

## SB 93 A STAFF MEASURE SUMMARY

### House Committee On Energy and Environment

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**Prepared By:** Misty Freeman, LPRO Analyst

**Meeting Dates:** 5/7, 5/14

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#### WHAT THE MEASURE DOES:

Distinguishes between “dealer redemption center” and “full-service redemption center” for the purposes of returning beverage containers subject to the Bottle Bill (ORS 459A.700 - 495A.740). Defines “redemption center” as either a dealer redemption center or a full-service redemption center. Authorizes the establishment of a dealer redemption center to serve one or more dealers in an area that is not part of a convenience zone specified by the Oregon Liquor Control Commission (OLCC). Requires a dealer redemption center to: 1) provide secure drop off service at no charge for empty beverage containers; 2) provide an accounting mechanism for a person to redeem the refund value of beverage containers returned in bulk, either immediately in cash, or no later than a week after the beverage containers are dropped off; 3) be serviced by a distributor cooperative for purposes of transporting and processing redeemed beverage containers; 4) be available for persons to return beverage containers during any time the dealer is open between the hours of 8:00 am and 8:00 pm; and 5) have capacity to provide convenient service to the public.

Directs a distributor cooperative to provide specified notices and information to OLCC.

Authorizes dealer who participates in, is served by, and pays the cost of participating in a dealer redemption center to refuse to accept and pay refund value of more than 24 empty containers returned by any one person during one day.

Authorizes OLCC to specify a dealer redemption center convenience zone with a radius of not more than one mile around a dealer redemption center in a city with a population less than 10,000. Allows dealers within the convenience zone to participate in the dealer redemption center.

Establishes that OLCC annual reporting requirements apply to both full-service redemption centers and dealer redemption centers.

Adds requirement that OLCC state in an approval order whether a full-service redemption center will be located in an area zoned for commercial use or located in an area that will provide more convenient service given the proximity to dealers within the convenience zone served by the full-service redemption center. Establishes that a full-service redemption center is not a recycling depot for the purposes of specified recycling laws. Makes conforming changes to Bottle Bill statutes.

**REVENUE:** *No revenue impact*

**FISCAL:** *Has minimal fiscal impact*

Senate Vote (4/16/19): Carried by Dembrow. Passed. Ayes, 27; Nays, 2--Thatcher, Thomsen; Excused, 1--Winters.

#### ISSUES DISCUSSED:

#### EFFECT OF AMENDMENT:

No amendment.

#### BACKGROUND:

In 1971, Oregon enacted the "Bottle Bill," which is the nation's longest-standing deposit law. Consumers pay a deposit of ten cents (effective April 2017) on the purchase of each beverage container covered by the Bottle Bill,

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*This summary has not been adopted or officially endorsed by action of the committee.*

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which is returned when the beverage container is brought to a redemption center to be recycled. The Bottle Bill originally covered carbonated and malt beverages, and the deposit on each beverage container was five cents. In 2007, the legislature expanded coverage of the beverage container deposit to include water and flavored water, in 2011, the program was expanded to cover juices and teas. In 2018, the program was further expanded to cover a variety of other products, including energy drinks, coffee and tea drinks, and kombucha.

House Bill 3145 (2011), in addition to expanding covered beverage containers, set a trigger for the deposit to increase to 10 cents if the recycling rate fell below 80 percent for two consecutive years, and set up a redemption center pilot project. In 2013, Senate Bill 117 modified the redemption center program by removing its status as a pilot program and authorizing the Oregon Liquor Control Commission (OLCC) to approve additional centers. The redemption centers - known as "BottleDrops" - are operated and funded by the Oregon Beverage Recycling Cooperative in partnership with grocery retailers. OLCC approves redemption centers if the agency determines that a center will offer a convenient service to the public. There are 25 BottleDrops currently operating in Oregon.

Senate Bill 93 A would allow the development of dealer redemption centers to provide secure beverage container drop off service in a bag or other bulk return container.