

SB 1520 A STAFF MEASURE SUMMARY
Senate Committee On Energy and Environment

Carrier: Sen. Dembrow

Action Date: 02/07/22
Action: Do pass with amendments. (Printed A-Eng.)
Vote: 3-0-2-0
Yeas: 3 - Dembrow, Findley, Lieber
Exc: 2 - Lawrence Spence, Robinson
Fiscal: Fiscal impact issued
Revenue: Has minimal revenue impact
Prepared By: Beth Reiley, LPRO Analyst
Meeting Dates: 2/2, 2/7

WHAT THE MEASURE DOES:

Requires payment of refund value for **wine in cans** beginning July 1, 2025 and allows wine in cans to be sold and redeemed without the refund value being indicated on the container until October 1, 2026. Requires **distributor not participating in distributor cooperative** that sold more than 500,000 beverages in the state within the previous calendar year to establish a program to provide redemption services comparable to services provided by distributive cooperative in the state. Stipulates that redemption services may include: operation of full-service redemption centers; drop-off service; retail pick up service; and any other service required by the Oregon Liquor and Cannabis Commission (OLCC) by rule. Requires distributor not participating in distributor cooperative that sold more than 500,000 beverages to pay \$3,000 annually for each full-service redemption center in the state to OLCC. Establishes annual fee for distributors not participating in a distributor cooperative center that sell less than 500,000 units in the state based on the quantity of units sold. Clarifies that distributor cooperative pay amount equal to \$3,000 for every full-service redemption center operated in state by person other than the cooperative. Requires fees to be deposited in the Bottle Bill Fund. Modifies civil penalties for distributors for violations of certain provisions of Bottle Bill. Modifies requirements for **notices** required to be displayed by dealers and requires OLCC to develop and provide notices. Requires **distributor cooperative to report** to Legislative Assembly no later than February 15 of each year regarding expansion activities for previous calendar year, expansion priorities for current year, and efforts to expand and enhance alternative redemption access opportunities for individuals who redeem containers on a daily or near daily basis. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- History of the Bottle Bill program
- Other producer responsibility programs
- Experience of consumers in areas not served by distributor cooperative
- Interim work group to address consistency between winery and brewery tasting rooms

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

The original Bottle Bill legislation was enacted in 1971, and it is the nation's longest-standing beverage container deposit law. Since its passage, nine other states have enacted similar programs. Since enactment, the Bottle Bill has undergone multiple updates and changes. Legislation enacted in 2013 authorized a redemption center program to improve customer convenience and reduce the burden on retailers to accept and process empty containers, known as "BottleDrops." In addition, the Legislative Assembly expanded coverage to include

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additional containers and, in 2017, increased the deposit from five to 10 cents. Under the current law, people pay a 10-cent container deposit when they buy beverage containers three liters or less in size, except distilled liquor, wine, dairy or plant-based milk, and infant formula. Consumers can return the empty containers to dealers and BottleDrops and receive the 10-cent refund value for each container returned.

Senate Bill 1520 A would change the requirements for distributors that do not participate in a distributor cooperative and require, beginning July 1, 2025, the payment of a refund value for wine in cans.