House Bill 2068

Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of House Interim Committee on Climate, Energy, and Environment for Representative John Lively)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act makes two new kinds of redemption centers and makes other changes to the Bottle Bill. (Flesch Readability Score: 75.1).

Modifies provisions of the beverage container redemption and recycling law. Authorizes establishment of alternative access redemption centers and producer responsibility organization depot redemption centers.

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

A BILL FOR AN ACT

Relating to beverage containers; creating new provisions; amending ORS 459A.700, 459A.715, 2

459A.720, 459A.735, 459A.738, 459A.741 and 459A.863; and prescribing an effective date. 3

Be It Enacted by the People of the State of Oregon: 4

 $\mathbf{5}$ SECTION 1. Sections 2 to 4 of this 2025 Act are added to and made a part of ORS 459A.700 to 459A.744. 6

SECTION 2. (1) To expand and enhance alternative redemption access opportunities for 7 individuals who redeem empty beverage containers on a daily or near daily basis, the Oregon 8 9 Liquor and Cannabis Commission may approve one or more alternative access redemption centers at which any person may return empty beverage containers and receive payment of 10 the refund value. An alternative access redemption center approved under this section must 11 12 be:

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(a) Established and operated by a nonprofit organization in partnership with a distributor 14 cooperative; and

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(b) Located within a city having a population greater than 500,000.

16 (2) Application for approval of an alternative access redemption center shall be filed with 17 the commission. The application shall state the name and address of the nonprofit organization and distributor cooperative responsible for the establishment and operation of the 18 alternative access redemption center, the kind of empty beverage containers that will be 19 20 accepted at the alternative access redemption center, the names and addresses of the dealers 21to be served by the alternative access redemption center and a proposal for the convenience 22zone described in ORS 459A.738. The application shall include such additional information as 23the commission may require.

(3) The commission shall approve an alternative access redemption center if it finds the 24 redemption center will provide alternative redemption access opportunities for individuals 25 who redeem empty beverage containers on a daily or near daily basis. The order of the 26 27commission approving an alternative access redemption center shall state:

(a) The location of the convenience zone specified by the commission under ORS 459A.738; 28

1 (b) The dealers within the convenience zone to be served by the alternative access re-2 demption center;

3 (c) The dealers within the convenience zone not to be served by or not participating in
4 the alternative access redemption center;

5 (d) The services to be provided by the alternative access redemption center and the 6 equivalent services required to be provided under ORS 459A.738 by a dealer that does not 7 participate in, and is not served by, the alternative access redemption center;

8 (e) The kind of empty beverage containers that the alternative access redemption center
9 must accept;

(f) Whether the alternative access redemption center will be located in an area zoned for commercial use under state statute or local ordinance or will be located in an area that will provide better access to redemption opportunities for individuals who redeem empty beverage containers on a daily or near daily basis than plausible alternative locations located in an area zoned for commercial use; and

(g) Such other provisions to ensure that the alternative access redemption center will
 provide alternative redemption access opportunities for individuals who redeem empty
 beverage containers on a daily or near daily basis.

(4) An alternative access redemption center approved by the commission under this sec tion is not a recycling depot for purposes of ORS 90.318, 459A.007, 459A.010, 459A.050 or
 459A.080.

(5)(a) No later than five days after approving an alternative access redemption center under subsection (3) of this section, the commission shall provide written notice to each dealer that is identified in the order approving the alternative access redemption center as a dealer within the convenience zone not to be served by or not participating in the alternative access redemption center.

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(b) The notice required under this subsection shall include:

(A) All information required to be in the order approving the alternative access redemp tion center under subsection (3) of this section; and

(B) Notice of the provisions of ORS 459A.738 that are applicable to the dealer receiving
 the notice.

31 (6) The commission may review at any time approval of an alternative access redemption center. After written notice to the persons responsible for the establishment and operation 32of the alternative access redemption center, and to the dealers served by the alternative 33 34 access redemption center, the commission may, after hearing, withdraw approval of an al-35 ternative access redemption center if the commission finds there has not been compliance with its order approving the alternative access redemption center, or if the alternative ac-36 37 cess redemption center no longer provides alternative redemption access opportunities for 38 individuals who redeem empty beverage containers on a daily or near daily basis.

39 <u>SECTION 3.</u> (1) As used in this section, "covered product," "producer responsibility or-40 ganization" and "recycling depot" have the meanings given those terms in ORS 459A.863.

(2)(a) Subject to the approval of the Oregon Liquor and Cannabis Commission, one or more dealers may establish a producer responsibility organization depot redemption center at any recycling depot or drop off center where a producer responsibility organization directly or indirectly provides for the collection of covered products to satisfy the requirements of ORS 459A.896.

1 (b) The dealer or dealers that establish the producer responsibility organization depot 2 redemption center:

3 (A) Must secure any necessary agreements to establish the producer responsibility or-4 ganization depot redemption center at that site from the owner or operator of the recycling 5 depot or drop off center; and

6 (B) May contract with the owner or operator of the recycling depot or drop off center 7 to provide the beverage container return services described in this section.

8 (3) Notwithstanding any other provision of ORS 459A.700 to 459A.744, a producer responsibility organization depot redemption center must:

(a) Provide secure drop off service for empty beverage containers to be returned by any
 person for the refund value established by ORS 459A.705 in a bag or other bulk return con tainer sold for that purpose;

(b) Provide an accounting mechanism by which a person may redeem the refund value
 of beverage containers returned in bulk no later than one week after the beverage containers
 are dropped off at the producer responsibility organization depot redemption center;

(c) Be serviced by a distributor cooperative for purposes of transporting and processing
 redeemed beverage containers; and

(d) Be available for persons to return beverage containers to the producer responsibility
 organization depot redemption center during any time that the recycling depot or drop off
 center is otherwise open to the public.

(4) A producer responsibility organization depot redemption center may provide services
 other than those specified in subsection (3) of this section as determined necessary by the
 dealer or dealers that establish the redemption center.

(5) A distributor cooperative that services producer responsibility organization depot re demption centers shall:

(a) Provide notice to the commission no later than 14 days after the date that a producer
 responsibility organization depot redemption center:

(A) Begins providing drop off service to persons for the return of empty beverage con tainers; or

30 (B) Ceases operations; and

(b) Annually provide to the commission the names and addresses of the dealers served
 by all producer responsibility organization depot redemption centers serviced by the distrib utor cooperative, and such additional information as the commission may require.

(6) A dealer that participates in, is served by and pays the cost of participation in a
 producer responsibility organization depot redemption center may, notwithstanding any
 other provision of ORS 459A.700 to 459A.744, refuse to accept and to pay the refund value of
 empty beverage containers.

(7) The commission shall specify a convenience zone for each producer responsibility organization depot redemption center. In specifying the convenience zone, the commission shall take into account the convenience standards adopted by the Environmental Quality Commission under ORS 459A.914. Any dealer doing business within a producer responsibility organization depot redemption center convenience zone may participate in, be served by and pay the cost of participation in the producer responsibility organization depot redemption center and receive the benefit provided for in subsection (6) of this section.

45 SECTION 4. The Oregon Liquor and Cannabis Commission shall establish by rule stan-

1 dards for periods of time during which a dealer redemption center may, notwithstanding any

2 provision of ORS 459A.700 to 459A.744, temporarily refuse to accept and to pay the refund

3 value of empty beverage containers in order to provide for:

4 (1) The sanitation of the redemption center; or

5 (2) The safety of a dealer's employees or the public.

6 **SECTION 5.** ORS 459A.700 is amended to read:

7 459A.700. As used in ORS [459.992 (3) and (4) and] 459A.700 to 459A.744, unless the context re-8 quires otherwise:

9 (1) "Alternative access redemption center" means a redemption center that meets the 10 requirements of section 2 of this 2025 Act.

11 [(1)] (2) "Beverage" means a fluid described in ORS 459A.702.

12 [(2)] (3) "Beverage container" means a container described in ORS 459A.702.

13 [(3)] (4) "Commission" means the Oregon Liquor and Cannabis Commission.

14 [(4)] (5) "Consumer" means every person who purchases a beverage in a beverage container for 15 use or consumption.

[(5)] (6) "Dealer" means every person in this state who engages in the sale of beverages in
beverage containers to a consumer, or means a full-service redemption center approved under ORS
459A.735.

[(6)] (7) "Dealer redemption center" means a location that meets the requirements of ORS 459A.741, at which any person may return empty beverage containers and [receive payment of] access the refund value of the beverage containers through an accounting mechanism that makes the refund value available no later than one week after the person drops off the beverage containers.

[(7)] (8) "Distributor" means every person who engages in the sale of beverages in beverage containers to a dealer in this state including any manufacturer who engages in such sales.

[(8)] (9) "Full-service redemption center" means a location that meets the requirements of ORS 459A.737, at which any person may return empty beverage containers and receive payment of the refund value of the beverage containers.

[(9)] (10) "Hard seltzer" means any sugar-based alcoholic beverage that contains carbonated water or any malt-based alcoholic beverage that contains carbonated water and is not a malt beverage, as defined in ORS 471.001.

32 [(10)] (11) "Importer" means any dealer or manufacturer who directly imports beverage con-33 tainers into this state.

[(11)] (12) "In this state" means within the exterior limits of the State of Oregon and includes
 all territory within these limits owned by or ceded to the United States of America.

36 [(12)] (13) "Kombucha" means a fermented beverage that is made from tea and contains not 37 more than 21 percent of alcohol by volume.

[(13)] (14) "Manufacturer" means every person bottling, canning or otherwise filling beverage
 containers for sale to distributors, importers or dealers.

40 [(14)] (15) "Place of business of a dealer" means the location at which a dealer sells or offers 41 for sale beverages in beverage containers to consumers.

42 (16) "Producer responsibility organization depot redemption center" means a redemption
 43 center that meets the requirements of section 3 of this 2025 Act.

44 [(15)] (17) "Redemption center" means a full-service redemption center, [or] a dealer redemption 45 center, an alternative access redemption center or a producer responsibility organization

depot redemption center. 1 2 [(16)] (18) "Use or consumption" includes the exercise of any right or power over a beverage incident to the ownership thereof, other than the sale or the keeping or retention of a beverage for 3 4 the purposes of sale. [(17)] (19) "Water and flavored water" means any beverage identified through the use of letters, 5 words or symbols on its product label as a type of water. 6 [(18)] (20) "Wine" has the meaning given that term in ORS 471.001, except that "wine" does not 7 mean hard seltzer or kombucha. 8 9 SECTION 6. ORS 459A.715 is amended to read: 459A.715. (1) A dealer may refuse to accept from any person, and a distributor or importer may 10 refuse to accept from a dealer, any empty beverage container that does not state thereon a refund 11 12 value as established by ORS 459A.705. 13 (2) A dealer may refuse to accept and to pay the refund value of: (a) Empty beverage containers if the place of business of the dealer and the kind of empty 14 15 beverage containers are included in an order of the Oregon Liquor and Cannabis Commission approving a full-service redemption center under ORS 459A.735. 16 (b) Empty beverage containers, if the dealer participates in, is served by and pays the 17 18 cost of participation in a dealer redemption center, alternative access redemption center or a producer responsibility organization depot redemption center. 19 [(b)] (c) Any beverage container visibly containing or contaminated by a substance other than 20water, residue of the original contents or ordinary dust. 2122[(c)(A)] (d)(A) More than 144 individual beverage containers returned by any one person during 23one day, if the dealer occupies a space of 5,000 or more square feet in a single area. 24(B) More than 50 individual beverage containers returned by any one person during one day, if

the dealer occupies a space of less than 5,000 square feet in a single area.

26 [(d)] (e) Any beverage container that is damaged to the extent that the brand appearing on the 27 container cannot be identified.

(3) The commission shall develop and provide to dealers notices that describe the reasons a dealer may refuse to accept and to pay the refund value for empty beverage containers under subsection (2) of this section. The notices may contain additional information as determined by the commission.

(4) A dealer must post in each area where beverage containers are received a notice provided
to the dealer under subsection (3) of this section.

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SECTION 7. ORS 459A.735 is amended to read:

459A.735. (1) To facilitate the return of empty beverage containers and to serve dealers of beverages, any person may establish a full-service redemption center, subject to the approval of the Oregon Liquor and Cannabis Commission, at which any person may return empty beverage containers and receive payment of the refund value of such beverage containers.

(2) Application for approval of a full-service redemption center shall be filed with the commission. The application shall state the name and address of the person responsible for the establishment and operation of the full-service redemption center, the kind of beverage containers that will be accepted at the full-service redemption center, the names and addresses of the dealers to be served by the full-service redemption center and proposals for [*up to two*] **a** convenience [*zones*] **zone** described in ORS 459A.738. The application shall include such additional information as the commission may require.

1 (3) The commission shall approve a full-service redemption center if it finds the redemption 2 center will provide a convenient service to persons for the return of empty beverage containers. 3 The order of the commission approving a full-service redemption center shall state:

4 (a) The location of the convenience [zones] **zone** specified by the commission under ORS 5 459A.738 [(1)];

6 (b) The dealers within the convenience [zones] **zone** to be served by the full-service redemption 7 center;

8 (c) The dealers within the convenience [zones] **zone** not to be served by or not participating in 9 the full-service redemption center;

(d) The services to be provided by the redemption center and the equivalent services required
to be provided under ORS 459A.738 [(5)] by a dealer that does not participate in, and is not served
by, the full-service redemption center;

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(e) The kind of empty beverage containers that the full-service redemption center must accept;

(f) Whether the full-service redemption center will be located in an area zoned for commercial use under state statute or local ordinance or will be located in an area that will provide more convenient service given the proximity of the location to the dealers within the convenience [zones] zone to be served by the full-service redemption center; and

(g) Such other provisions to ensure that the full-service redemption center will provide a con-venient service to the public as the commission may determine.

(4) A full-service redemption center approved by the commission under this section is not a recycling depot for purposes of ORS 90.318, 459A.007, 459A.010, 459A.050 or 459A.080.

(5)(a) No later than five days after approving a full-service redemption center under subsection
(3) of this section, the commission shall provide written notice to each dealer that is identified in
the order approving the full-service redemption center as a dealer within the convenience [zones]
zone not to be served by or not participating in the full-service redemption center.

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(b) The notice required under this subsection shall include:

(A) All information required to be in the order approving the full-service redemption center
 under subsection (3) of this section; and

(B) Notice of the provisions of ORS 459A.738 that are applicable to the dealer receiving thenotice.

(6) The commission may review at any time approval of a full-service redemption center. After written notice to the person responsible for the establishment and operation of the full-service redemption center, and to the dealers served by the full-service redemption center, the commission may, after hearing, withdraw approval of a full-service redemption center if the commission finds there has not been compliance with its order approving the full-service redemption center, or if the full-service redemption center no longer provides a convenient service to the public.

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SECTION 8. ORS 459A.738 is amended to read:

38 459A.738. (1) For each full-service redemption center or alternative access redemption center, the Oregon Liquor and Cannabis Commission shall specify [up to two convenience zones] a 39 convenience zone. The [first] convenience zone shall be the sector within a radius of not more than 40 [two miles around the full-service redemption center. The second convenience zone shall be the sector 41 42 beginning at the border of the first convenience zone and continuing to a radius of not more than] three and one-half miles around the [full-service] redemption center. The convenience [zones] zone shall 43 be based to the greatest extent practicable upon the proposals submitted as part of the application 44 for approval of the full-service redemption center under ORS 459A.735 or the alternative access 45

1 redemption center under section 2 of this 2025 Act.

2 (2) All dealers doing business within [*the first*] **a** convenience zone that occupy a space of 5,000 3 or more square feet in a single area may participate in, be served by and be charged the cost of 4 participation in the full-service redemption center **or alternative access redemption center** and, 5 if such a dealer participates in, is served by and pays the cost of participation in the full-service 6 redemption center **or alternative access redemption center**, the dealer may, notwithstanding any 7 other provision of ORS 459A.700 to 459A.744, refuse to accept and to pay the refund value of empty 8 beverage containers.

9 [(3) All dealers doing business within the second convenience zone that occupy a space of 5,000 or 10 more square feet in a single area may participate in, be served by and be charged the cost of partic-11 ipation in the full-service redemption center and, if such a dealer participates in, is served by and pays 12 the cost of participation in the full-service redemption center, the dealer may, notwithstanding any other 13 provision of ORS 459A.700 to 459A.744, refuse to accept and to pay the refund value of more than 24 14 individual empty beverage containers returned by any one person during one day.]

15 [(4)] (3) All dealers doing business within [either] a convenience zone that occupy a space of less 16 than 5,000 square feet in a single area may, notwithstanding any other provision of ORS 459A.700 17 to 459A.744, refuse to accept and to pay the refund value of more than 24 individual empty beverage 18 containers returned by any one person during one day.

19 [(5)(a)] (4)(a) Any dealer doing business within [either] a convenience zone that occupies a space 20of 5,000 or more square feet in a single area that does not participate in, and is not served by, the full-service redemption center or alternative access redemption center may not refuse to accept 2122and to pay the refund value of up to 350 individual empty beverage containers, as established by 23ORS 459A.705, returned by any one person during one day and must, beginning on the date that the full-service redemption center or alternative access redemption center begins accepting beverage 2425containers, provide services equivalent to those provided by the redemption center under ORS 459A.737 (2), including hand counting and drop off service. 26

(b) In addition to complying with the requirements specified in paragraph (a) of this subsection,
a dealer described in paragraph (a) of this subsection must:

(A) Post in each area where beverage containers are received a clearly visible and legible sign
 that contains the list of services that must be provided by the dealer; and

(B) Provide two automated reverse vending machines capable of processing metal, plastic and
glass beverage containers, or one automated reverse vending machine capable of processing metal,
plastic and glass beverage containers for each 500,000 beverage containers sold by the dealer in the
previous calendar year, whichever is greater.

(c)(A) The provisions of paragraphs (a) and (b) of this subsection do not apply to a dealer described in paragraph (a) of this subsection if the dealer sold fewer than 100,000 beverage containers in the previous calendar year. To be eligible for the exemption under this paragraph, a dealer described in paragraph (a) of this subsection must report to the commission the number of beverage containers sold by the dealer in the previous calendar year.

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(B) The report required under this paragraph must be submitted by a dealer:

(i) Except as provided in subsection [(6)] (5) of this section, no later than 60 days after issuance
of the notice required under ORS 459A.735 (5); and

(ii) No later than January 1 of each calendar year following the year that the notice under ORS
44 459A.735 (5) was issued and for which the dealer intends to claim the exemption.

45 (d) The commission shall ensure compliance with this subsection by a dealer described in para-

1 graph (a) of this subsection that is not subject to an exemption under paragraph (c) of this sub-2 section.

3 [(6)] (5) A dealer that plans to begin doing business within [either] a convenience zone after the 4 date that the full-service redemption center or alternative access redemption center associated 5 with the convenience zone begins accepting beverage containers shall, not less than 60 days prior 6 to the date that the dealer begins doing business:

(a) Provide notice to the commission explaining whether the dealer will or will not participate
in, be served by and pay the cost of participation in the full-service redemption center or alternative access redemption center; and

(b) If the dealer will not participate in the redemption center and will claim an exemption under subsection [(5)(c)] (4)(c) of this section, provide documentation of compliance with the requirements for nonparticipating dealers under this section and an estimate of the number of beverage containers that the dealer expects to sell during the first calendar year that the dealer does business within the convenience zone.

[(7)] (6) The provisions of subsections (2) to [(6)] (5) of this section do not apply to any dealer for which the driving distance from the place of business of the dealer to the full-service redemption center or alternative access redemption center, calculated using the shortest route, is more than two times the radius specified for the [second] convenience zone [or, if only one convenience zone is specified by the commission, two times the radius specified for that convenience zone].

[(8)] (7) Not more than 60 days after issuance of notice from the commission under ORS 459A.735 (5), a dealer shall provide the commission with written documentation confirming compliance with each of the requirements of this section that are applicable to the dealer receiving notice.

(8) No less than once every five years, the commission shall conduct a review of each
 convenience zone. The review must include consultation with:

25 (a) The distributor cooperative;

26 (b) Participating dealers within the convenience zone; and

(c) If the convenience zone has a radius of less than three and one-half miles, dealers
that would be within the convenience zone if the radius of the convenience zone were extended to three and one-half miles.

30 SECTION 9. ORS 459A.741 is amended to read:

459A.741. (1) Any person may establish a dealer redemption center to serve one or more dealers
 [doing business in an area that is not part of a convenience zone specified by the Oregon Liquor and
 Cannabis Commission under ORS 459A.738].

34 (2) Notwithstanding any other provision of ORS 459A.700 to 459A.744, a dealer redemption cen 35 ter must:

(a) Provide secure drop off service [at no charge] for empty beverage containers to be returned
by any person for the refund value established by ORS 459A.705 in a bag or other bulk return container sold for that purpose;

(b) Provide an accounting mechanism by which a person may redeem the refund value of
beverage containers returned in bulk [*either immediately in cash from a dealer participating in the dealer redemption center or*] no later than one week after the beverage containers are dropped off **at the dealer redemption center**;

43 (c) Be serviced by a distributor cooperative for purposes of transporting and processing re 44 deemed beverage containers; and

45 (d) Be available for persons to return beverage containers to the dealer redemption center dur-

1 ing any time that a participating dealer is open between the hours of 8 a.m. and 8 p.m.[; and]

2 [(e) Be of a sufficient capacity to provide convenient service to the public as the commission may 3 determine.]

4 (3) A dealer redemption center may provide services other than those specified in subsection (2) 5 of this section as determined necessary by the person responsible for operation of the dealer re-6 demption center.

(4) A distributor cooperative that services dealer redemption centers shall:

8 (a) Provide notice to the Oregon Liquor and Cannabis Commission no later than 14 days after
9 the date that a dealer redemption center:

(A) Begins providing drop off service to persons for the return of empty beverage containers;
 or

12 (B) Ceases operations; and

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(b) Annually provide to the commission the names and addresses of the dealers served by all
 dealer redemption centers serviced by the distributor cooperative, and such additional information
 as the commission may require.

16 (5)(a) A dealer that participates in, is served by and pays the cost of participation in a dealer 17 redemption center may, notwithstanding any other provision of ORS 459A.700 to 459A.744, refuse to 18 accept and to pay the refund value of [more than 24 individual] empty beverage containers [returned 19 by any one person during one day].

(b) If a dealer redemption center is established in a city having a population of less than [10,000] **50,000** people, the Oregon Liquor and Cannabis Commission shall specify a dealer redemption center convenience zone. The dealer redemption center convenience zone shall be the sector within a radius of not more than [one mile] **ten miles** around the dealer redemption center. Any dealer doing business within a dealer redemption center convenience zone may participate in, be served by and pay the cost of participation in the dealer redemption center and receive the benefit provided for in paragraph (a) of this subsection.

27 SECTION 10. ORS 459A.720 is amended to read:

459A.720. (1) Every beverage container sold or offered for sale in this state by a dealer shall clearly indicate by embossing or by a stamp, or by a label or other method securely affixed to the beverage container, the refund value of the container.

(2) Subsection (1) of this section shall not apply to glass beverage containers designed for
 beverages having a brand name permanently marked thereon which, on October 1, 1972, had a re fund value of not less than five cents.

(3) No person shall sell or offer for sale at retail in this state any metal beverage container so
designed and constructed that a part of the container is detachable in opening the container without
the aid of a can opener.

(4) On or after March 1, 1979, no person shall sell or offer for sale at retail in this state, in addition to beverages as defined in ORS 459A.700 [(1)], any beverage in liquid form intended for human consumption in any beverage container so designed and constructed that a metal part of the container is detachable in opening the container through use of a metal ring or tab without the aid of a can opener. However, nothing in this subsection shall prohibit the sale of a container the only detachable part of which is a piece of pressure sensitive tape.

(5) No person shall sell or offer for sale at retail in this state metal beverage containers connected to each other by a separate holding device constructed of plastic rings or other material
which will not decompose by photobiodegradation, chemical degradation, or biodegradation within

1 120 days of disposal.

2 SECTION 11. ORS 459A.863 is amended to read:

3 459A.863. As used in ORS 459A.860 to 459A.975:

4 (1) "Brand" means any mark, word, name, symbol, design, device or graphical element, or a 5 combination thereof, including a registered or unregistered trademark, that identifies a product and 6 distinguishes the product from other products.

7 (2) "Commingled recycling" means the recycling or recovery of two or more materials that are 8 mixed together and that generally would be separated into individual materials at a commingled 9 recycling processing facility in order to be marketed.

10 (3)(a) "Commingled recycling processing facility" means a facility that:

(A) Receives source separated commingled recyclable materials that are collected commingled
 from a collection program providing the opportunity to recycle; and

(B) Separates the recyclable materials described in subparagraph (A) of this paragraph into
 marketable commodities or streams of materials that are intended for use or further processing by
 others.

16 (b) "Commingled recycling processing facility" does not include:

17 (A) Scrap metal recycling facilities;

18 (B) Scrap automotive or appliance recycling facilities;

19 (C) [Full-service redemption centers or dealer redemption centers, as those terms are] Redemption

centers as defined in ORS 459A.700[,] and recycling facilities owned and operated by a distributor
 cooperative established under ORS 459A.718;

22 (D) Recycling facilities handling covered electronic devices, as defined in ORS 459A.305;

(E) Recycling processing facilities that process only noncommingled, source separated recyclable
 material from commercial entities;

(F) Recycling processing facilities that recover commingled recyclable material primarily from
 the construction and demolition debris waste stream;

27 (G) Recycling depots;

28 (H) Recycling reload facilities; or

29 (I) Limited sort facilities, as defined by rule by the Environmental Quality Commission.

30 (4) "Contaminant" means:

(a) A material set out for recycling collection that is not properly prepared and on the list of
 materials accepted for recycling collection by a recycling collection program; or

(b) A material shipped to a recycling end market that is not accepted or desired by that endmarket.

(5) "Contamination" means the presence of one or more contaminants in a recycling collection
or commodity stream in an amount or concentration that negatively impacts the value of the material or negatively impacts a processor's ability to sort that material.

38 (6)(a) "Covered product" means:

39 (A) Packaging;

- 40 (B) Printing and writing paper; and
- 41 (C) Food serviceware.
- 42 (b) "Covered product" does not include:
- 43 (A) A beverage container, as defined in ORS 459A.700.

44 (B) Bound books.

45 (C) Napkins, paper towels or other paper intended to be used for cleaning or the absorption of

liquids.
 (D) Rigid pallets used as the structural foundation for transporting goods lifted by a forklift,
 pallet jack or similar device.
 (E) Specialty packaging items that are used exclusively in industrial or manufacturing processes,
 including but not limited to:
 (i) Cores and wraps for rolls of packaging sold by a mill to a packaging converter or food

6 (i) Cores and wraps for rolls of packaging sold by a mill to a packaging converter or food 7 processor; and

8 (ii) Trays, whether designed for a single use or multiple uses, used for the transport of compo-9 nent parts from a parts supplier to a manufacturer that assembles those parts.

10 (F) Liquified petroleum gas containers that are designed to be refilled.

11 (G) A material that the producer demonstrates is exempt under ORS 459A.869.

12 (H) Pallet wrap or similar packaging used to secure a palletized load if added by a person that 13 is not the producer of the palletized covered products.

(I) Packaging related to containers for architectural paint, as defined in ORS 459A.822, that has
been collected by a producer responsibility organization under the program established under ORS
459A.820 to 459A.855.

(J) Any item that is not ultimately discarded inside this state, whether for purposes of recoveryor disposal.

(K) Items sold on a farm or used on a farm, including items used for farm use, as defined in ORS
215.203, or for processing on a farm, provided that an item used on a farm is not subsequently sold
at a retail establishment that is not located on a farm.

(L) Items used by a nursery licensed under ORS 571.055 that generates the majority of the nursery's revenue through the sale of nursery stock, as defined in ORS 571.005, provided that the items are not sold through retail sales.

25 (M) Packaging and paper products sold or supplied in connection with:

26 (i) Prescription drugs as defined in ORS 689.005;

27 (ii) Nonprescription drugs as defined in ORS 689.005;

28 (iii) Drugs marketed under a brand name as defined in ORS 689.515; or

29 (iv) Drugs marketed under a generic name as defined in ORS 689.515.

30 (N) Packaging and paper products sold or supplied in connection with drugs that are used for 31 animal medicines, including but not limited to parasiticide drugs for animals.

32 (O) Packaging and paper products sold or supplied in connection with:

33 (i) Infant formula as defined in 21 U.S.C. 321(z);

34 (ii) Medical food as defined in 21 U.S.C. 360ee(b)(3); or

(iii) Fortified oral nutritional supplements used for individuals who require supplemental or sole source nutrition to meet nutritional needs due to special dietary needs directly related to cancer, chronic kidney disease, diabetes, malnutrition, or failure to thrive, as those terms are defined as by the International Classification of Diseases, Tenth Revision, or other medical conditions as determined by the commission.

40 (P) Wine and spirit containers for which a refund value is established under Oregon law.

41 (Q) Packaging for products:

(i) That are required under 40 C.F.R. 156.140, or other federal regulation pertaining to toxic or
hazardous materials, to state on the label or container that the packaging should not be recycled
or should be disposed of in a manner other than recycling; or

45 (ii) Identified by the commission by rule as product that is required by law to state on the label

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1	or container that the packaging should not be recycled or should be disposed of in a manner other
2	than recycling.
3	(R) Any other material, as determined by the commission by rule, after consultation with the
4	Oregon Recycling System Advisory Council.
5	(7) "Food serviceware" means paper or plastic plates, wraps, cups, bowls, pizza boxes, cutlery,
6	straws, lids, bags, aluminum foil or clamshells or similar containers:
7	(a) That are generally intended for single use; and
8	(b) That are sold to a retailer or a dine-in food establishment or a take-out food establishment,
9	regardless of whether the item is used to prepackage food for resale, is filled on site for food ordered
10	by a customer or is resold as is.
11	(8) "Large producer" means a producer that is among the 25 largest producers of covered pro-
12	ducts based on market share.
13	(9) "Licensee" means a person that is licensed by a brand and manufactures a covered product
14	or a packaged item under that brand.
15	(10) "Litter" means waste that is improperly placed so as to be a nuisance or aesthetic, health
16	or environmental concern.
17	(11) "Local government" means:
18	(a) A city;
19	(b) A county; or
20	(c) A metropolitan service district.
21	(12) "Local government's service provider" means:
22	(a) A collection service franchise holder under ORS 459A.085;
23	(b) Any person authorized by a city or county to provide recycling collection services described
24	in subsection (25)(a) to (d) of this section; or
25	(c) Any person authorized by a metropolitan service district to provide recycling collection
26	services described in subsection (25)(d) of this section.
27	(13) "Market share" means a producer's percentage of all covered products sold in or into this
28	state during a specified time period, as calculated in accordance with methods established by the
29	commission by rule.
30	(14) "Mechanical recycling" means a form of recycling that does not change the basic molecular
31	structure of the material being recycled.
32	(15) "Metropolitan service district" means a metropolitan service district established under ORS
33	chapter 268.
34	(16) "Nonprofit organization" means an organization or group of organizations described in
35	section 501(c)(3) of the Internal Revenue Code that is exempt from income tax under section 501(a)
36	of the Internal Revenue Code.
37	(17) "Opportunity to recycle" has the meaning given that term in ORS 459A.005.
38	(18)(a) "Packaging" means:
39	(A) Materials used for the containment or protection of products, including but not limited to
40	paper, plastic, glass or metal or a mixture thereof;
41	(B) Single-use bags, including but not limited to shopping bags; and
42	(C) Nondurable materials used in storage, shipping or moving, including but not limited to
43	packing materials, moving boxes, file boxes and folders.
44	(b) "Packaging" does not include:
45	(A) Food serviceware; or

1 (B) Sharps, as defined in ORS 459.386.

2 (19) "Person" has the meaning given that term in ORS 459.005.

3 (20) "Printing and writing paper" includes, but is not limited to, newspaper, magazines, flyers,
4 brochures, booklets, catalogs, telephone directories and paper used for copying, writing or other
5 general use.

6 (21) "Processor" means a person that owns or operates a commingled recycling processing fa-7 cility.

8 (22) "Producer" means a person that is determined to be the producer of a covered product un9 der ORS 459A.866.

(23) "Producer responsibility organization" means a nonprofit organization established by a
 producer or group of producers to administer a producer responsibility program.

(24) "Producer responsibility program" means a statewide program for the responsible management of covered products that is administered by a producer responsibility organization pursuant to
a plan approved by the Department of Environmental Quality under ORS 459A.878.

15 (25) "Recycling collection" means the act or process of gathering recyclable materials by:

16 (a) On-route residential collection from the generator at the place of generation;

17 (b) On-site nonresidential collection from the generator at the place of generation;

(c) Multifamily on-route residential collection from each multifamily dwelling that has five ormore units;

(d) Recycling depots at a disposal site or another designated location that is more convenient
 to the population being served and expanded depots as described in ORS 459A.007; or

22 (e) Other collection methods included in an approved producer responsibility program plan.

(26) "Recycling depot" means a location where recyclable materials are accepted from the public
 or commercial businesses and transported to a location for processing or to an end market.

(27) "Recycling reload facility" means a facility other than a recycling depot where recyclable materials are received, consolidated and made ready for transport to another location for processing or to a responsible end market.

(28) "Recycling system" means all aspects of the programs and participants that have a role in Oregon's statewide recycling structure, including producers of products sold in or into Oregon, generators of recyclable materials, governments that regulate materials management programs, businesses that collect and process recyclable materials and persons that receive recyclable materials to convert to new feedstock or products.

(29) "Responsible end market" means a materials market in which the recycling or recovery of
 materials or the disposal of contaminants is conducted in a way that benefits the environment and
 minimizes risks to public health and worker health and safety.

36 (30) "Responsible management" means the handling, tracking and disposition of covered pro-37 ducts from the point of collection through the final destination of the collected material in a way 38 that benefits the environment and minimizes risks to public health and worker health and safety.

(31) "Responsible recycling" means the handling of covered products for recycling and removal
 of contaminants by a certified or permitted processor and disposition to a responsible end market.

41 (32) "Small producer" means a producer that:

42 (a) Is a nonprofit organization;

43 (b) Is a public body, as defined in ORS 174.109;

44 (c) Has a gross revenue of less than \$5 million for the organization's most recent fiscal year;

45 (d) Sold in or into Oregon less than one metric ton of covered products for use in this state in

1 the most recent calendar year;

(e) Is a manufacturer of a beverage sold in a beverage container, as those terms are defined in
ORS 459A.700, that sold in or into Oregon less than five metric tons of covered products, including
but not limited to secondary and tertiary packaging for beverage containers, for use in this state in
the most recent calendar year;

6 (f)(A) Is a restaurant, food cart or similar business establishment that primarily sells to members 7 of the public food that is generally intended to be consumed immediately and without the need for 8 further preparation, either on or off the premises; and

9 (B) Is not a producer of food serviceware as described in ORS 459A.866; or

10 (g) Operates a single retail sales establishment, has no online sales and is not supplied or op-11 erated as part of a franchise or a chain.

(33) "Specifically identified material" means a material or covered product identified by the de partment under ORS 459A.917.

(34) "Uniform statewide collection list" means the list of materials established in accordance
 with the requirements of ORS 459A.914 (4).

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 SECTION 12.
 (1) Sections 2 to 4 of this 2025 Act and the amendments to ORS 459A.700,

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 459A.715, 459A.720, 459A.735, 459A.738, 459A.741 and 459A.863 by sections 5 to 11 of this 2025

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 Act become operative on January 1, 2026.

(2) The Oregon Liquor and Cannabis Commission may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the commission
to exercise, on and after the operative date specified in subsection (1) of this section, all of
the duties, functions and powers conferred on the commission by sections 2 to 4 of this 2025
Act and the amendments to ORS 459A.700, 459A.715, 459A.720, 459A.735, 459A.738, 459A.741
and 459A.863 by sections 5 to 11 of this 2025 Act.
SECTION 13. This 2025 Act takes affect on the 91st day after the date on which the 2025

25 <u>SECTION 13.</u> This 2025 Act takes effect on the 91st day after the date on which the 2025
 26 regular session of the Eighty-third Legislative Assembly adjourns sine die.

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