## Enrolled Senate Bill 992

Sponsored by COMMITTEE ON ENERGY AND ENVIRONMENT

CHAPTER	
CHAPTER	

## AN ACT

Relating to beverage containers; creating new provisions; amending ORS 459A.700, 459A.715, 459A.720, 459A.735, 459A.741 and 459A.863; and declaring an emergency.

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

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

SECTION 2. (1) To expand and enhance alternative redemption access opportunities for individuals who redeem empty beverage containers on a daily or near daily basis, the Oregon 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 the refund value. An alternative access redemption center approved under this section must be:

- (a) Established and operated by a nonprofit organization that has entered into an agreement with a distributor cooperative to be a sponsor of the alternative access redemption center; and
  - (b) Located within a city having a population greater than 500,000.
- (2) Application for approval of an alternative access redemption center shall be filed with the commission. The application shall state the name and address of the nonprofit organization responsible for the establishment and operation of the alternative access redemption center, the name and address of the sponsoring distributor cooperative, the kind of empty beverage containers that will be accepted at the alternative access redemption center, the names and addresses of the dealers to be served by the alternative access redemption center and a proposal for the convenience zone specified by the commission under section 3 of this 2025 Act. The application shall include such additional information as the commission may require.
- (3) The commission shall approve an alternative access redemption center if it finds the redemption center will provide alternative redemption access opportunities for individuals who redeem empty beverage containers on a daily or near daily basis. The order of the commission approving an alternative access redemption center shall state:
- (a) The location of the convenience zone specified by the commission under section 3 of this 2025 Act;
- (b) The dealers within the convenience zone to be served by the alternative access redemption center;
- (c) The dealers within the convenience zone not to be served by or not participating in the alternative access redemption center;

- (d) The services to be provided by the alternative access redemption center and the equivalent services required to be provided under section 3 of this 2025 Act by a dealer that does not participate in, and is not served by, the alternative access redemption center;
- (e) The kind of empty beverage containers that the alternative access redemption center must accept;
- (f) Whether the alternative access redemption center will be located in an area zoned for commercial or industrial 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 to be served by the redemption center; 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 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 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.
  - (b) The notice required under this subsection shall include:
- (A) All information required to be in the order approving the alternative access redemption center under subsection (3) of this section; and
- (B) Notice of the provisions of section 3 of this 2025 Act that are applicable to the dealer receiving the notice.
- (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 of the alternative access redemption center, and to the dealers served by the alternative access redemption center, the commission may, after hearing, withdraw approval of an alternative 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 access redemption center no longer provides alternative redemption access opportunities for individuals who redeem empty beverage containers on a daily or near daily basis.
  - (7) An alternative access redemption center:
- (a) May not refuse to accept and to pay the refund value of up to 350 individual empty beverage containers, as established by ORS 459A.705, returned by any one person during one day;
- (b) Must provide hand counting of up to 50 individual empty beverage containers returned by any one person during one day for the refund value established by ORS 459A.705;
- (c) May provide drop off service for at least 125 individual empty beverage containers returned by any one person during one day for the refund value established by ORS 459A.705, and may provide an accounting mechanism by which the person may redeem the refund value of the beverage containers at a later date; and
- (d) May provide other services as determined necessary by the person that operates the alternative access redemption center.
- (8)(a) In addition to the alternative access redemption center approved by the commission under subsection (3) of this section, a person that operates an alternative access redemption center, with the support of the sponsoring distributor cooperative, may apply to the commission for approval of one or more mobile or satellite redemption sites. The commission may approve a mobile or satellite redemption site if the commission determines that the site will provide convenient alternative redemption access opportunities for individuals

who redeem empty beverage containers on a daily or near daily basis. A mobile or satellite redemption site must:

- (A) Maintain consistent service hours and days at fixed points within the convenience zone specified for the mobile or satellite redemption site; and
  - (B) Provide the refund value of beverage containers in cash at the time of redemption.
- (b) At the time of approving a mobile or satellite redemption site, the commission may specify a convenience zone in the area surrounding a mobile or satellite redemption site as provided in section 3 of this 2025 Act.
- (c) Nothing in this subsection prohibits the operator of an alternative access redemption center from offering additional redemption services outside of the area of an alternative access convenience zone or a mobile or satellite convenience zone.
- (d) The commission may establish by rule standards for the operation of mobile or satellite redemption sites and requirements for dealers located in a convenience zone applicable to a mobile or satellite redemption site.

<u>SECTION 3.</u> (1) The Oregon Liquor and Cannabis Commission shall specify a convenience zone for an alternative access redemption center and a convenience zone for a mobile or satellite redemption site as provided in this section. The convenience zone specified for:

- (a) An alternative access redemption center shall be a contiguous area, the boundaries of which do not exceed three and one-half miles from the location of the alternative access redemption center at any point.
- (b) A mobile or satellite redemption site shall be located within an area that extends from the outer edge of the convenience zone specified for the alternative access redemption center with which the satellite or mobile redemption site is associated to a boundary that is no more than five miles from the alternative access redemption center at any point.
- (2) All dealers doing business within a convenience zone specified under this section that occupy a space of 5,000 or more square feet in a single area may participate in, be served by and be charged the cost of participation in the alternative access redemption center and, if such a dealer participates in, is served by and pays the cost of participation in the alternative access redemption center, the dealer 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.
- (3)(a) All dealers doing business within the convenience zone that occupy a space of less than 5,000 square feet in a single area may, notwithstanding any other provision of ORS 459A.700 to 459A.744, refuse to accept and to pay the refund value of more than 24 individual empty beverage containers returned by any one person during one day.
- (b) Notwithstanding ORS 459A.715, the requirement to accept and pay the refund value of beverage containers described in this subsection applies during the hours of 8 a.m. and 6 p.m. while the dealer is otherwise open for business.
- (4)(a) Any dealer, other than a dealer that operates a dealer redemption center, doing business within a convenience zone specified under this section that occupies a space of 5,000 or more square feet in a single area that does not participate in, and is not served by, the alternative access redemption center may not refuse to accept and to pay the refund value of up to 350 individual empty beverage containers, as established by ORS 459A.705, returned by any one person during one day and must, beginning on the date that the alternative access redemption center begins accepting beverage containers, provide services equivalent to those provided by the alternative access redemption center under section 2 of this 2025 Act, including hand counting and drop off service.
- (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, the dealer must report to the commission the number of beverage containers sold by the dealer in the previous calendar year.
  - (B) The report required under this paragraph must be submitted by the dealer:
- (i) Except as provided in subsection (5) of this section, no later than 60 days after issuance of the notice required under section 2 (5) of this 2025 Act; and
- (ii) No later than January 1 of each calendar year following the year that the notice under section 2 (5) of this 2025 Act was issued and for which the dealer intends to claim the exemption.
- (d) The commission shall ensure compliance with this subsection by a dealer described in paragraph (a) of this subsection that is not subject to an exemption under paragraph (c) of this subsection.
- (5) A dealer that plans to begin doing business within a convenience zone specified under this section after the date that the alternative access redemption center associated with the convenience zone begins accepting beverage containers shall, not less than 60 days prior 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 alternative access redemption center; and
- (b) If the dealer will not participate in the alternative access redemption center and will claim an exemption under subsection (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.
- SECTION 4. (1)(a) The Oregon Liquor and Cannabis Commission shall classify the two existing convenience zones specified under ORS 459A.738 for a full-service redemption center as a single low-impact convenience zone if:
- (A) In the prior year, the combined volume of beverage container returns to all dealers that occupy a space of 5,000 or more square feet in the second convenience zone specified under ORS 459A.738 (1) is less than three percent of the annual returns to the redemption center; and
  - (B)(i) The redemption center has been in operation for a period of three years; or
- (ii) The person that operates the redemption center demonstrates to the satisfaction of the commission that the redemption center has been in operation for a sufficient period of time to allow the beverage container return volumes for the redemption center and dealers described in paragraph (a)(A) of this subsection to normalize at a consistent rate.
- (b) The commission shall classify two existing convenience zones as one low-impact convenience zone:
  - (A) As a result of the review required under section 5 of this 2025 Act; or
- (B) Upon the approval of an application for classification submitted by an operator of a full-service redemption center.
- (2) All dealers doing business within a low-impact convenience zone that occupy a space of 5,000 or more square feet in a single area may participate in, be served by and be charged the cost of participation in the full-service redemption center and, if such a dealer participates in, is served by and pays the cost of participation in the full-service redemption cen-

ter, the dealer 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.

- (3) All dealers doing business within a low-impact convenience zone that occupy a space of less than 5,000 square feet in a single area may, notwithstanding any other provision of ORS 459A.700 to 459A.744, refuse to accept and to pay the refund value of more than 24 individual empty beverage containers returned by any one person during one day.
- (4) The requirements of ORS 459A.738 (5) and the exemption provided for in ORS 459A.738 (5)(c) shall continue to apply to a dealer described in ORS 459A.738 (5)(a) doing business within a convenience zone that has been classified as a low-impact convenience zone.
- (5) A dealer that plans to begin doing business within a low-impact convenience zone shall, not less than 60 days prior 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; and
- (b) If the dealer will not participate in the redemption center and will claim an exemption under ORS 459A.738 (5)(c), provide documentation of compliance with the requirements for nonparticipating dealers under ORS 459A.738 (5)(c) 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 low-impact convenience zone.

<u>SECTION 5.</u> (1) No less than once every three years, the Oregon Liquor and Cannabis Commission shall review each convenience zone specified under ORS 459A.738 and each low-impact convenience zone. The review must include consultation with:

- (a) The distributor cooperative;
- (b) Participating dealers within the convenience zone; and
- (c) If the boundary of the convenience zone is less than three and one-half miles from the redemption center, dealers that would be within the convenience zone if the boundary of the convenience zone were extended to three and one-half miles.
  - (2) In conducting the review, the commission shall consider whether:
- (a) Any convenience zones specified under ORS 459A.738 should be classified as a low-impact convenience zone; and
- (b) Any convenience zone specified under ORS 459A.738 should have its boundary expanded.

SECTION 6. No later than January 1, 2026, the Oregon Liquor and Cannabis Commission, in consultation with the distributor cooperative and an association representing retail grocers, shall review each convenience zone and classify as a low-impact convenience zone any convenience zone that meets the criteria specified in section 4 of this 2025 Act.

**SECTION 7.** ORS 459A.700 is amended to read:

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

- (1) "Alternative access redemption center" means a redemption center that meets the requirements of section 2 of this 2025 Act.
  - [(1)] (2) "Beverage" means a fluid described in ORS 459A.702.
  - [(2)] (3) "Beverage container" means a container described in ORS 459A.702.
  - [(3)] (4) "Commission" means the Oregon Liquor and Cannabis Commission.
- [(4)] (5) "Consumer" means every person who purchases a beverage in a beverage container for 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 in bulk and [receive payment of] access the refund value of the beverage containers through an accounting mechanism that

is accessible on the premises and 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.
- [(10)] (11) "Importer" means any dealer or manufacturer who directly imports beverage containers 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.
- [(12)] (13) "Kombucha" means a fermented beverage that is made from tea and contains not more than 21 percent of alcohol by volume.
- (14) "Low-impact convenience zone" means a convenience zone specified under section 4 of this 2025 Act.
- [(13)] (15) "Manufacturer" means every person bottling, canning or otherwise filling beverage containers for sale to distributors, importers or dealers.
- [(14)] (16) "Place of business of a dealer" means the location at which a dealer sells or offers for sale beverages in beverage containers to consumers.
- [(15)] (17) "Redemption center" means a full-service redemption center, [or] a dealer redemption center or an alternative access redemption center.
- [(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 the purposes of sale.
- [(17)] (19) "Water and flavored water" means any beverage identified through the use of letters, words or symbols on its product label as a type of water.
- [(18)] (20) "Wine" has the meaning given that term in ORS 471.001, except that "wine" does not mean hard seltzer or kombucha.

## SECTION 8. 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 refuse to accept from a dealer, any empty beverage container that does not state thereon a refund value as established by ORS 459A.705.
  - (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 beverage containers are included in an order of the Oregon Liquor and Cannabis Commission approving a full-service redemption center under ORS 459A.735.
- (b) Empty beverage containers, if the dealer occupies a space of more than 5,000 square feet and the dealer participates in, is served by and pays the cost of participation in:
- (A) A full-service redemption center, if the dealer's place of business is located in a low-impact convenience zone; or
  - (B) An alternative access redemption center.
- (c) Empty beverage containers at a location where the dealer has established a dealer redemption center within the limits of a city with a population of 500,000 or greater.
- [(b)] (d) Any beverage container visibly containing or contaminated by a substance other than water, residue of the original contents or ordinary dust.
- [(c)(A)] (e)(A) More than 144 individual beverage containers returned by any one person during one day, if the dealer occupies a space of 5,000 or more square feet in a single area.
- (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.

- [(d)] (f) Any beverage container that is damaged to the extent that the brand appearing on the 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.
- (5) A dealer required to accept and pay the refund value of beverage containers under the provisions of ORS 459A.700 to 459A.744 must accept and pay the refund value of beverage containers during the hours of 8 a.m. to 8 p.m. while the dealer is otherwise open for business. A dealer may refuse to accept the return of beverage containers during all other hours.
- (6) A dealer that holds a winery license under ORS 471.223 may, at the premises of the winery, refuse to accept and to pay the refund value of any empty beverage container that is of a kind, size and brand that the dealer does not sell at the winery.

SECTION 9. 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 convenience zones described in ORS 459A.738. The application shall include such additional information as the commission may require.
- (3) The commission shall approve a full-service redemption center if it finds the redemption center will provide a convenient service to persons for the return of empty beverage containers. The order of the commission approving a full-service redemption center shall state:
  - (a) The location of the convenience zones specified by the commission under ORS 459A.738 (1);
  - (b) The dealers within the convenience zones to be served by the full-service redemption center;
- (c) The dealers within the convenience zones not to be served by or not participating in 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;
  - (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 **or industrial** 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 to be served by the full-service redemption center; [and]
- (g) That the applicant has notified the 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; and
- [g] (h) Such other provisions to ensure that the full-service redemption center will provide a convenient 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 not to be served by or not participating in the full-service redemption center.

- (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 the notice.
- (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.
- (7) The commission shall provide the opportunity for public comment before concluding under subsection (3) or (6) of this section that a full-service redemption center provides a convenient service to the public for the redemption of beverage containers. The commission may consider public comment when determining whether a full-service redemption center provides a convenient service to consumers for the return of empty beverage containers.

**SECTION 10.** ORS 459A.741 is amended to read:

- 459A.741. (1) Any person may establish a dealer redemption center, as provided in this section, to serve [one or more dealers] a dealer. [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.]
- (2) Notwithstanding any other provision of ORS 459A.700 to 459A.744, a dealer redemption center 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] and access the refund value of the beverage containers through an accounting mechanism that is accessible on the premises and that makes the refund value available no later than one week after the person drops off the beverage containers;
- (c) Be serviced by a distributor cooperative for purposes of transporting and processing redeemed beverage containers;
- (d) Be available for persons to return beverage containers to the dealer redemption center during any time that a participating dealer is open between the hours of 8 a.m. and 8 p.m.; and
- (e) Be of a sufficient capacity to provide convenient service to the public as the commission may determine.
- (3) A dealer redemption center may provide services other than those specified in subsection (2) of this section as determined necessary by the person responsible for operation of the dealer redemption center.
  - (4) A distributor cooperative that services dealer redemption centers shall:
- (a) Provide notice to the **Oregon Liquor and Cannabis** Commission no later than 14 days after the date that a dealer redemption center:
- (A) Begins providing drop off service to persons for the return of empty beverage containers; or
  - (B) Ceases operations; and
- (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.

- (5)(a) A dealer that participates in, is served by and pays the cost of participation in a dealer redemption center may, notwithstanding any other provision of ORS 459A.700 to 459A.744, refuse to accept and to pay the refund value of more than 24 individual empty beverage containers returned 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 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 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.
- (c) Notwithstanding paragraph (a) of this subsection, a dealer that establishes a dealer redemption center at the dealer's location within the limits of a city with a population greater than 500,000 may refuse to accept and to pay the refund value of empty beverage containers at that location.

SECTION 11. 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 refund 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 120 days of disposal.

SECTION 12. ORS 459A.863 is amended to read:

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

- (1) "Brand" means any mark, word, name, symbol, design, device or graphical element, or a combination thereof, including a registered or unregistered trademark, that identifies a product and distinguishes the product from other products.
- (2) "Commingled recycling" means the recycling or recovery of two or more materials that are mixed together and that generally would be separated into individual materials at a commingled recycling processing facility in order to be marketed.
  - (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.
  - (b) "Commingled recycling processing facility" does not include:
  - (A) Scrap metal recycling facilities;
  - (B) Scrap automotive or appliance recycling facilities;

- (C) Full-service redemption centers, [or] dealer redemption centers or alternative access redemption centers, as those terms are defined in ORS 459A.700, and recycling facilities owned and operated by a distributor cooperative established under ORS 459A.718;
  - (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;
  - (G) Recycling depots;
  - (H) Recycling reload facilities; or
  - (I) Limited sort facilities, as defined by rule by the Environmental Quality Commission.
  - (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 end market.
- (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.
  - (6)(a) "Covered product" means:
  - (A) Packaging;
  - (B) Printing and writing paper; and
  - (C) Food serviceware.
  - (b) "Covered product" does not include:
  - (A) A beverage container, as defined in ORS 459A.700.
  - (B) Bound books.
- (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 processor; and
- (ii) Trays, whether designed for a single use or multiple uses, used for the transport of component parts from a parts supplier to a manufacturer that assembles those parts.
  - (F) Liquified petroleum gas containers that are designed to be refilled.
  - (G) A material that the producer demonstrates is exempt under ORS 459A.869.
- (H) Pallet wrap or similar packaging used to secure a palletized load if added by a person that 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 recovery or 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.
  - (M) Packaging and paper products sold or supplied in connection with:

- (i) Prescription drugs as defined in ORS 689.005;
- (ii) Nonprescription drugs as defined in ORS 689.005;
- (iii) Drugs marketed under a brand name as defined in ORS 689.515; or
- (iv) Drugs marketed under a generic name as defined in ORS 689.515.
- (N) Packaging and paper products sold or supplied in connection with drugs that are used for animal medicines, including but not limited to parasiticide drugs for animals.
  - (O) Packaging and paper products sold or supplied in connection with:
  - (i) Infant formula as defined in 21 U.S.C. 321(z);
  - (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.
  - (P) Wine and spirit containers for which a refund value is established under Oregon law.
  - (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
- (ii) Identified by the commission by rule as product that is required by law 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.
- (R) Any other material, as determined by the commission by rule, after consultation with the Oregon Recycling System Advisory Council.
- (7) "Food serviceware" means paper or plastic plates, wraps, cups, bowls, pizza boxes, cutlery, straws, lids, bags, aluminum foil or clamshells or similar containers:
  - (a) That are generally intended for single use; and
- (b) That are sold to a retailer or a dine-in food establishment or a take-out food establishment, regardless of whether the item is used to prepackage food for resale, is filled on site for food ordered by a customer or is resold as is.
- (8) "Large producer" means a producer that is among the 25 largest producers of covered products based on market share.
- (9) "Licensee" means a person that is licensed by a brand and manufactures a covered product or a packaged item under that brand.
- (10) "Litter" means waste that is improperly placed so as to be a nuisance or aesthetic, health or environmental concern.
  - (11) "Local government" means:
  - (a) A city;
  - (b) A county; or
  - (c) A metropolitan service district.
  - (12) "Local government's service provider" means:
  - (a) A collection service franchise holder under ORS 459A.085;
- (b) Any person authorized by a city or county to provide recycling collection services described in subsection (25)(a) to (d) of this section; or
- (c) Any person authorized by a metropolitan service district to provide recycling collection services described in subsection (25)(d) of this section.
- (13) "Market share" means a producer's percentage of all covered products sold in or into this state during a specified time period, as calculated in accordance with methods established by the commission by rule.
- (14) "Mechanical recycling" means a form of recycling that does not change the basic molecular structure of the material being recycled.

- (15) "Metropolitan service district" means a metropolitan service district established under ORS chapter 268.
- (16) "Nonprofit organization" means an organization or group of organizations described in section 501(c)(3) of the Internal Revenue Code that is exempt from income tax under section 501(a) of the Internal Revenue Code.
  - (17) "Opportunity to recycle" has the meaning given that term in ORS 459A.005.
  - (18)(a) "Packaging" means:
- (A) Materials used for the containment or protection of products, including but not limited to paper, plastic, glass or metal or a mixture thereof;
  - (B) Single-use bags, including but not limited to shopping bags; and
- (C) Nondurable materials used in storage, shipping or moving, including but not limited to packing materials, moving boxes, file boxes and folders.
  - (b) "Packaging" does not include:
  - (A) Food serviceware; or
  - (B) Sharps, as defined in ORS 459.386.
  - (19) "Person" has the meaning given that term in ORS 459.005.
- (20) "Printing and writing paper" includes, but is not limited to, newspaper, magazines, flyers, brochures, booklets, catalogs, telephone directories and paper used for copying, writing or other general use.
- (21) "Processor" means a person that owns or operates a commingled recycling processing facility.
- (22) "Producer" means a person that is determined to be the producer of a covered product under 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.
  - (25) "Recycling collection" means the act or process of gathering recyclable materials by:
  - (a) On-route residential collection from the generator at the place of generation;
  - (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 or more 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
  - (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.
- (30) "Responsible management" means the handling, tracking and disposition of covered products from the point of collection through the final destination of the collected material in a way 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.
  - (32) "Small producer" means a producer that:
  - (a) Is a nonprofit organization;
  - (b) Is a public body, as defined in ORS 174.109;
  - (c) Has a gross revenue of less than \$5 million for the organization's most recent fiscal year;
- (d) Sold in or into Oregon less than one metric ton of covered products for use in this state in 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;
- (f)(A) Is a restaurant, food cart or similar business establishment that primarily sells to members of the public food that is generally intended to be consumed immediately and without the need for further preparation, either on or off the premises; and
  - (B) Is not a producer of food serviceware as described in ORS 459A.866; or
- (g) Operates a single retail sales establishment, has no online sales and is not supplied or operated as part of a franchise or a chain.
- (33) "Specifically identified material" means a material or covered product identified by the department 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).
- SECTION 13. (1) Sections 2 and 3 of this 2025 Act and the amendments to ORS 459A.735 by section 9 of this 2025 Act become operative on October 1, 2025.
- (2) The Oregon Liquor and Cannabis Commission may take any action before the operative date specified in subsection (1) of this section 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 and 3 of this 2025 Act and the amendments to ORS 459A.735 by section 9 of this 2025 Act.
- SECTION 14. The amendments to ORS 459A.735 by section 9 of this 2025 Act apply to applications for approval of a full-service redemption center filed with the Oregon Liquor and Cannabis Commission on or after the operative date specified in section 13 (1) of this 2025 Act.
- <u>SECTION 15.</u> Notwithstanding section 2 (8) of this 2025 Act, the Oregon Liquor and Cannabis Commission may not accept an application to operate a mobile or satellite redemption site before January 1, 2026.
- SECTION 16. This 2025 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect on its passage.

Passed by Senate April 17, 2025	Received by Governor:
	, 2025
Obadiah Rutledge, Secretary of Senate	Approved:
	, 2025
Rob Wagner, President of Senate	
Passed by House May 21, 2025	Tina Kotek, Governor
	Filed in Office of Secretary of State:
Julie Fahey, Speaker of House	, 2025
	Tobias Read, Secretary of State