

SB 992 A STAFF MEASURE SUMMARY

House Committee On Climate, Energy, and Environment

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Meeting Dates: 5/8, 5/15

WHAT THE MEASURE DOES:

The measure authorizes the Oregon Liquor and Cannabis Commission to approve one or more Bottle Bill program alternative access redemption centers and modifies the requirements for dealers operating within the alternative access redemption center convenience zone. In addition, Senate Bill 992 A requires OLCC to establish low-impact convenience zones. The Act also addresses hours of operation and the type of containers that a winery is required to accept for return.

Detailed Summary

Alternative Access Redemption Centers (Section 2 – 3)

Authorizes Oregon Liquor and Cannabis Commission (OLCC) to approve one or more **alternative access redemption centers** (alternative redemption center), effective October 1, 2025, at which people may return empty beverage containers and receive payment of refund value to expand alternative redemption access opportunities for individuals who redeem empty beverage containers on a daily or near-daily basis. Stipulates an alternative redemption center:

- may not refuse to accept and pay refund value of up to **350 beverage containers** returned by any one person during one day;
- must provide **hand counting of up to 50 individual beverage containers** returned by any one person during one day; and
- is authorized to provide **drop-off service and an accounting mechanism** by which the person may redeem the refund for at least 125 individual empty beverage containers returned by any one person in one day.

Authorizes a person operating an alternative redemption center, with the support of the sponsoring distributor cooperative, to apply to OLCC for approval of **mobile or satellite redemption sites**. Requires the mobile or satellite site to maintain consistent service hours and days at fixed points within specified convenience zone and provide refund value in cash at the time of redemption. Authorizes OLCC to adopt rules establishing standards for mobile or satellite redemption sites and requirements for dealers located in applicable convenience zone. Stipulates that OLCC may not accept an application for a mobile or satellite reception site before January 1, 2026.

Requires alternative redemption centers to be established and operated by a nonprofit that has entered into an agreement with a distributor cooperative to be a sponsor and located within a city with a population greater than 500,000 people. Requires an **application** with certain information to be filed with OLCC. Requires OLCC to approve application if it is found that the alternative redemption center will provide alternative redemption access opportunities. Requires an **order** approving an alternative redemption center to include certain information. Specifies alternative redemption center is not a recycling depot. Specifies that within five days of approving alternative redemption center, the OLCC must provide notice, which includes certain information, to each identified dealer not to be served by or not participating in alternative redemption center. Establishes a process for OLCC to review, provide notice, and withdraw approval if OLCC finds there has not been compliance or the alternative redemption center no longer provides alternative redemption access opportunities.

Requires OLCC to specify **convenience zones** for alternative redemption centers and mobile or satellite redemption sites. Requires a convenience zone for:

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- Alternative redemption center to be a contiguous area and that boundaries do not exceed three and one-half miles from the alternative redemption center; and
- Mobile or satellite redemption site to be within an area that extends no more than five miles from the alternative redemption center.

Specifies the following **redemption requirements for dealers within the alternative redemption center convenience zone**:

- Dealers that occupy **5,000 square feet** or more that choose to participate in, be served by, and be charged the cost of participating in the alternative redemption center do not have to accept and refund empty beverage containers.
- Dealers within the convenience zone that occupy a space of **less than 5,000 square feet** must accept and refund 24 beverage containers per person per day during the hours of 8 a.m. and 6 p.m.
- Dealers that occupy 5,000 square feet or more, other than dealers that operate a dealer redemption center, that **choose to not participate** in the alternative redemption center must accept and refund up to 350 beverage containers per person per day and provide services equivalent to the alternative redemption center. In addition, the dealer must post certain signage and provide specified number of automated reverse vending machines. Exempts dealers that report and sell fewer than 100,000 beverages in the previous calendar year.

Low-Impact Convenience Zone (Sections 4 – 6)

Directs OLCC to classify two existing convenience zones as a single **low-impact convenience zone** if specific conditions are met. Specifies the following redemption requirements for dealers within the low-impact convenience zone:

- Dealers that occupy **5,000 square feet or more** that choose to participate in, be served by, and be charged the cost of participating in full-service redemption center do not have to accept and refund empty beverage containers.
- Dealers that occupy a space **less than 5,000 square feet** must accept and refund 24 beverage containers per person per day.

Requires OLCC to **review each convenience zone** once every three years. Requires OLCC, in consultation with distributor cooperative and association representing retail grocers, to review each convenience zone and classify any convenience zone as a low-impact convenience zone if it meets specified criteria no later than January 1, 2026.

Amendments to Statute: ORS 459A.715 (Section 8)

Clarifies dealer requirements. Requires dealers that are required to accept and refund beverage containers to accept and pay refund value between 8 a.m. and 8 p.m. Stipulates that a dealer that holds a **winery** license may refuse to accept and pay the refund for a beverage container that is of a kind, size, and brand the dealer does not sell at the winery.

Additional Siting Requirements for Full-Service Redemption Centers (Section 9)

Requires, effective October 1, 2025, the order OLCC issues approving a full-service redemption center to state whether it will be located in an area zoned for **industrial use**. Requires applicant to **notify a state senator and state representative** in whose districts the full-service redemption center will be located of the proposed full-service redemption center and the applicant's plan for community engagement. Requires OLCC to provide opportunity for **public comment** before concluding that a full-service redemption center provides a convenient service. Authorizes OLCC to consider public comment when determining approval for full-service redemption center. Stipulates that requirements apply to applications filed on or after October 1, 2025.

Declares an emergency, effective on passage.

Minimal Fiscal Impact

No Revenue Impact

SENATE VOTE: Ayes, 28; Nays, 1

ISSUES DISCUSSED:

- Legislative history of Bottle Bill program
- Current Bottle Bill program requirements
- Geographic coverage of Bottle Bill redemption centers across state
- Problems bill is aiming to address

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The original Bottle Bill legislation was enacted in 1971 through House Bill 1036 and is the nation's longest-standing beverage container-deposit law. Since its passage, nine other states have enacted similar programs. Since the bill's passage, the Bottle Bill has undergone multiple updates and changes. Legislation enacted in 2013 authorized a redemption center program (known as "BottleDrop") to improve customer convenience and reduce the burden on retailers to accept and process empty beverage containers. In addition, the Legislative Assembly expanded coverage to include additional types of beverage containers and, in 2017, increased the deposit from five to 10 cents per container.

Under the current law, people pay a 10-cent container deposit when they buy beverages three liters or less in size, except distilled liquor, wine (with exception of wine in cans, which will be included in the Bottle Bill July 1, 2025), dairy or plant-based milk, and infant formula. Consumers can return the empty containers to beverage dealers and BottleDrop locations and receive the 10-cent refund for each container returned.