

## **SB 1020 STAFF MEASURE SUMMARY**

### **Senate Committee On Labor and Business**

---

**Prepared By:** Whitney Perez, LPRO Analyst

**Meeting Dates:** 3/25, 3/27

---

#### **WHAT THE MEASURE DOES:**

The measure specifies that a producer may not sell, offer for sale, or distribute in or into this state an inhalant delivery system unless a specified refund value is clearly indicated on the inhalant delivery system, its label, or its packaging, and the producer participates in an inhalant delivery system producer responsibility organization that successfully implements an inhalant delivery system producer responsibility program. The measure specifies that a retailer may not sell an inhalant delivery system to a consumer unless the specified refund value is clearly indicated on the inhalant delivery system, its packaging, or its label and it requires a retailer to collect from a consumer at the point of retail sale the specified refund value and remit to the inhalant delivery system producer responsibility organization the specified refund value. Defines key terms. Takes effect on the 91st day following adjournment sine die.

#### Detailed Summary:

##### **Section 1**

Adds sections 2 through 17 of the measure to ORS chapter 459A, which contains laws on reuse and recycling.

##### **Section 2**

Defines key terms for this measure, including what is and is not an "inhalant delivery system" and what an "inhalant delivery system producer responsibility program" is.

##### **Section 3**

Specifies that a producer may not sell, offer for sale, or distribute in or into this state an inhalant delivery system unless a specified refund value is clearly indicated on the inhalant delivery system, its label, or its packaging, and the producer participates in an inhalant delivery system producer responsibility organization that successfully implements an inhalant delivery system producer responsibility program. Specifies that a retailer may not sell an inhalant delivery system to a consumer unless the specified refund value is clearly indicated on the inhalant delivery system, its packaging, or its label. Requires a retailer to collect from a consumer at the point of retail sale the specified refund value and remit to the inhalant delivery system producer responsibility organization the specified refund value. Specifies that every inhalant delivery system sold or offered for sale in Oregon shall have a refund value of \$5.

##### **Section 4**

Requires an inhalant delivery system producer responsibility organization to submit to the Department of Environmental Quality (department) a plan for implementing an inhalant delivery system producer responsibility program. Specifies that the plan must include.

##### **Section 5**

Specifies process and timelines for the department to approve, approve with conditions, or reject a plan for implementing an inhalant delivery system producer responsibility program. Specifies that an approved plan is valid for three years and process for renewal of a plan. Requires an inhalant delivery system producer responsibility organization to implement an inhalant delivery system producer responsibility program no later

---

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

than 0 days after a plan is approved.

**Section 6**

Requires an inhalant delivery system producer responsibility organization to request preapproval from the department for any change to an inhalant delivery system producer responsibility program plan that substantially alters the program. Specifies the types of changes that substantially alter an inhalant delivery system producer responsibility program. Permits the department to require an inhalant delivery system producer responsibility organization to modify an inhalant delivery system producer responsibility program plan and submit to the department changes for approval if the department determines that the inhalant delivery system producer responsibility organization is not meeting program goals described in an approved program plan.

**Section 7**

Requires an inhalant delivery system producer responsibility organization to establish collection sites throughout Oregon to accept and pay the refund value of the inhalant delivery systems. Permits the Environmental Quality Commission (Commission) to establish by rule convenience standards for collection sites. Specifies that these must provide a minimum number of collection sites in each county and city to ensure convenient and equitable service throughout Oregon. Permits the department to waive the requirement to establish a minimum number of collection sites in a city or county of a proposed inhalant delivery system producer responsibility program plan demonstrates that alternative services or collection sites provide substantially equivalent collection convenience.

**Section 8**

Requires an inhalant delivery system producer responsibility organization to develop educational resources and conduct public awareness activities across multiple media types to advertise and promote effective participation in the inhalant delivery system producer responsibility program. Requires an inhalant delivery system producer responsibility organization to establish a toll-free number and a website address for a person to learn the location of collection sites and provide feedback about the program.

**Section 9**

Directs an inhalant delivery system producer responsibility organization to establish a schedule of membership fees paid by producers participating in the organization. Requires membership fees to incentivize producers to continually reduce the environmental and human health impacts of inhalant delivery systems.

**Section 10**

Requires an inhalant delivery system producer responsibility organization to submit an annual report to the department on the development, implementation, and operation of the organization's inhalant delivery system producer responsibility program. Specifies what the annual report must include.

**Section 11**

Provides the department with authority to enter and inspect any public or private property, premises, or place for the purpose of investigating an actual or suspected violation of this measure or rules adopted pursuant to this measure. Requires an inhalant delivery system producer responsibility organization to retain all records related to the implementation and administration of an inhalant delivery system producer responsibility program for at least three years from the time the record was created and make the records available for inspection upon request by the department. Permits the department to issue an order requiring compliance with this measure, in accordance with contested case proceeding laws under the Administrative Procedures Act (APA). Permits the department to issue civil penalties for violations of this measure and rules adopted pursuant to this measure, in accordance with contested case proceedings under the APA and ORS 468.130. Specifies when the department may issue an order

to suspend or revoke an inhalant delivery system producer responsibility program plan.

**Section 12**

Prohibits a person from returning for a refund an inhalant delivery system that the person knows was not purchased in Oregon, with the intent to defraud.

**Section 13**

Specifies a schedule of fees that the Commission must establish for the purpose of paying the costs of administering the provisions of this measure.

**Section 14**

Creates the Inhalant Delivery System Producer Responsibility Fund in the State Treasury.

**Section 15**

Declares that it is the intent of the Legislative Assembly that participating in an inhalant delivery system producer responsibility program plan and collecting and refunding the refund value shall be exempt from state antitrust laws. Declares that it is the intent of the Legislative Assembly to provide immunity for participating in an inhalant delivery system producer responsibility organization to implement an inhalant delivery system producer responsibility program plan and collecting and refunding the refund value from federal antitrust laws.

**Section 16**

Provides a process for the department to make records and information submitted by a producer or inhalant delivery system producer responsibility organization to the department confidential and not subject to public disclosure.

**Section 17**

Permits the Commission to adopt any rules necessary for the effective administration of this measure.

**Section 18**

Specifies that a person commits a Class D violation when the person returns for a refund an inhalant delivery system that the person knows was not purchased in Oregon, with the intent to defraud.

**Section 19**

Specifies a civil penalty not to exceed \$25,000 per day for each day of a violation of this measure or of any rules or orders adopted pursuant to this measure.

**Section 20**

Requires an inhalant delivery system producer responsibility organization to first submit an inhalant delivery system producer responsibility program plan to the department for approval by September 1, 2027. Requires an inhalant delivery system producer responsibility program plan to be operational by July 1, 2028.

**Section 21**

Permits a producer to sell, offer for sale, or distribute in or into Oregon an inhalant delivery system without a refund value clearly indicated on the inhalant delivery system or its packaging on or before June 30, 2028. Permits a retailer to sell an inhalant delivery system without a refund value clearly indicated on the inhalant delivery system or its packaging and does not require a retailer to collect or remit the refund value of the inhalant delivery system on or before June 30, 2028.

**Section 22**

Specifies that section captions used in this measure do not become part of statutory law.

**Section 23**

Takes effect on the 91st day following adjournment sine die.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: Revenue lite

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Oregon's Bottle Bill was signed into law in July 1971. The Bottle Bill was intended to address a growing litter problem in Oregon's public areas and to conserve resources. Under the current law in Oregon, a person pays a ten-cent container deposit when they buy a redeemable beverage container. A person can then return the empty containers to stores and redemption centers to obtain a ten-cent refund for each container returned.

According to a report on tobacco product waste, published in 2014, cigarette butts and other tobacco product wastes (TPW) are one of the most common items picked up in urban and beach cleanups worldwide. Further, TPW contains all of the same toxins, nicotine, and carcinogens founds in tobacco products.

Senate bill 1020 specifies that a producer may not sell, offer for sale, or distribute in or into this state an inhalant delivery system unless a specified refund value is clearly indicated on the inhalant delivery system, its label, or its packaging, and the producer participates in an inhalant delivery system producer responsibility organization that successfully implements an inhalant delivery system producer responsibility program. SB 1020 also specifies that a retailer may not sell an inhalant delivery system to a consumer unless the specified refund value is clearly indicated on the inhalant delivery system, its packaging, or its label and it requires a retailer to collect from a consumer at the point of retail sale the specified refund value and remit to the inhalant delivery system producer responsibility organization the specified refund value.