with this chapter. The department must list any producer relying on such a product stewardship program as noncompliant with the requirements of this chapter.
 - (5) The department must make all approved product stewardship programs and annual reports available for public review on the department's web site and at the department's headquarters. By July 1, 2014, and no later than July 1st annually thereafter, the department shall post a notice on its web site listing producers that are and are not in compliance with this chapter.
 - (6) The decision of the department to approve or to not approve a product stewardship program under this section is appealable to the pollution control hearings board as provided in RCW 43.21B.130.
- 35 <u>NEW SECTION.</u> **Sec. 6.** (1) Beginning July 1, 2015, and each year

thereafter, a carpet stewardship organization must submit to the department an annual report describing its activities to achieve the purposes of this chapter.

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- (2) The report must demonstrate that the carpet stewardship organization's product stewardship program has met the performance goals of the program including achieving continuous meaningful improvement in the rate of recycling discarded carpet subject to the program. Further, the report must include all of the following:
- 9 (a) A description of how the product stewardship program has 10 implemented all of its required elements, including collecting, 11 transporting, processing, and recycling activities and how the program 12 has been implemented throughout the state;
- 13 (b) The amount of carpet sold in the state, by square yards and weight, during the reporting period;
 - (c) The amount of discarded carpet recycled, by weight, during the reporting period;
 - (d) The names and locations of carpet processing and recycling facilities used by the product stewardship program and recycled end uses of collected carpet by weight, during the reporting period;
 - (e) The amount of discarded carpet recovered but not recycled, by weight, and its ultimate disposition;
 - (f) The total cost of implementing the product stewardship program;
 - (g) An evaluation of the effectiveness of the product stewardship program, and anticipated steps, if needed, to improve performance throughout the state;
 - (h) Examples of educational materials that were provided to consumers, commercial building owners, carpet installation contractors, and retailers during the reporting period and a summary of outreach efforts, including timeline and frequency; and
- 30 (i) A summary of public comments received regarding the product 31 stewardship program and response to those comments.
 - NEW SECTION. Sec. 7. (1) Beginning January 1, 2014, a producer that offers carpet for sale in this state, but is not participating in a product stewardship program, is not in compliance with this chapter.
 - (2) No producer may sell or offer for sale carpet in or into the state unless the producer of the carpet is participating in an approved product stewardship program. The department shall send a written

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warning to a producer that is not participating in an approved program. The written warning must inform the producer that it must participate in an approved program within thirty days of the notice.

- (3) A producer that is not listed on the department's internet web site as required in section 5(5) of this act, but demonstrates to the satisfaction of the department that the producer is in compliance with this chapter before the next notice is required to be posted, may request a certification letter from the department stating that the producer is in compliance with this chapter. The letter constitutes proof of compliance with this chapter.
- (4) A wholesaler or retailer that distributes or sells carpet shall monitor the department's web site to determine if the sale of a producer's carpet is in compliance with the requirements of this chapter. A wholesaler or retailer otherwise in compliance with this chapter is deemed in compliance with this section if, on the date the wholesaler or retailer ordered or purchased carpet, the producer was listed as a compliant producer on the department's internet web site.
- (5) The department may assess an administrative civil penalty of up to one thousand dollars for each day of noncompliance with the requirements of this chapter. The penalty must be assessed as provided in RCW 43.21B.300.
- NEW SECTION. Sec. 8. The department shall establish a fee sufficient to cover the direct costs of administering and enforcing product stewardship programs under this chapter. The total amount of annual fees collected must not exceed the amount necessary to recover costs incurred by the department in connection with the administration, oversight, and enforcement of the requirements of this chapter. The fee must be collected from carpet stewardship organizations submitting programs and reports to the department. Any unspent money from each year will be retained in the carpet product stewardship account created in section 10 of this act and applied to reduce the payments by carpet stewardship organizations in the following year. The department may establish a variable fee based on relevant factors including, but not limited to:
- (1) The portion of carpet sold in the state by participants in the product stewardship program administered by the carpet stewardship

- organization compared to the total amount of carpet sold in the state by all participants in all programs; and
- 3 (2) The portion of the department's costs related to 4 administration, oversight, and enforcement of a particular product 5 stewardship program compared to the total costs of the department in 6 the administration, oversight, and enforcement of all programs.
- NEW SECTION. Sec. 9. Nothing in this chapter changes or limits the authority of the Washington utilities and transportation commission to regulate collection of solid waste, including curbside collection of residential recyclable materials, nor does this chapter change or limit the authority of a city or town to provide such service itself or by contract under RCW 81.77.020.
- NEW SECTION. Sec. 10. The carpet product stewardship account is created in the state treasury. All receipts received by the department from producers and carpet stewardship organizations must be deposited in the account. Expenditures from the account may be used by the department only for administering and implementing product stewardship programs. Moneys in the account may be spent only after appropriation.
- 19 **Sec. 11.** RCW 43.21B.110 and 2010 c 210 s 7 and 2010 c 84 s 2 are 20 each reenacted and amended to read as follows:
- (1) The hearings board shall only have jurisdiction to hear and decide appeals from the following decisions of the department, the director, local conservation districts, the air pollution control boards or authorities as established pursuant to chapter 70.94 RCW, local health departments, the department of natural resources, the department of fish and wildlife, and the parks and recreation commission:
- 28 (a) Civil penalties imposed pursuant to RCW 18.104.155, 70.94.431, 29 section 7 of this act, 70.105.080, 70.107.050, 76.09.170, 77.55.291, 30 78.44.250, 88.46.090, 90.03.600, 90.46.270, 90.48.144, 90.56.310,
- 31 90.56.330, and 90.64.102.
- 32 (b) Orders issued pursuant to RCW 18.104.043, 18.104.060,
- 33 43.27A.190, 70.94.211, 70.94.332, <u>section 5 of this act</u>, 70.105.095,
- 34 86.16.020, 88.46.070, 90.14.130, 90.46.250, 90.48.120, and 90.56.330.

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1 (c) A final decision by the department or director made under 2 chapter 183, Laws of 2009.

- (d) Except as provided in RCW 90.03.210(2), the issuance, modification, or termination of any permit, certificate, or license by the department or any air authority in the exercise of its jurisdiction, including the issuance or termination of a waste disposal permit, the denial of an application for a waste disposal permit, the modification of the conditions or the terms of a waste disposal permit, or a decision to approve or deny an application for a solid waste permit exemption under RCW 70.95.300.
- (e) Decisions of local health departments regarding the grant or denial of solid waste permits pursuant to chapter 70.95 RCW.
 - (f) Decisions of local health departments regarding the issuance and enforcement of permits to use or dispose of biosolids under RCW 70.95J.080.
 - (g) Decisions of the department regarding waste-derived fertilizer or micronutrient fertilizer under RCW 15.54.820, and decisions of the department regarding waste-derived soil amendments under RCW 70.95.205.
 - (h) Decisions of local conservation districts related to the denial of approval or denial of certification of a dairy nutrient management plan; conditions contained in a plan; application of any dairy nutrient management practices, standards, methods, and technologies to a particular dairy farm; and failure to adhere to the plan review and approval timelines in RCW 90.64.026.
 - (i) Any other decision by the department or an air authority which pursuant to law must be decided as an adjudicative proceeding under chapter 34.05 RCW.
 - (j) Decisions of the department of natural resources, the department of fish and wildlife, and the department that are reviewable under chapter 76.09 RCW, and the department of natural resources' appeals of county, city, or town objections under RCW 76.09.050(7).
 - (k) Forest health hazard orders issued by the commissioner of public lands under RCW 76.06.180.
 - (1) Decisions of the department of fish and wildlife to issue, deny, condition, or modify a hydraulic project approval permit under chapter 77.55 RCW.
- 37 (m) Decisions of the department of natural resources that are 38 reviewable under RCW 78.44.270.

- (n) Decisions of a state agency that is 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 under RCW 79.100.120.
- 5 (2) The following hearings shall not be conducted by the hearings 6 board:
- 7 (a) Hearings required by law to be conducted by the shorelines 8 hearings board pursuant to chapter 90.58 RCW.
- 9 (b) Hearings conducted by the department pursuant to RCW 70.94.332, 70.94.390, 70.94.395, 70.94.400, 70.94.405, 70.94.410, and 90.44.180.
- 11 (c) Appeals of decisions by the department under RCW 90.03.110 and 12 90.44.220.
- 13 (d) Hearings conducted by the department to adopt, modify, or 14 repeal rules.
- 15 (((e) Appeals of decisions by the department as provided in chapter 16 43.21L RCW.))
- 17 (3) Review of rules and regulations adopted by the hearings board 18 shall be subject to review in accordance with the provisions of the 19 administrative procedure act, chapter 34.05 RCW.
- 20 **Sec. 12.** RCW 43.21B.110 and 2010 c 210 s 8 and 2010 c 84 s 3 are each reenacted and amended to read as follows:
- (1) The hearings board shall only have jurisdiction to hear and decide appeals from the following decisions of the department, the director, local conservation districts, the air pollution control boards or authorities as established pursuant to chapter 70.94 RCW, local health departments, the department of natural resources, the department of fish and wildlife, and the parks and recreation commission:
- 29 (a) Civil penalties imposed pursuant to RCW 18.104.155, 70.94.431, 30 section 7 of this act, 70.105.080, 70.107.050, 76.09.170, 77.55.291, 31 78.44.250, 88.46.090, 90.03.600, 90.46.270, 90.48.144, 90.56.310, 90.56.330, and 90.64.102.
- 33 (b) Orders issued pursuant to RCW 18.104.043, 18.104.060, 34 43.27A.190, 70.94.211, 70.94.332, section 5 of this act, 70.105.095, 35 86.16.020, 88.46.070, 90.14.130, 90.46.250, 90.48.120, and 90.56.330.
- 36 (c) Except as provided in RCW 90.03.210(2), the issuance, 37 modification, or termination of any permit, certificate, or license by

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the department or any air authority in the exercise of its jurisdiction, including the issuance or termination of a waste disposal permit, the denial of an application for a waste disposal permit, the modification of the conditions or the terms of a waste disposal permit, or a decision to approve or deny an application for a solid waste permit exemption under RCW 70.95.300.

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- (d) Decisions of local health departments regarding the grant or denial of solid waste permits pursuant to chapter 70.95 RCW.
- (e) Decisions of local health departments regarding the issuance and enforcement of permits to use or dispose of biosolids under RCW 70.95J.080.
- (f) Decisions of the department regarding waste-derived fertilizer or micronutrient fertilizer under RCW 15.54.820, and decisions of the department regarding waste-derived soil amendments under RCW 70.95.205.
- (g) Decisions of local conservation districts related to the denial of approval or denial of certification of a dairy nutrient management plan; conditions contained in a plan; application of any dairy nutrient management practices, standards, methods, and technologies to a particular dairy farm; and failure to adhere to the plan review and approval timelines in RCW 90.64.026.
- (h) Any other decision by the department or an air authority which pursuant to law must be decided as an adjudicative proceeding under chapter 34.05 RCW.
- (i) Decisions of the department of natural resources, the department of fish and wildlife, and the department that are reviewable under chapter 76.09 RCW, and the department of natural resources' appeals of county, city, or town objections under RCW 76.09.050(7).
- (j) Forest health hazard orders issued by the commissioner of 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.
- 33 (1) Decisions of the department of natural resources that are 34 reviewable under RCW 78.44.270.
- 35 (m) Decisions of a state agency that is an authorized public entity 36 under RCW 79.100.010 to take temporary possession or custody of a 37 vessel or to contest the amount of reimbursement owed that are 38 reviewable under RCW 79.100.120.

- 1 (2) The following hearings shall not be conducted by the hearings 2 board:
- 3 (a) Hearings required by law to be conducted by the shorelines 4 hearings board pursuant to chapter 90.58 RCW.
- (b) Hearings conducted by the department pursuant to RCW 70.94.332,
 70.94.390, 70.94.395, 70.94.400, 70.94.405, 70.94.410, and 90.44.180.
- 7 (c) Appeals of decisions by the department under RCW 90.03.110 and 90.44.220.
- 9 (d) Hearings conducted by the department to adopt, modify, or 10 repeal rules.
- 11 (((e) Appeals of decisions by the department as provided in chapter
 12 43.21L RCW.))
- 13 (3) Review of rules and regulations adopted by the hearings board 14 shall be subject to review in accordance with the provisions of the 15 administrative procedure act, chapter 34.05 RCW.
- NEW SECTION. Sec. 13. By December 1, 2016, the department shall report to the appropriate committees of the legislature concerning the status of adoption and implementation of product stewardship programs and recommendations for revisions to improve the rate of carpet recycling and other goals of this chapter.
- NEW SECTION. Sec. 14. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.
- NEW SECTION. Sec. 15. Section 11 of this act expires June 30, 26 2019.
- NEW SECTION. Sec. 16. Section 12 of this act takes effect June 30, 2019.
- NEW SECTION. Sec. 17. Sections 1 through 10, 13, and 14 of this act constitute a new chapter in Title 70 RCW.

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