

RCW 70A.208.170 Service provider reimbursement. (1) The reimbursements provided for covered services to covered entities under an approved plan must only be provided to service providers that, at a minimum, meet the performance standards established under an approved plan.

(2) (a) A plan must provide a methodology for reimbursement rates for covered services for covered materials, exclusive of exempt materials. The methodology for reimbursement rates must consider estimated revenue received by service providers from the sale of covered materials based on relevant material indices and incorporate relevant cost information identified by the needs assessment. Reimbursement rates must be annually updated and reflect the net costs for covered services for covered materials from entities receiving services under this chapter, at a minimum. Reimbursement rates must be established equivalent to net costs, using a methodology in an approved plan as follows:

(i) No less than 50 percent of the net costs by February 15, 2030;

(ii) No less than 75 percent of the net costs by February 15, 2031; and

(iii) No less than 90 percent of the net costs by February 15, 2032, and each year thereafter.

(b) Reimbursement rates must be based on the following, as applicable by the service provided:

(i) The cost to collect covered material for recycling, a proportional share of composting, or reuse adjusted to reflect conditions that affect those costs, varied by region or jurisdiction in which the covered services are provided including, but not limited to:

(A) The number and type of covered entities;

(B) Population density;

(C) Collection methods employed;

(D) Distance traveled by collection vehicles to consolidation or transfer facilities, to reuse, recycling, or composting facilities, and to responsible markets;

(E) Other factors that may contribute to regional or jurisdictional cost differences;

(F) The proportion of covered compostable materials within all source separated compostable materials collected or managed through composting; and

(G) The general quality of covered materials collected by service providers;

(ii) The cost to transfer collected covered materials from consolidation or transfer facilities to reuse, processing, recycling, or composting facilities or to responsible markets;

(iii) The cost to:

(A) Sort and process covered materials for sale or use and remove contamination from covered materials by a recycling or composting facility, minus the average fair market value for that covered material based on market indices for the region; and

(B) Manage contamination removed from collected covered material;

(iv) The administrative costs of service providers, including education, public awareness campaigns, and outreach program costs as applicable; and

(v) The costs of covered services for a refill system or covered services provided for reusable covered materials and management of contamination.

(c) A service provider retains all revenue from the sale of covered materials unless otherwise agreed upon by the service provider. Nothing in this chapter may restrict a service provider from charging a fee for covered services for covered materials to the extent that reimbursement from a producer responsibility organization does not cover all costs of services, including continued investment and innovation in operations, operating profits, and returns on investments required by a service provider to provide sustainability of the services.

(d) Reimbursement rates may be calculated per ton, by household, or by another unit of measurement.

(3) (a) Nothing in this section may be construed to require a government entity to agree to operate under a plan. Any government entity that is also a service provider is eligible to be registered with the department and reimbursed per the rates and schedule established in accordance with this section.

(b) Nothing in this chapter restricts the authority of a political subdivision of the state to provide waste management services to residents, to contract with any entity to provide waste management services, or to exercise its authority granted under RCW 35.21.120, 35.21.130, 35.21.152, or 36.58.040. A producer responsibility organization may not restrict or otherwise interfere with a government entity exercising its authority under RCW 35.21.120, 35.21.130, 35.21.152, or 36.58.040 to organize collection of solid waste, including materials collected for recycling or composting, or to extend, renew, or otherwise manage any contracts entered into as a result of exercising such authority or otherwise resulting from a competitive procurement process.

(4) A producer responsibility organization must establish a dispute resolution process utilizing third-party mediators for disputes related to reimbursements. [2025 c 316 s 117.]