House Bill 2960

Sponsored by Representative GAMBA; Senator PHAM K (Presession filed.)

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 forbids facilities that change the structure of waste plastic. (Flesch Readability Score: 64.9).

Prohibits the establishment or operation of a plastic conversion or depolymerization facility in this state.

Prohibits state agencies and local governments from providing incentives to any plastic conversion or depolymerization facility.

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

A BILL FOR AN ACT

Relating to certain facilities that convert plastic waste; creating new provisions; amending ORS 459A.920 and 459A.923; and prescribing an effective date.

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

SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 468.

SECTION 2. (1) As used in this section:

(a) "Plastic" has the meaning given that term in ORS 459A.926.

(b) "Plastic conversion or depolymerization facility" means any structure, place, amenity, equipment, tool or operation that is built, installed or established for the purpose of performing, facilitating, aiding or otherwise engaging in a plastic conversion or depolymerization technology.

(c) "Plastic conversion or depolymerization technology" means a process or technology that changes the basic molecular structure of plastic waste, including:

(A) The use of plastic as a fuel or fuel substitute;

(B) The use of plastic in energy production; or

(C) Any of the following processes:

(i) Gasification;

(ii) Pyrolysis;

(iii) Hydropyrolysis;

(iv) Methanolysis;

(v) Combustion;

(vi) Glycolysis;

(vii) Solvolysis;

(viii) Enzymatic breakdown;

(ix) Plasma arc; or

(x) Any other process used to convert plastics into chemicals, waxes, lubricants, chemical feedstocks, crude oil, diesel, gasoline or home heating oil.

(d) "Plastic waste" means any discarded plastic, whether generated by an industrial

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

process or generated by consumers.

(2) A person may not establish or operate a plastic conversion or depolymerization facility in this state.

(3)(a) A state agency or local government may not provide any subsidy, grant, tax expenditure or other financial incentive, or any other incentive, to support the development of plastic conversion or depolymerization technologies or to support plastic conversion or depolymerization facilities.

(b) A producer responsibility organization, as defined in ORS 459A.863, is not required to pay a contamination management fee described in ORS 459A.920 or a processor commodity risk fee described in ORS 459A.923 to a plastic conversion or depolymerization facility.

SECTION 3. ORS 459A.920 is amended to read:

459A.920. (1) The Environmental Quality Commission shall by rule adopt and periodically revise a contamination management fee to be paid by producer responsibility organizations to commingled recycling processing facilities to compensate the facilities for the costs of removing and disposing covered products that are contaminants. The amount of the fee shall be based on the result of the study conducted under subsection (2) of this section. Rules adopted under this section must:

(a) Provide that payment of the fee may not be required more frequently than once per month and must be paid within 45 days of a request for payment;

(b) Provide that the fee may not be based on commingled recycling originating outside of Oregon; and

(c) Establish a review process to ensure that the fee is appropriately charged.

(2) The Department of Environmental Quality shall contract with an independent organization to conduct the study under this subsection. The study must:

(a) Estimate the cost to commingled recycling processing facilities of removing and disposing of covered products that are contaminants, reported as the cost per ton of covered products; and

(b) Estimate the costs to commingled recycling processing facilities of removing and disposing of all contaminants, reported as the cost per ton of all contaminants.

(3) A commingled recycling processing facility that does not participate in the review process described in subsection (1) of this section or the study described in subsection (2) of this section is not eligible to receive a contamination management fee.

(4) Any proprietary information provided to the department under subsection (1) of this section or to a person conducting a study under subsection (2) of this section may be designated confidential by a commingled recycling processing facility. Information designated confidential is not subject to public disclosure under ORS 192.311 to 192.478, except that information may be disclosed as summarized or aggregated data if doing so does not directly or indirectly disclose the proprietary information of any specific facility.

(5) The department shall review the contamination management fee at least once every five years. The department may not review the contamination management fee more frequently than once per year.

(6) Rules adopted under this section may not require payment of a contamination management fee to a plastic conversion or depolymerization facility, as defined in section 2 of this 2025 Act.

SECTION 4. ORS 459A.923 is amended to read:

459A.923. (1) As used in this section:

(a) "Anticipated program cost" means all additional costs related to any new requirements of

ORS 459A.860 to 459A.975 that are anticipated prior to the next review of the processor commodity risk fee under subsection (6) of this section.

(b) "Average commodity value" means the average revenue paid by brokers or end markets, after processing by a commingled recycling processing facility, for a composite ton of commingled material collected for recycling in Oregon.

(c)(A) "Eligible processing cost" means all costs associated with owning and operating a commingled recycling processing facility as determined by the study conducted under subsection (3) of this section, including but not limited to sorting, handling, storing, disposal, marketing and shipping, administration, rent, fees, depreciation, fixed costs, profit, the target price paid for commingled recycling collected from Oregon as described in subsection (2)(d) of this section and anticipated program costs.

(B) "Eligible processing cost" does not include revenue from the sale of recyclables and any costs that are reimbursed by producer responsibility organizations or other parties, including the contamination management fee established under ORS 459A.920.

(2) The Environmental Quality Commission shall by rule adopt and periodically revise a processor commodity risk fee to be paid by producer responsibility organizations to commingled recycling processing facilities to ensure that producers share in the costs of fully processing commingled recyclables that are covered products and to allow local governments to reduce the financial impacts on ratepayers. The processor commodity risk fee shall be based on the eligible processing costs of facilities less the average commodity value of recyclable materials processed by facilities. Rules adopted under this section must:

(a) Provide that payment of the fee may not be required more frequently than once per month and must be paid within 45 days of a request for payment.

(b) Provide that the fee may not be based on commingled recycling originating outside of Oregon.

(c) Establish a review process to ensure that the fee is appropriately charged.

(d) For purposes of calculating the processor commodity risk fee, allow the average fee charged by commingled recycling processing facilities for acceptance of commingled recyclables collected from Oregon to target a price of $0 per ton, expressed on the basis of compensation per ton of delivered material.

(e) Provide that the fee is to be paid on the basis of recyclable material received by or sold from a commingled recycling processing facility.

(f) Ensure that materials handled by more than one commingled recycling processing facility are not double counted for purposes of calculating the fee.

(g) Allow local governments to protect ratepayers from cost increases associated with the volatility of commodity markets.

(h) Establish methods to determine and periodically update, but no more frequently than once per month, the average commodity value per ton of commingled materials collected from single-family residences in Oregon and from all other sources in Oregon. The methods developed under this paragraph must include:

(A) The average composition of materials by percentage in each mix, multiplied by published market values;

(B) The sources of the published market values used; and

(C) Any adjustments to published market values for each commodity to reflect conditions in Oregon.

(3) Subject to subsection (6) of this section, the Department of Environmental Quality shall contract with an independent organization to conduct the study under this subsection. The study must:

(a) Estimate the average eligible processing cost at commingled recycling facilities that process commingled recycling generated in Oregon; and

(b) Report the costs on the basis of tons of commingled recycling received and materials shipped to end markets.

(4) A commingled recycling facility that does not participate in the review process described in subsection (2) of this section or the study described in subsection (3) of this section is not eligible to receive a processor commodity risk fee.

(5) Any proprietary information provided to the department under subsection (2) of this section or to a person conducting a study under subsection (3) of this section may be designated confidential by a commingled recycling processing facility. Information designated confidential is not subject to public disclosure under ORS 192.311 to 192.478, except that information may be disclosed as summarized or aggregated data if doing so does not directly or indirectly disclose the proprietary information of any specific facility.

(6) The department shall contract for the study under subsection (3) of this section to be performed at least once every five years. The department may contract for the study under subsection (3) of this section to be performed no more than once per year. If a study under subsection (3) of this section demonstrates that the average per-ton eligible processing cost has changed by more than 10 percent since the commission last established the processor commodity risk fee, the commission shall by rule revise the processor commodity risk fee.

(7) Rules adopted under this section may not require payment of a processor commodity risk fee to a plastic conversion or depolymerization facility, as defined in section 2 of this 2025 Act.

SECTION 5. This 2025 Act takes effect on the 91st day after the date on which the 2025 regular session of the Eighty-third Legislative Assembly adjourns sine die.