Proposed Substitute House Bill 1131 (H-0947.1)

House Environment & Energy Committee By Representative Berry

Original Bill:

Improving Washington's solid waste management outcomes.

Proposed Substitute (H-0947.1) compared to the original bill:

Extended Producer Responsibility:

- Amends definitions, including the assignment of responsibility to persons as a 'producer' of a product, to require that 'compostable' products meet the requirements for products labeled as compostable under existing state law, specifying that 'covered products' are limited to products that are sold to consumers for personal and non-commercial use.
- Exempts additional products from producer responsibility organization (PRO) participation requirements, including: (1) liquified petroleum gas containers designed to be refilled and reused; (2) packaging materials in direct contact with regulated animal biologics including vaccines and diagnostic kits; (3) packaging related to containers of architectural paint collected by a Washington paint stewardship program; and (4) newspapers and paper designed for building construction.
- Allows activities to eliminate plastic packaging to result in the replacement of a plastic component with a non-plastic component.
- Requires the Department of Ecology (Ecology) to accept only one registered PRO for the term of the initial PRO plan period, except for any producers that choose to register individually and implement a single-producer plan.
- Requires PROs to submit a coordination plan if multiple PROs are registered with Ecology.
- Extends the duration of the initial plan implementation period from three years to five years.
- Delays by six months or one year most deadlines for the initiation of PRO responsibilities, including requirements to register with Ecology, submit a plan to Ecology, begin implementing the plan, and begin submitting annual reports to Ecology.
- Clarifies that any rules adopted by Ecology that require covered product collection services from public places or official gathering apply only at locations where a local government provides solid waste services, and may not include retail establishments, and requires public place recycling needs to be included in a needs assessment prior to the adoption of Ecology's rules.
- References specific solid waste and recycling studies carried out under Ecology that must be included in the performance rates study used to inform the performance rates proposed in a PRO's plan.

- Eliminates certain elements of the stakeholder consultation process that PROs must carry out prior to the submission of plans and plan updates to Ecology, including eliminating the requirement to hold quarterly public meetings.
- Eliminates the process for requiring a prudency review by the Utilities and Transportation Commission (UTC) of reimbursement rates paid to government entities.
- Clarifies that individual producers are not required to redesign covered products to reduce waste or be recyclable, reusable or compostable, and that individual products are not required to be designed to be reusable, recyclable, or compostable.
- Requires the process to resolve disputes between a PRO and government entities related to determining and paying reasonable government costs to specifically be a third-party process, and eliminates the advisory council's review of this process.
- Requires PRO plans to include a plan for coordinating with any distributor responsibility organizations formed, in addition to other PROs.
- Eliminates specifics regarding how recycling performance rates for specific materials must be calculated, and instead requires Ecology to adopt rules for the measurement of performance rates for material categories.
- Requires de minimis levels above which producers may be assessed fees by a PRO to be determined based on weight of products sold into Washington.
- Specifies that producer responsibility organization fees must be set so as to seek to avoid any material category subsidizing another category of material.
- Adds home and industrial composting to the designs that could be encouraged through a PRO's use of eco-modulation factors in establishing producer fees.
- Authorizes counties to adopt ordinances to provide for the collection of covered products in areas regulated by the UTC through alternatives to curbside recycling collection, rather than through curbside recycling collection funded by a PRO.
- Narrows the standards that a PRO may establish for solid waste collection companies with a UTC certificate to curbside collection service standards.
- Eliminates provisions appliable to services standards between a PRO and government entities and other service providers, including the application of labor standards, the provision of fair opportunities for specified demographic groups, and competitive procurement practices for services other than curbside collection service providers.
- Requires a PRO's investments in infrastructure to prioritize investment in preexisting infrastructure in Washington.
- Eliminates requirements that annual reports by PRO assess net greenhouse gas emissions associated with program operations.
- Specifies that local government representation on the advisory council must include two representatives of counties and two of cities, of which one each must be representatives of rural communities and one of urban communities.
- Provides that a PRO may only impose a penalty on a producer after providing a producer 60 days after a notice of violation to come into compliance.

- Directs penalty collections to the Recycling Enhancement Account used for grants to local governments for solid waste activities, rather than to the responsible packaging management account.
- Specifies that requirements related to the labeling of the recyclability of products apply to products subject to postconsumer recycled content requirements (PCRC) and qualifying beverage containers under a deposit return system, in addition to covered products under a PRO.
- Authorizes the Department of Ecology to use the regional or multi-state clearinghouse for purposes of facilitating PCRC requirements, and to require third-party e-commerce sellers to register and use the clearinghouse, in addition to producers.
- Expands the eligibility for the process to petition Ecology for a temporary exclusion from PRO participation requirements to apply to any products that are subject to requirements under federal laws that make inclusion in the PRO infeasible or inadvisable.
- Authorizes Ecology to exempt categories or sub-categories of products from PRO requirements under the petition process, in addition to exempting individual products under the petition process.

Postconsumer Recycled Content:

- Amends definitions, including the assignment of responsibility to persons as a 'producer' of a product, and limiting plastic beverage containers subject to minimum PCRC requirements to those solely made of plastic material.
- Excludes liners, corks, closures, labels, and other items added to plastic bottle containers other than a cap or lid from the minimum PCRC requirements applicable to plastic beverage containers.
- Specifies that producers subject to minimum PCRC requirements managed through a PRO must continue to register and report directly to Ecology regarding PCRC content until a PRO registers with Ecology.
- Restores the process for the temporary exclusion from PCRC requirements applicable to products whose PCRC requirements are directly overseen by Ecology.
- Provides for producers of PCRC products managed through a PRO to obtain certificates of compliance for PCRC content in a manner similar to that allowed for producers whose PCRC requirements are managed directly by Ecology.
- Specifies that PCRC requirements for pesticide products apply only to pesticide products that are household cleaning products or personal care products.
- Eliminates PCRC requirements for cannabis-based products.
- Directs the Liquor and Cannabis Board to update cannabis packaging rules to reduce plastic packaging in an amount commensurate with a PRO's source reduction rate, to allow for and encourage the reuse of cannabis containers, and authorizes the Liquor and Cannabis Board to adopt PCRC rules for cannabis packaging in consultation with Ecology.
- Eliminates PCRC requirements for collection bins used for solid waste services.

- Requires plastic trash bags producer certificates of PCRC compliance to be conducted by a thirdparty independent and accredited certification entity.
- Eliminates authority for a PRO to establish minimum PCRC requirements for plastic products that are additional to statutory PCRC requirements.

Deposit Return System:

- Authorizes beverage containers for wine to satisfy the requirement to display the refund value of the container through the use of a quick response (QR) code.
- Requires distributor responsibility organizations to describe, in their plans, how they will interact with PROs.
- Clarifies that the establishment of a deposit return system does not obligate any persons or business to use the deposit return system, and does not preclude the recycling of qualifying beverage containers via curbside recycling collection systems.

<u>Other</u>:

- Adds a statement to the intent section noting the continuance of certain elements of the state's system of solid waste planning and oversight.
- Eliminates the statement in the intent section stating a policy to achieve an overall 90 percent recycling and reuse rate by 2035.

AN ACT Relating to improving Washington's solid waste management 1 2 amending RCW 70A.245.010, 70A.245.020, 70A.245.030, outcomes; 3 70A.245.040, 70A.245.090, 70A.245.100, 70A.245.120, 70A.245.060, 81.77.040, 4 70A.205.005, 70A.205.010, 70A.205.045, 81.77.030, 81.77.160, 81.77.185, 43.21B.110, and 43.21B.300; adding a 5 new section to chapter 70A.222 RCW; adding a new section to chapter 6 7 70A.350 RCW; adding a new section to chapter 70A.245 RCW; adding a 8 new section to chapter 70A.230 RCW; adding a new section to chapter 70A.340 RCW; adding a new section to chapter 70A.455 RCW; adding a 9 new section to chapter 69.50 RCW; adding new chapters to Title 70A 10 RCW; creating a new section; repealing RCW 70A.245.110; prescribing 11 12 penalties; and providing an expiration date.

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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Part One

15 Providing for Producer Responsibility in the Management of Packaging 16 and Paper Products

17 <u>NEW SECTION.</u> Sec. 101. FINDINGS—INTENT. (1) The legislature 18 finds that, as of 2023, Washington's statewide waste recovery rate, 19 which seeks to preserve public health, safety, and welfare, and 20 conserve energy and natural resources, has been on a declining trend 20 Code Rev/ML:akl 1 H-0947.1/23 since 2011 and that Washington is not meeting the statewide goal of
 50 percent recycling established in 1989.

(2) The legislature finds that packaging designs and materials 3 have changed and the way Washington's residents use, consume, and 4 manage materials when no longer wanted has also changed significantly 5 6 in recent years. These shifts have created unintended consequences, such as the deterioration of ecosystems regionally and worldwide, as 7 well as increased levels of pollution and greenhouse gas emissions 8 that contribute to global climate change, and reductions in human 9 well-being, especially for the most vulnerable populations. 10

11 (3) The legislature finds that convenient and environmentally 12 sound extended producer responsibility programs that include collecting, transporting, reusing, and recycling, or the proper end-13 of-life management of unwanted products help protect Washington's 14 environment and the health of state residents. In general, the 15 16 state's waste management hierarchy establishes that products should 17 be managed in a manner where a priority is placed on prevention, waste reduction, source reduction, reuse, and recycling over energy 18 19 recovery and landfill disposal.

(4) The legislature finds that many residents, particularly those who live in rural areas and in multifamily residences, do not have access to convenient or affordable curbside recycling, and must rely on taking recyclables to drop box locations, and that extended producer responsibility programs could make curbside recycling available and affordable for most people in the state.

26 (5) The legislature also finds that the department of ecology was 27 directed, through an independent consultant, to study how plastic 28 packaging is managed in the state, assess various policy options, and that the study recommendations included establishing an extended 29 producer responsibility policy for all consumer packaging and paper 30 31 products with a framework that makes producers responsible for 32 achieving specific management and environmental outcomes for the packaging and paper products they supply into Washington state, as 33 well as recommending that postconsumer recycled content requirements 34 and a deposit return system for beverage containers be established. 35

36 (6) In addition, the legislature finds extended producer 37 responsibility policies designed to cover all consumer packaging and 38 paper materials offer the potential for greater economies of scale 39 and operational efficiencies than could be achieved under a policy 40 applied only to a subset of materials.

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1 (7) It is the intent of the legislature to require that extended producer responsibility programs, including the achievement 2 of recycling rates, are implemented by and for producers of consumer 3 packaging and paper products in a manner that involves producers in 4 material management from design concept to end-of-life. These 5 6 programs incentivize innovation and research to develop more 7 efficient recycling technologies and minimize environmental impacts of the packaging and paper products. 8

(8) It is also intended that these programs be responsibly 9 managed, so that covered products are handled and accounted for from 10 11 the point of collection through the final destination in a way that 12 benefits the environment and minimizes risks to public health and worker health and safety. It is intended that these programs build 13 14 expand on the existing waste and recycling system's and 15 infrastructure and reliance on the role of local governments and the 16 utilities and transportation commission in solid waste management.

(9) It is also the intent of the legislature that producers
increase the use of postconsumer recycled content in their products,
to achieve the goals in RCW 70A.520.010(2), in order to create strong
markets for recycled materials and achieve environmental benefits.

(10) It is the intent of the legislature that, through design and innovation, producers will reduce the use and climate impact of consumer packaging and paper products, increase the use of postconsumer recycled content, and make all packaging reusable, recyclable, or compostable.

(11) Finally, it is the intent of the legislature that Washington 26 27 should maintain the successful public-private partnership between 28 state, local government, and solid waste and recycling service providers. The legislature does not intend to diminish or displace 29 the primary role of the utilities and transportation commission and 30 31 local governments in regulating or contracting directly with service 32 providers for the curbside collection of residential recyclables. 33 Local governments maintain their existing authority to collect, contract for collection with solid waste and recycling service 34 providers, or defer to solid waste collection services regulated by 35 the utilities and transportation commission. 36

37 <u>NEW SECTION.</u> Sec. 102. DEFINITIONS. The definitions in this 38 section apply throughout this chapter unless the context clearly 39 requires otherwise.

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1 (1) "Advisory council" means the advisory council created in 2 section 120 of this act.

3 (2) "Alternative recycling process" means a recycling process4 that occurs other than through purely mechanical means.

5 (3) "Aluminum" means a covered product made of the chemical 6 element aluminum that forms a silvery white to dull gray, nonmagnetic 7 metal.

8 (4) "Brand" means a name, symbol, word, logo, or mark that 9 identifies a product and attributes the product and its components, 10 including packaging, to the brand owner of the product as the 11 producer.

12 (5) "Brand owner" means a person who owns or licenses a brand or 13 who otherwise has rights to market a product under the brand, whether 14 or not the brand trademark is registered.

15 (6) "Compostable" means a product that is capable of undergoing 16 aerobic biological decomposition in a composting system, that results 17 in the material being broken down primarily into carbon dioxide, 18 water, inorganic compounds, and biomass, and is in compliance with 19 the requirements for a product labeled as compostable under chapter 20 70A.455 RCW.

(7) "Composting system" means a system meeting the requirements of chapter 70A.205 RCW applicable to facilities that treat solid waste for composting.

(8) "Consumer" means a person who purchases or receives a covered product and is the intended end user or recipient of the covered product.

27 (9) "Contamination" means:

(a) The presence of materials in a given collected material
 stream that are not on the list of materials designated for
 collection in that material stream; or

31 (b) The presence of materials in a given recycled material 32 delivered as a feedstock or commodity that are not specified or 33 accepted as a component of the feedstock or commodity.

34 (10) "Covered product" means packaging and paper products sold or35 supplied to consumers for personal, noncommercial use.

36 (11) "Department" means the department of ecology.

37 (12) "Designated for collection" means the covered products that 38 are included in the material categories listed in a producer 39 responsibility organization's plan to be collected for reuse or 40 recycling.

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1 (13) "Eliminate" or "elimination," with respect to source 2 reduction, means the removal of a plastic component from a covered 3 material.

4 (14) "Final disposition" means the point at which a covered 5 product:

6 (a) Becomes a reused material;

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(b) Becomes a recycled material; or

8 (c) Is delivered to a disposal site, as defined in RCW 9 70A.205.015.

10 (15) "Flexible plastic" means any covered product made of 11 polymers that is flexible in form, including films and multilayer 12 laminates.

13 (16) "Glass" means a covered product made of soda lime glass.

14 (17) "Government entity" means any:

(a) County, city, town, or other local government, including any
 municipal corporation, quasi-municipal corporation, or special
 purpose district, or any office, department, division, bureau, board,
 commission, or agency thereof, or other local public agency;

19 (b) State office, department, division, bureau, board, 20 commission, or other state agency;

(c) Federally recognized Indian tribe whose traditional lands and territories include parts of Washington; or

23 (d) Federal office, department, division, bureau, board,24 commission, or other federal agency.

(18) "Material category" means a group of covered products defined by the producer responsibility organization that have similar properties such as chemical composition, shape, or other characteristics including, but not limited to:

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(a) Plastic beverage containers;

30 (b) Rigid plastic, excluding plastic beverage containers;

- 31 (c) Flexible plastic;
- 32 (d) Paper;
- 33 (e) Aluminum;
- 34 (f) Steel; and
- 35 (g) Glass.

36 (19) "Overburdened communities" means the overburdened 37 communities identified and prioritized by the department under RCW 38 70A.02.050(1)(a).

39 (20)(a) "Packaging" means a material, substance, or object that 40 is:

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(i) Used to protect, contain, transport, or serve a product;

2 (ii) Sold or supplied to consumers expressly for the purpose of
3 protecting, containing, transporting, or serving products;

4 (iii) Attached to a product or its container for the purpose of 5 marketing or communicating information about the product;

6 (iv) Supplied at the point of sale to facilitate the delivery of 7 the product; or

8 (v) Supplied to or purchased by consumers expressly for the 9 purpose of facilitating food or beverage consumption that is 10 ordinarily discarded by consumers after a single use or short-term 11 use, whether or not it could be reused.

12 (b) "Packaging" does not include:

(i) Materials intended to be used for the long-term storage or protection of a durable product, that is intended to transport, protect, or store the product on an ongoing basis, and that can be expected to be usable for that purpose for a period of at least five years;

18 (ii) For purposes of this chapter only, materials used to package 19 pesticide products regulated by the federal insecticide, fungicide, 20 and rodenticide act, 7 U.S.C. Sec. 136 et seq. that are in direct 21 contact with the regulated product. This exemption does not include 22 products regulated by the United States food and drug administration;

23 (iii) Products excluded temporarily under section 128 of this 24 act;

(iv) Qualifying beverage containers, but not secondary or ancillary packaging, subject to the requirements of chapter 70A.---RCW (the new chapter created in section 603 of this act), upon the receipt by the department of a written notice under section 302 of this act regarding the designation of a distributor responsibility organization to implement a deposit return system under chapter 70A.--- RCW (the new chapter created in section 603 of this act);

32 (v) Liquified petroleum gas containers that are designed to be 33 refilled and reused;

(vi) Packaging material that is in direct contact with a product that is regulated as animal biologics, including vaccines, bacterins, antisera, diagnostic kits, and other products of biological origin under the federal virus-serum-toxin act, 21 U.S.C. Sec. 151 et seq., as amended; and

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1 (vii) Packaging related to containers of architectural paint that 2 has been collected by a stewardship organization under the program 3 established in chapter 70A.515 RCW.

4 (21) "Paper" means packaging or paper products made of paper
5 fiber, regardless of its cellulosic fiber source, which may include,
6 but is not limited to: Wood, wheat, rice, cotton, bananas,
7 eucalyptus, bamboo, hemp, and sugar cane or bagasse.

8 (22) "Paper product" means paper sold or supplied including, but 9 not limited to, flyers, brochures, booklets, catalogs, magazines, 10 copy paper, printing paper, and all other paper materials except for: 11 (a) Bound books; (b) conservation grade and archival grade paper; (c) 12 newspapers; (d) paper designed for use in building construction; and 13 (e) paper products that, by any common and foreseeable use, could 14 reasonably be anticipated to become unsafe or unsanitary to handle.

15 (23) "Plan" means description of the approach and activities 16 developed by a producer responsibility organization to fulfill the 17 requirements and to carry out the responsibilities of producers under 18 this chapter.

19 (24) "Postconsumer recycled content" has the same meaning as 20 defined in section 201 of this act.

(25) (a) "Producer" means the following person responsible for compliance with requirements under this chapter for a covered product sold, offered for sale, or distributed in or into this state:

24 (i) For products sold in or with packaging at a physical retail 25 location in this state:

(A) If the product is sold in or with packaging under the brand
of the product manufacturer or is sold in packaging that lacks
identification of a brand, the producer of the packaging is the
person that manufactures the product;

30 (B) If the product is sold under a retail brand, the producer is 31 the retail brand owner;

32 (C) If the product is manufactured by a person other than the 33 brand owner, the producer of the packaging is the person that is the 34 licensee of a brand or trademark under which a packaged item is used 35 in a commercial enterprise, sold, offered for sale, or distributed in 36 or into this state, whether or not the trademark is registered in 37 this state; or

38 (D) If there is no person described in (a)(i)(A), (B), or (C) of 39 this subsection within the United States, the producer of the 40 packaging is the person who imports the packaged product into the Code Rev/ML:akl 7 H-0947.1/23 United States for use in a commercial enterprise that sells, offers
 for sale, or distributes the product in this state.

3 (ii) For products sold or distributed in packaging in or into 4 this state via e-commerce, remote sale, or distribution:

5 (A) For packaging used to directly protect or contain the 6 product, the producer of packaging is the same as the producer for 7 purposes of (a)(i) of this subsection; and

8 (B) For packaging used to ship the product to a consumer, the 9 producer of the packaging is the person that packages and ships the 10 product to the consumer.

(iii) For packaging that is a covered product and is not included in (a)(i) and (ii) of this subsection, the producer of the packaging is the person that first distributes the packaged product in or into this state.

(iv) For paper products that are magazines, newspapers, catalogs, telephone directories, or similar publications, the producer is the publisher.

18 (v) For paper products not described in (a)(iv) of this 19 subsection, the producer is:

20 (A) The person that manufactures the paper product under the 21 manufacturer's own brand;

(B) If the paper product is manufactured by a person other than the brand owner, the producer of the paper product is the person that is the owner or licensee of a brand or trademark under which the paper product is used in a commercial enterprise, sold, offered for sale, or distributed in or into this state, whether or not the trademark is registered in this state; or

(C) If there is no person described in (a)(v)(A) or (B) of this subsection within the United States, the producer of the paper product is the person that imports the paper product into the United States for use in a commercial enterprise that sells, offers for sale, or distributes the paper product in this state.

33 (vi) A person who would be considered a "producer" of a covered 34 product sold, offered for sale, or distributed in or into this state, 35 as defined in (a)(i) through (v) of this subsection, can designate 36 another responsible producer for that covered product if another 37 person agrees to accept responsibility and has registered as the 38 producer responsible for that covered product under this chapter.

39 (b) "Producer" does not include:

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1 (i) Government agencies, municipalities, or other political subdivisions of the state; 2

(ii) Registered 501(c)(3) charitable organizations and 501(c)(4) 3 social welfare organizations; or 4

(iii) De minimis producers that annually sell, offer for sale, 5 6 distribute, or import:

7 (A) In Washington state less than one ton of covered products; 8 and

(B) That have a global gross revenue of less than \$5,000,000 for 9 the most recent fiscal year of the organization. 10

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(26) "Producer responsibility organization" means:

12 (a) A nonprofit organization that qualifies for a tax exemption under 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code 13 and is designated by a producer or group of producers to develop and 14 carry out the activities required of producers by this chapter; 15

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(b) Until January 15, 2026, an organization that has applied for 17 a tax exemption under 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code and is designated by a producer or group of 18 producers to develop and carry out the activities required of 19 producers under this chapter; 20

21 (c) A producer that registers with the department as a producer 22 responsibility organization; or

23 (d) An organization as defined by rule by the department consistent with section 104(6) of this act. 24

25 (27) "Program" means the activities conducted to implement an 26 approved producer responsibility organization plan.

(28) (a) "Public place" is an indoor or outdoor location open to 27 and generally used by the public and to which the public is permitted 28 29 to have access including, but not limited to, streets, sidewalks, plazas, town squares, public parks, beaches, forests, or other public 30 31 land open for recreation or other uses, and transportation facilities 32 such as bus and train stations, airports, and ferry terminals.

(b) "Public place" does not include a retail establishment or 33 industrial, commercial, or privately owned property that is not 34 required to be accessible to the public. 35

(29) "Recyclable" means a covered product that is collected, 36 separated, and reprocessed into a recycled material, and that does 37 not contain harmful chemical, physical, biological, or radiological 38 39 substances that will pose a threat to human health or the environment for its intended or likely manner of use. 40

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1 (30)(a) "Recycled material" means material derived from covered 2 products that is reprocessed into products or delivered as feedstocks 3 or commodities to a responsible end market for use in the production 4 of new products whether for the original or another purpose.

5 (b) "Recycled material" does not include energy recovery and the 6 reprocessing of materials that are to be used as fuels or landfill 7 cover.

8 (31) "Responsible end market" means a materials market in which 9 the recycling of materials and the disposal of contaminants is 10 conducted in a way that:

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(a) Minimizes impacts to the environment; and

12 (b) Minimizes risks to public health and worker health and 13 safety.

14 (32) "Responsible management" means the handling, tracking, and 15 disposition of covered products from the point of collection through 16 the final destination of the collected material in a way that 17 minimizes impacts to the environment and minimizes risks to public 18 health and worker health and safety.

19 (33) "Responsible producer" means a producer that is not a de 20 minimis producer.

(34) "Retail establishment" includes any person, corporation, partnership, business, facility, vendor, organization, or individual that sells or provides merchandise, goods, or materials directly to a customer.

25 (35) "Reusable" means:

26 (a) For packaging that is reused or refilled by a producer, the27 packaging satisfies all of the following:

(i) Explicitly designed and marketed to be utilized multiple
 times for the same product, or for another purposeful packaging use
 in a supply chain;

31 (ii) Designed for durability to function properly in its original 32 condition for multiple cycles of reuse or refill;

33 (iii) Supported by adequate infrastructure to ensure the 34 packaging can be conveniently and safely reused or refilled for 35 multiple cycles; and

36 (iv) Repeatedly recovered, inspected, and reissued into the 37 supply chain for reuse or refill for multiple cycles.

38 (b) For packaging that is reused or refilled by a consumer, the 39 packaging satisfies all of the following:

(i) Explicitly designed and marketed to be utilized multiple
 times for the same product;

3 (ii) Designed for durability to function properly in its original 4 condition for utilization in multiple cycles of reuse or refill; and

5 (iii) Supported by adequate and convenient availability of 6 services or infrastructure to ensure the packaging can be 7 conveniently and safely reused or refilled by the consumer multiple 8 times.

9 (36) "Reused material" means material that is collected after use 10 and reused for its original or similar purpose or function.

11 (37) "Rigid plastic" means any covered product made of polymers 12 that is rigid or semirigid in form, including foams.

13 (38) "Socially just management" means practices that:

(a) Provide equitable access to and benefits from services,
regardless of race, income, socioeconomic status, health, and other
population vulnerability or sensitivity characteristics;

17 (b) Prevent or, if not preventable, minimize environmental harms 18 or risks; and

(c) Prevent or, if not preventable, minimize and mitigate impacts to overburdened communities or vulnerable populations identified by the department.

22 (39) "Steel" means any covered product made of a ferrous metal 23 substance.

24 (40) "Vulnerable populations" has the same meaning as defined in 25 RCW 70A.02.010.

Sec. 103. PRODUCER RESPONSIBILITY ORGANIZATION 26 NEW SECTION. 27 DUTIES. (1) (a) Beginning July 15, 2024, each producer that offers for sale, sells, or distributes in or into Washington a covered product 28 must join a producer responsibility organization that is registered 29 30 with the department or register with the department as a producer 31 responsibility organization. A producer that has not joined a producer responsibility organization may not sell or supply covered 32 products in or into Washington. 33

34 (b) Until the conclusion of the initial plan implementation 35 period as provided under section 108 of this act, the department must 36 only accept the registration of a single producer responsibility 37 organization, other than any producers that register individually as 38 a producer responsibility organization. Until the conclusion of the 39 initial plan implementation period, producers of covered products 38 Code Rev/ML:akl 11 H-0947.1/23

1 must either join the producer responsibility organization or register individually as a producer responsibility organization for purposes 2 of compliance under this section. If applications for more than one 3 producer responsibility organization are submitted to the department 4 by July 15, 2024, not counting applications submitted by individual 5 6 producers, the department must determine which proposed producer 7 responsibility organization can most effectively implement this 8 chapter.

(c) If more than one producer responsibility organization is 9 registered with the department, the producer responsibility 10 11 organizations must submit a coordination plan to the department for 12 approval. If requested by the producer responsibility organizations, the department may serve as a coordinating body or oversee 13 coordination of producer responsibility organization plans. The 14 requirements of this subsection apply to the initial plan period 15 16 consisting of a single producer responsibility organization and any 17 producers registering individually, and subsequent plan periods where multiple producer responsibility organizations and individual 18 19 producers may register with the department.

(d) A person who would be determined to be the producer of a covered product, based on the definition of "producer" as defined in section 102 of this act, is not required to join a producer responsibility organization for that covered product if another person has joined a producer responsibility organization and registered as the producer responsible for that covered product under this chapter.

(2) A producer responsibility organization that meets the definition under section 102 of this act that implements or proposes to implement a plan under this chapter may not include on its board of directors, or otherwise be governed by, representatives or affiliates of any public or private entities that submit bids to perform work for the producer responsibility organization or that contract with the producer responsibility organization.

34 (3) By July 15, 2024, and each July 15th thereafter, each 35 producer, through a submission by a producer responsibility 36 organization, must register with the department. A registration 37 submission by a producer responsibility organization must include the 38 following:

(a) (i) A list of all their member producers and their brands ofcovered products, and members of the board of directors;

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1 (ii) If there are changes to the list of member producers and 2 brands or members of the board of directors by the end of a given 3 quarter, a producer responsibility organization must submit an 4 updated list to the department within 30 days of the end of that 5 quarter.

6 (b) Until a producer responsibility organization begins to submit 7 annual reports, as specified under section 119 or 209 of this act, 8 the following data for the prior calendar year:

9 (i) The weight, by material category, of covered products 10 supplied into the state to consumers;

11 (ii) A description of how the producer responsibility 12 organization has distinguished and apportioned the quantities of packaging and paper products sold or supplied to consumers that are 13 considered covered products under this chapter, from quantities of 14 packaging and paper products sold or supplied for other uses that are 15 16 not considered covered products under this chapter. A producer 17 responsibility organization may rely on member reporting for this description. The weight of any covered products that are reusable or 18 19 compostable must each be reported separately from the weight of other types of covered products; and 20

(iii) A list of all member producers and their brands of postconsumer recycled content products required to meet the postconsumer recycled content requirements of chapter 70A.--- RCW (the new chapter created in section 602 of this act).

(c) A producer responsibility organization may submit national or regional data allocated on a per capita basis for Washington to approximate the information required in this subsection if statelevel data is not available or feasible to generate.

(4) By June 30, 2025, and every June 30th thereafter, every registered producer responsibility organization must submit an annual payment to the department for the preceding fiscal year, as determined by the department in section 104 of this act, to fund the:

(a) Costs to implement, administer, and enforce this chapter and
 chapter 70A.--- RCW (the new chapter created in section 602 of this
 act), including rule making;

36 (b) Statewide needs assessment established in section 105 of this 37 act; and

38 (c) Support and facilitation of the advisory council created in 39 section 120 of this act.

1 (5) Within six months of the first adoption of rules relating to 2 this chapter, every registered producer responsibility organization 3 must submit a plan meeting the requirements of section 107 of this 4 act to the department for approval consistent with the requirements 5 of this chapter.

6 (a) A producer responsibility organization registered with the 7 department as of July 15, 2026, must:

8 (i) Implement its plan as approved by the department by January 9 1, 2028, or within six months of plan approval, whichever is later;

10 (ii) Submit the annual postconsumer recycled content report to 11 the department in April for the prior calendar year required in 12 section 209 of this act; and

(iii) Submit an annual report for the prior calendar year to the department consistent with section 119 of this act by July 1, 2029, and each July 1st thereafter.

16 (b) A producer responsibility organization registering for the 17 first time with the department after July 15, 2026, must:

(i) Submit the list of producers, brands, board members, data, and department payment as required in subsections (3) and (4) of this section;

(ii) Submit a plan to the department for approval, informed by a stakeholder consultation process and consistent with the requirements of this chapter, within one year of registration;

(iii) Submit a new or revised plan within 60 days after receiptof a letter of disapproval from the department, if applicable;

26 (iv) Implement its plan as approved by the department within six 27 months of approval;

(v) Submit the annual postconsumer recycled content report for the prior calendar year required in section 209 of this act; and

30 (vi) Submit an annual report for the prior calendar year to the 31 department consistent with section 119 of this act by July 1st, 32 beginning the first year after plan implementation.

33 (6) A producer responsibility organization must respond, in 34 writing, to the advisory council's written comments and 35 recommendations within 60 days of receipt.

36 NEW SECTION. Sec. 104. DEPARTMENT'S DUTIES. (1) The department 37 implement, administer, and enforce this chapter. must The department's implementation, administration, and enforcement duties 38 under this chapter, including the requirements of this section, are 39 H-0947.1/23 Code Rev/ML:akl 14

1 supplemented by the provisions of chapter 70A.--- RCW (the new 2 chapter created in section 602 of this act).

3 (2)(a) By April 1, 2025, and every April 1st thereafter, the 4 department must:

5 (i) Prepare a workload analysis that identifies the projected 6 annual costs to implement, administer, and enforce this chapter and 7 chapter 70A.--- RCW (the new chapter created in section 602 of this 8 act), including rule making, in the next fiscal year;

9 (ii) Determine a total annual fee payment to be paid by each 10 producer responsibility organization that is adequate to cover, but 11 not exceed, the costs identified in (a)(i) of this subsection and the 12 costs of the:

(A) Performance rates study and the statewide needs assessmentestablished in section 105 of this act; and

15 (B) Support and facilitation of the advisory council created in 16 section 120 of this act;

(iii) Until rules are adopted under (a)(iv) of this subsection, issue a general order to all registered producer responsibility organizations. The department must equitably determine fee amounts for producer responsibility organizations;

(iv) By 2026, adopt rules to equitably determine annual fee payments by producer responsibility organizations. Once these rules are adopted, the general order issued under (a)(iii) of this subsection is no longer effective; and

(v) Send notice to producer responsibility organizations of fee amounts due consistent with either the general order issued under (a)(iii) of this subsection or rules adopted under (a)(iv) of this subsection.

29 (b) The department must:

30 (i) Apply any remaining annual payment funds from the current 31 year to the annual payment for the coming fiscal year, if the 32 collected annual payment exceeds the costs identified under (a)(ii) 33 of this subsection for a given year; and

(ii) Increase annual payments for the coming fiscal year to cover the costs identified under (a)(ii) of this subsection, if the collected annual payment was less than the amount required to cover those costs for a given year.

38 (3) The department must review the performance rates proposed by 39 producer responsibility organizations as required in section 111 of

1 this act and which must be achieved by the ninth calendar year from 2 the effective date of this section. The department must:

3 (a) Upon receipt from the producer responsibility organization,
4 make proposed performance rates available for public review and
5 comment for at least 30 days;

6 (b) Review proposed performance rates within 90 days of receipt 7 of a complete submission;

8 (c) Make a determination as to whether or not to approve proposed 9 performance rates and notify the producer responsibility organization 10 of the:

(i) Determination of approval if the submission meets the requirements of this chapter, taking into consideration comments received under (a) of this subsection; or

14 (ii) Reasons for not approving a submission of proposed 15 performance rates. The producer responsibility organization must 16 submit new or revised proposed performance rates within 30 days after 17 receipt of the letter of disapproval.

18 (4) (a) The department must review new, updated, and revised plans 19 submitted by producer responsibility organizations as required in 20 section 108 of this act. The department must:

(i) Make new, updated, and revised plans available for public review and comment for at least 30 days prior to the department's approval decision;

(ii) Review new, updated, and revised producer responsibilityorganization plans within 120 days of receipt of a complete plan;

26 (iii) Make a determination as to whether or not to approve a 27 plan, plan update, or plan revision and notify the producer 28 responsibility organization of the:

(A) Determination of approval if a plan provides for a program
 that meets the requirements of this chapter, taking into
 consideration comments received under (a) (i) of this subsection; or

32 (B) Reasons for not approving a plan. The producer responsibility 33 organization must submit a new or revised plan within 60 days after 34 receipt of the letter of disapproval. In the event that a new or 35 revised plan submitted by a producer responsibility organization does 36 not sufficiently meet the requirements of this chapter, including any 37 deficiencies identified in the initial letter of disapproval, the 38 department may:

39 (I) Use the enforcement powers specified in section 123 of this 40 act; or

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1 (II) Amend the contents of the insufficient new or revised plan 2 in a manner that ensures that the plan meets the requirements of this 3 chapter and the department may require the producer responsibility 4 organization to implement the plan as amended by the department.

5 (b) The approval of a plan by the department does not relieve 6 producers participating in the plan from responsibility for 7 fulfilling the requirements of this chapter.

8 (5) The department must review annual reports submitted by 9 producer responsibility organizations as required in section 119 of 10 this act and under chapter 70A.--- RCW (the new chapter created in 11 section 602 of this act). The department must:

12 (a) Make annual reports available for public review and comment 13 for at least 30 days upon the receipt of the annual report by the 14 department;

15 (b) Review within 120 days of receipt of a complete annual 16 report;

17 (c) Make a determination as to whether or not an annual report 18 meets the requirements of section 119 of this act and notify the 19 producer responsibility organization of the:

20

(i) Determination of approval of the annual report; or

(ii) Reasons for not approving the annual report. The producer
 responsibility organization must submit a revised annual report
 within 60 days after receipt of the letter of disapproval;

(d) Notify a producer responsibility organization if the annual report demonstrates that the program and activities to implement the plan fail to achieve the performance rates approved by the department or otherwise fail to achieve significant requirements under this chapter.

(6) The department must adopt rules as necessary to implement,
 administer, and enforce this chapter.

31 (7) Except where otherwise provided in this chapter, the 32 department shall seek to adopt rules that are harmonized with the 33 regulatory standards, exemptions, reporting obligations, and other 34 compliance requirements of other states that:

(a) Have adopted producer responsibility programs similar to theprogram established in this chapter; and

(b) (i) Are home to producers that supply, or have the potential to supply, significant quantities of covered products to Washington markets; or

(ii) To which Washington supplies, or has the potential to
 supply, significant quantities of covered products.

3 (8) The department may by rule require producer responsibility organizations to fund activities to make convenient collection 4 services available for recycling of covered products designated for 5 6 collection from locations or entities determined to be significant sources of covered product waste and that are additional to those 7 locations identified under section 113 of this act. These locations 8 or entities may include, but are not limited to, public places and 9 official gatherings at which a local government provides solid waste 10 11 services. These locations or entities may not include retail 12 establishments. Rules adopted under this subsection apply to producer responsibility organizations no earlier than January 1, 2029, and may 13 14 be updated no more frequently than every five years.

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(9) The department must maintain a public website that:

(a) Lists each registered producer responsibility organization
 along with its member producers and their covered products that are
 included under the producer responsibility organization's plan; and

19 (b) Makes available each plan and annual report received by the 20 department under this chapter.

21 <u>NEW SECTION.</u> Sec. 105. RATE STUDY AND STATEWIDE NEEDS 22 ASSESSMENT. (1) To inform the implementation of the program, the 23 department must conduct a performance rates study and a statewide 24 needs assessment that must be:

(a) Carried out by a third-party consultant selected by thedepartment; and

(b) Funded through payments or reimbursements collected fromproducer responsibility organizations.

(2) (a) The performance rates study must be completed by September1, 2024, and must:

(i) Use the recycling rates from the department's January 2023
 Washington Consumer Packaging and Paper Study: Recycling Rate
 Assessment and Recommendations;

34 (ii) Use relevant information and recommendations from the 35 department's 2020 plastic packaging study reports, including:

36 (A) Plastic Packaging in Washington: Assessing Use, Disposal, and
 37 Management;

(B) Recycled Content Use in Washington: Assessing Demand,
 Barriers, and Opportunities;

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1 (C) Successful Plastic Packaging Management Programs and 2 Innovations: Washington Plastic Packaging Management Study;

3 (D) Recommendations for Managing Plastic Packaging Waste in
 4 Washington; and

5 (E) Evaluation, Assessment, and Recommendations for the 6 Responsible Management of Plastic Packaging in Washington;

7 (iii) Review the performance rates set and achieved in 8 jurisdictions with producer responsibility programs for packaging or 9 similar programs and evaluate whether those rates are applicable in 10 the state;

11

(iv) Recommend performance rates, including:

12 (A) A rate for the overall combined reuse and recycling of13 covered products;

(B) A separate specific minimum reuse rate, that must be countedwithin the overall combined reuse and recycling rate;

16 (C) A source reduction rate to be achieved solely by eliminating 17 plastic components; and

(D) If a distributor responsibility organization under chapter 18 70A.--- RCW (the new chapter created in section 603 of this act) has 19 notified the department of its intent to implement a deposit return 20 system at least six months prior to the date of the completion of a 21 22 new or updated performance rates study under this section, alternate rates as described under (a) (iv) (A) through (C) of this subsection 23 that exclude qualifying beverage containers that are to be managed 24 25 under the deposit return system.

(b) Recommendations under (a) of this subsection must consider the feasibility of achieving recommended rates based on current rates achieved in the state, rates achieved in other jurisdictions with similar programs, and additional relevant data. The recommended performance rates must be designed to be achieved for covered products statewide by 2032.

32 (c) The advisory council and any producer responsibility 33 organization that is registered with the department by July 15, 2024, 34 must have the opportunity to review and comment on a draft 35 performance rates study prior to its completion.

36 (d) No more frequently than every five years, the department may 37 update the performance rates study required under this section, 38 consistent with subsection (1) of this section.

39 (3) The first statewide needs assessment must be completed by 40 July 1, 2025, and must be consistent with the following requirements: Code Rev/ML:akl 19 H-0947.1/23 1 (a) The final scope of the statewide needs assessment must be 2 determined after considering comments and recommendations from the 3 advisory council established in section 120 of this act, from the 4 utilities and transportation commission, and from any producer 5 responsibility organization that is registered with the department by 6 July 15, 2024; and

7 (b) The utilities and transportation commission, the advisory 8 council created in section 120 of this act, and registered producer 9 responsibility organizations must have the opportunity to review and 10 comment on the draft statewide needs assessment prior to its 11 completion.

12 (4) The statewide needs assessment must be:

13 (a) Informed by the findings and recommendations of the 14 performance rates study established in this section and the rates 15 submitted by producer responsibility organizations and approved by 16 the department under section 111 of this act; and

17 (b) Accepted from the selected consultant as complete by the 18 department.

(5) The statewide needs assessment must:

20 (a) Evaluate the capacity, costs, gaps, and needs for the 21 following factors:

(i) Availability and types of recycling services for covered products relative to the convenience standards specified in section 113 of this act and to additional potential service methods recommended by producer responsibility organizations during the study scoping process;

27 (ii) Education and outreach activities relative to the standards 28 specified in section 118 of this act;

(iii) Availability and performance of collection, transport, and processing capacity and infrastructure relative to the management standards specified in section 110 of this act and the approved performance rates submitted by producer responsibility organizations, including consideration of material quality and contamination;

34 (iv) Availability and performance of collection, transport, and 35 processing capacity and infrastructure to manage compostable covered 36 products, including consideration of the material quality and 37 contamination;

38 (v) Necessary capital investments to existing reuse and recycling 39 infrastructure; and

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1 (vi) Infrastructure or other factors necessary to enable reuse of covered products or the recycling of covered products not currently 2 recycled in the residential recycling system; 3

(b) Compile information related to actual costs incurred by 4 government entities, including entities of sparsely populated, remote 5 6 areas and dense urban areas, for curbside collection services, dropoff collection services, and other information relevant to the 7 funding requirements for producer responsibility organizations in 8 accordance with section 112 of this act, including costs for various 9 service methods recommended by producer responsibility organizations 10 11 during the study scoping process;

12 (c) Identify cost factors and other variables to be considered in the development of base cost formulas for establishing per unit 13 14 reimbursement rates to government entities for curbside collection services delivered in accordance with this chapter. Cost factors and 15 16 variables to be considered in the base cost formulas include:

17 18

(i) Population size and density of a local jurisdiction;

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(ii) Types of households serviced and collection method used;

(iii) Distance from a local jurisdiction to the nearest recycling 20 facility;

21 (iv) Whether a jurisdiction pays for transportation and sorting 22 of collected materials and whether it receives recycled commodity 23 material revenue from processed materials;

(v) Geographic location or other variables contributing to 24 25 regional differences in costs, including sparsely populated, remote 26 areas and dense urban areas;

27

(vi) Cost increases over time; and

28 (vii) Any other factors, recycled commodity material revenue, as 29 determined to be necessary by the department, with input from producer responsibility organizations, the advisory council, and the 30 31 utilities and transportation commission;

32 (d) Identify cost factors, recycled commodity material revenue, 33 and other variables to be considered in the development of reimbursement rates to government entities for any services other 34 than curbside collection that may be included in producer 35 36 responsibility organization plans to be carried out by government 37 entities;

(e) Identify issues to be considered in the development of a 38 39 service agreement template outlining terms and conditions for

1 reimbursement to government entities for services delivered in 2 accordance with the requirements of this chapter;

(f) Compile relevant information to be considered in the 3 development of criteria by the department to determine whether a 4 covered product is recyclable, reusable, or compostable. 5 The 6 department may adopt rules establishing criteria for the determination of whether a covered product is recyclable, reusable, 7 or compostable. The relevant information to be compiled may include 8 whether covered product materials are: 9

(i) Or may be, collected, separated, and processed in sufficient quantity and quality into a marketable feedstock that can be used in the production of new products; or

13 (ii) Designed in a way that is problematic for reuse, recycling, 14 or composting;

(g) Evaluate how the state's recycling system can be managed in a socially just manner for the purpose of informing how each producer responsibility organization implementing a plan can support this objective as it relates to activities required under this chapter. The assessment must:

20 (i) Include meaningful consultation with overburdened communities 21 and vulnerable populations;

22 (ii) Determine conditions and make recommendations including, at 23 minimum:

24 (A) An evaluation of recycling processing facility worker25 conditions, wages, and benefits;

(B) The availability of opportunities in the recycling system forwomen and minority individuals;

28 (C) The sufficiency of local government requirements related to 29 multifamily recycling services and their implementation;

30 (D) Identification of activities that disproportionately impact 31 any community and in particular overburdened communities and 32 vulnerable populations;

(E) The sufficiency of recycling education and outreach programs
 relative to desired socially just management outcomes; and

35 (F) Recommendations for improving socially just management 36 practices and outcomes in the state's recycling system, including 37 considerations for how a producer responsibility organization 38 implementing a plan can support this objective as it relates to 39 activities required under this chapter;

1 (h) Evaluate the extent to which covered products contribute to 2 litter and marine debris for the purpose of informing how a producer 3 responsibility organization implementing a plan can support litter 4 and marine debris prevention as it relates to activities required 5 under this chapter. The assessment should draw on available data, 6 assess gaps, and identify strategies for improving prevention and 7 cleanup of litter and marine debris from covered products;

(i) Compile information from available data sources on the 8 presence of toxic substances in covered products and their potential 9 impacts on reuse, recycling, and composting systems. The information 10 11 compiled is intended to inform the development of eco-modulation 12 factors by a producer responsibility organization that incentivize the reduction of toxic substances that have potentially negative 13 impacts when covered products are managed through reuse, recycling, 14 and home and commercial composting systems. 15

16 (6) (a) In consultation with the advisory council, the utilities 17 and transportation commission, and registered producer responsibility 18 organizations, the department may update the statewide needs assessment to inform the development of producer responsibility 19 organization plans, including updates to base cost formulas to be 20 21 used for establishing reimbursement rates to government entities for 22 services delivered in accordance with the requirements of this 23 chapter. Any updates must include an evaluation of public place recycling needs prior to the department considering a requirement, by 24 25 rule, for public place recycling funding activities under section 26 104(8) of this act.

(b) The scope of a needs assessment or needs assessment update may be adjusted to modify or omit study elements described under subsection (3) of this section, after consultation with the advisory council, the utilities and transportation commission, and any producer responsibility organization by January 15th of the year in which the statewide needs assessment update is to be conducted.

33 (c) The scope of a needs assessment update may include an 34 analysis of the plastic resin market including:

(i) Analyzing market conditions and opportunities in the state's recycling industry for meeting the minimum postconsumer recycled content requirements for covered products identified in chapter 70A.--- RCW (the new chapter created in section 602 of this act); and

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1 (ii) Determining the data needs and tracking opportunities to 2 increase the transparency and support of a more effective, fact-based 3 public understanding of the recycling industry.

(d) A needs assessment performed prior to January 1, 2029, that
includes an analysis of the plastic resin market as described in (c)
of this subsection is sufficient to satisfy the requirements of RCW
70A.245.060.

Sec. 106. PLAN PARTICIPATION OBLIGATION-8 NEW SECTION. 9 STAKEHOLDER CONSULTATION FOR PLAN. (1) Each producer of covered products must participate in, implement, and fund a producer 10 responsibility organization plan approved 11 by the department, 12 consistent with the timelines established in sections 103 and 108 of this act, and in accordance with the funding requirements established 13 in section 112 of this act. 14

15 (2) A producer responsibility organization that is registered 16 with the department must develop and maintain a public website with 17 enhanced language access informing the public of plan implementation 18 details, including collection services and locations for each type of 19 covered product, and a current list of all member producers and 20 brands of covered products participating in the plan.

21 (3) Prior to submitting a new, updated, or revised plan to the department, a producer responsibility organization must conduct a 22 23 consultation process to directly and actively involve stakeholders in development of key plan elements established in section 107 of this 24 act. The producer responsibility organization, through 25 the 26 consultation process, must solicit and respond to input and recommendations from the advisory council established in section 120 27 of this act, the utilities and transportation commission, and other 28 stakeholders. The consultation process required in advance of the 29 submission of a plan to the department is in addition to the 30 31 department-led public comment process specified in section 104(4) of this act. At a minimum, the consultation process must include: 32

(a) Opportunities for all stakeholders, including the advisory council, the utilities and transportation commission, and members of the public to provide comment on the plan for no less than 30 days prior to its submission to the department; and

37 (b) Documentation of all comments received from the advisory
 38 council and other stakeholders, and summary of responses provided by
 39 the producer responsibility organization for purposes of a
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stakeholder consultation report to be included with the submission of a plan to the department. The stakeholder consultation report must also describe each forum in which comments or input was received and how it was addressed in the plan.

5 <u>NEW SECTION.</u> Sec. 107. PLAN CONTENTS—OVERVIEW. All plans and 6 plan updates must contain the following information:

7 (1) Identification of the governing board members of the producer8 responsibility organization;

9 (2) A list and explanation of the covered products supplied or 10 sold in or into Washington by each member producer and their brands 11 of covered products participating in the plan;

(3) A description of the structure of the fees owed by producers
to be used to implement the plan, including the eco-modulation of
fees consistent with section 112 of this act;

15 (4) How the producer responsibility organization will encourage 16 and incentivize waste prevention and reduction of consumer packaging 17 and paper products and their associated climate impacts;

18 (5) How the producer responsibility organization will encourage and incentivize redesign of covered products to be 19 reusable, 20 recyclable, or compostable. Nothing in this chapter requires any 21 individual producer to redesign covered products to reduce waste or 22 to be reusable, recyclable, or compostable, or requires any 23 individual covered product to be reusable, recyclable, or 24 compostable;

(6) How the producer responsibility organization will use and interact with recycling programs and infrastructure that predate the implementation of the plan;

(7) How the producer responsibility organization will fund reuse and recycling infrastructure and market development in Washington state as described in section 117 of this act;

(8) How the program will maximize the efficiency of the system ofcollecting and managing covered products through reuse and recycling;

33 (9)(a) A list of covered products designated for collection 34 statewide as required under section 113 of this act;

35 (b) The list required in (a) of this subsection must identify the 36 covered products designated for collection from residents statewide:

37 (i) Through curbside collection or, where curbside garbage
 38 service is not available, through permanent collection facilities;

(ii) Through alternate collection; and

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(iii) Through public place collection;

2 (c) If the list required in (a) of this subsection includes any 3 covered product that is not recyclable as defined in section 102 of 4 this act, the plan must provide a justification for its inclusion on 5 the list and describe activities to be undertaken to allow the 6 covered product to meet the definition of recyclable within a 7 reasonable time frame;

8 (10)(a) A list and description of any covered products that are 9 compostable and the collection systems and processing infrastructure 10 and other activities that will be used to ensure responsible 11 management of compostable covered products;

(b) A list and description of covered product reuse and refillcollection systems and processing infrastructure;

(11) Activities to be undertaken to make convenient collection services available for covered products in accordance with the convenience standards established under section 113 of this act including, at minimum, the following information:

(a) The jurisdictions where curbside collection services are
 available or are anticipated to be available upon the implementation
 of a plan, including the following service details:

(i) Service provider information, including whether the service provider is a government entity, a private service provider under contract with a government entity, or a private service provider regulated by the utilities and transportation commission; and

(ii) Service frequency, schedule, collection methods, types of covered products included, and other pertinent service details, including whether any changes are anticipated as part of plan implementation;

(b) The locations of permanent collection facilities, the planned hours in which free and equitable access will be provided, and the types of covered products to be collected at each location, including whether any changes are anticipated as part of plan implementation;

33 (c) The types of alternate collection used other than permanent 34 collection facilities, including detailed descriptions of the 35 collection methods, any physical infrastructure used, covered 36 products included, and whether any changes are anticipated as part of 37 plan implementation; and

38 (d) The locations of public place collection services, covered 39 products included, and whether any changes are anticipated as part of 40 plan implementation;

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1 (12) Proposed performance rates for covered products reported as 2 supplied, as described in section 111 of this act, including a 3 description of the basis and reasoning for the rates proposed;

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(13) Activities to be undertaken to meet the performance rates;

5 (14) Activities to be undertaken to implement the education and 6 outreach component as required under section 118 of this act;

(15) Activities to facilitate recycling of covered products back 7 into covered products and encourage development of circular economic 8 activity in the state and region. The producer responsibility 9 10 organization shall provide a description of how the producers would 11 propose to structure agreements to purchase recycled materials from 12 material recovery facilities or other processing facilities, reclaimers, or other end markets to support producers' priority 13 access to commodities, based on fair market pricing for commodities 14 15 of comparable quality and considering long-term contracts and other 16 purchase arrangements;

(16) Activities to be undertaken to minimize the amount and cost of residuals from the collection and processing of covered materials designated for collection. These include residuals from materials recovery facilities or similar facilities producing specificationgrade commodities for sale, but do not include residuals from further processing of end market-ready material;

23 (17) Activities to be undertaken to develop or support 24 responsible end markets for covered products;

(18) A description of how plan implementation will maintain responsible management practices for covered products through to final disposition and ensure that any covered products collected for recycling will be delivered to a responsible end market as reported by material recovery facilities under section 110(5) of this act;

30 (19) (a) A description of the base cost formulas to be used to 31 calculate per unit reimbursement rates for curbside collection 32 services with similar attributes that are delivered by government 33 entities in accordance with the requirements of this chapter, whether such services are provided directly or through a contracted service 34 provider. If a plan includes more than one base cost formula for 35 36 curbside collection services, the producer responsibility organization must make clear the conditions under which each formula 37 will be applied; 38

1 (b) A description of the reimbursement rates to be used for any 2 services other than curbside collection included in the plan that are 3 to be carried out by government entities;

(c) A description of:

5 (i) How the per unit reimbursement rates cover all obligations 6 associated with curbside collection services specified in this 7 chapter and any other services included in the plan that are to be 8 delivered by government entities;

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(ii) How reimbursements will be distributed;

10 (iii) Any terms or conditions covered in the service agreements 11 with government entities for receiving reimbursements, including any 12 service standards and reporting requirements; and

13 (iv) How the producer responsibility organization will work with 14 government entities and other stakeholders to achieve successful 15 implementation of the services for which the producer responsibility 16 organization provides reimbursement;

17 (d) A template of the service agreement and any other forms, 18 contracts, or other documents for use in distribution of 19 reimbursements to government entities and other stakeholders;

(e) A description of how the producer responsibility organization will implement the program in a manner consistent with the requirements of section 115 of this act;

(20) A description of the service standards for residential curbside collection services provided in areas regulated by the utilities and transportation commission under the provisions of chapter 81.77 RCW;

(21) Activities to be undertaken to reduce contamination from covered products at compost or other organic material management facilities as defined in RCW 70A.205.015, including through decontamination equipment improvements and conducting packaging contamination composition studies;

32 (22) A stakeholder consultation report, as described in section 33 106(3)(b) of this act;

34 (23) A description of a third-party process to resolve disputes 35 for determining and paying the reasonable costs that arise between a 36 producer responsibility organization and a government entity or a 37 recycling service provider;

38 (24) A description of how the producer responsibility 39 organization will coordinate with other producer responsibility 40 organizations and any distributor responsibility organizations formed Code Rev/ML:akl 28 H-0947.1/23

under chapter 70A.--- RCW (the new chapter created in section 603 of 1 this act) in the state, in specific terms if more than one producer 2 responsibility organization or distributor responsibility 3 organization is registered with the department as of the date of a 4 plan's submission, and in general terms addressing coordination 5 6 priorities to ensure the smooth implementation of this chapter in the 7 event an additional plan or plans become registered with the department during the period of plan implementation; 8

9 (25) A list of the material categories if distinguished or 10 additional to the material categories identified in section 102(18) 11 (a) through (g) of this act;

12 (26) The contingency plan described in section 109 of this act; 13 and

14 (27) Any other information to be included in the plan as required 15 by the department by rule.

16 <u>NEW SECTION.</u> Sec. 108. PLAN APPROVAL, UPDATES, AND REVISIONS. 17 (1)(a) The initial plan due to be submitted under section 103(5) of 18 this act, and updated plans, may address no more than five calendar 19 years.

(b) A producer responsibility organization must submit to the department, one year prior to the expiration of any plan, an updated plan for the following five calendar years of operation to address changes in the operations and activities of the program. Updated plans must be designed to begin from the date on which the existing plan is expected to cease to be in effect.

(c) If the performance rates set in a producer responsibility 26 27 organization plan as described in section 111 of this act have not been met as of the time of plan update, the producer responsibility 28 organization must arrange for an independent evaluation to be 29 30 conducted of the producer responsibility organization's efforts to 31 implement the plan approved by the department. The evaluation must provide information for the producer responsibility organization to 32 use to target and improve program outcomes relative to the proposed 33 and approved performance rates. 34

35 (d) A producer responsibility organization must carry out the 36 consultation process established in section 106 of this act prior to 37 the submission of each plan and plan update. The consultation process 38 established in section 106 of this act is not required to be carried

1 out by a producer responsibility organization that is submitting a
2 revised plan:

(i) In response to an order from the department; or

4 (ii) Subsequent to a letter disapproving of a plan submission by 5 the producer responsibility organization and for which the original 6 plan submitted by the producer responsibility organization had been 7 subject to the consultation process required in section 106 of this 8 act.

9 (2)(a) A producer responsibility organization may choose to 10 update its plan if significant changes have occurred.

(b) The department may require a producer responsibility organization to update its plan more frequently than every five years if:

(i) The program and activities to implement the plan fail to achieve the performance rates set in producer responsibility organization plans as described in section 111 of this act or otherwise fail to achieve significant requirements under this chapter;

(ii) Additional producer responsibility organizations register with the department or receive approval from the department to begin implementing a plan; or

(iii) There are significant changes to the regulatory or economicenvironment in which plan activities are being carried out.

NEW SECTION. Sec. 109. CONTINGENCY PLAN. (1) A producer responsibility organization must submit to the department a comprehensive contingency plan demonstrating how the activities in the plan will continue to be carried out by some other entity, if needed, such as an escrow company:

(a) Until such time as a new plan is submitted and approved bythe department;

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3

(b) Upon the expiration of an approved plan;

32 (c) In the event that the producer responsibility organization 33 has been notified by the department that they must transfer 34 implementation responsibility for the program to a different producer 35 responsibility organization;

36 (d) In the event that the producer responsibility organization 37 notifies the department that it will cease to implement an approved 38 plan; or

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1 (e) In any other event that the producer responsibility 2 organization can no longer carry out plan implementation.

3 (2) The contingency plan required in this section must be 4 submitted to the department as a component of the producer 5 responsibility organization's initial plan submitted to the 6 department under section 103(5) of this act. The department may 7 require a producer responsibility organization to update the 8 contingency plan required under this section coincident with any plan 9 update under section 108 of this act.

10 (3) The department must follow the same process and timelines for 11 reviewing and approving the contingency plan as it follows for 12 reviewing and approving the producer responsibility organization's 13 program plan under section 108 of this act.

14 <u>NEW SECTION.</u> Sec. 110. COLLECTION AND MANAGEMENT. (1) Producer 15 responsibility organizations, government entities, and service 16 providers implementing the program must manage covered products in a 17 manner consistent with the state's solid waste management hierarchy 18 established in RCW 70A.205.005.

(2) Covered products collected by the program must be responsibly managed at facilities operating with human health and environmental protection standards that are broadly equivalent to or better than those required in the United States and other countries that are members of the organization for economic cooperation and development.

(3) Producer responsibility organizations implementing a planmust include measures to:

26 (a) Track, verify, and publicly report that the responsible 27 management of covered products collected by the program is maintained 28 and that recycled materials are delivered to a responsible end 29 market;

30 (b) Promote and facilitate reuse of covered products designed to 31 be reused;

32 (c) Meet the necessary quality standards for recycled materials 33 so that covered products collected by the program may be used to 34 manufacture new products;

35 (d)(i) Document the locations of all material recovery facilities 36 and other processing facilities used to meet the requirements of this 37 chapter, whether within Washington, elsewhere in North America, or 38 outside of North America; and

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(ii) Describe whether the processing facilities were preexisting,
 planned, or under construction as of plan approval.

(4) (a) Prior to program use of any alternative recycling process 3 for conversion of postuse plastic polymers for the purpose of 4 producing recycled material to be counted toward performance rates 5 6 under this chapter, the producer responsibility organization must seek the department's approval and submit a third-party assessment of 7 the process's environmental impacts, as described under this 8 subsection. In order for an alternative recycling process to be 9 approved, the department must determine, after considering public 10 11 comment and input from the advisory council, that the alternative recycling process produces similar or lesser impacts than those 12 produced in recycling that uses purely mechanical means for each of 13 14 the following environmental impacts:

15 (i) Air and water pollution and release or creation of any 16 hazardous pollutants;

17

(ii) Energy efficiency and greenhouse gas emissions;

18 (iii) Generation of hazardous waste;

19 (iv) Environmental impacts on overburdened communities and 20 vulnerable populations;

(v) Water usage including, but not limited to, impacts to local
 water resources and sewage infrastructure; and

23 (vi) Other environmental impacts as determined by the department 24 by rule.

(b) The results of the assessment under (a) of this subsection must, whenever reported and communicated, provide full disclosure of geographical, temporal, and technological boundaries that have been selected for the assessment.

(c) The person preparing the assessment under (a) of this subsection may not be interested, directly or indirectly, in the ownership or operation of any recycling facility proposed to conduct the alternative recycling process under assessment.

Material recovery facilities and other processing 33 (5)(a) facilities receiving covered products from government entities or 34 private service providers collected through activities undertaken in 35 36 accordance with this chapter must measure and report annually to the department by commodity type and material category, in a form and 37 approved by the department, on the following parameters 38 format 39 associated with covered products and qualifying beverage containers
1 subject to the provisions of chapter 70A.--- RCW (the new chapter 2 created in section 603 of this act) received and processed:

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(i) Tons received, by jurisdiction and service provider;

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(ii) Inbound material quality and contamination;

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(iii) Outbound material quality and contamination;

6 (iv) Outbound material tons and end markets by commodity type, 7 including whether the end markets are domestic, export to 8 organization for economic cooperation and development countries, or 9 export to facilities in other countries that meet organization for 10 economic cooperation and development operating standards;

(v) Management of contaminants and residue to avoid impacts on other waste streams or facilities;

13 (vi) Residuals, including residue rate, composition, and disposal 14 location;

(vii) Emission of pollutants to air and water, or other activities that impact public health or the environment, including any reporting required under existing permits where applicable; and

18 (viii) Labor metrics including, but not limited to, wages, 19 unions, and workforce demographics.

20 (b) All data reported to the department by material recovery 21 facilities and other processing facilities under this subsection must 22 be verified by an independent third party and shared with each 23 producer responsibility organization for which the material recovery 24 facility provides a service.

(c) The requirements of (a) and (b) of this subsection do not apply to any facility operated by a scrap metal business as defined in RCW 19.290.010 that holds a current scrap metal license unless the covered products handled by such a business were received directly from collection services for which a producer responsibility organization has provided reimbursement.

31 (6) To facilitate recycling of covered products back into covered 32 products and encourage development of circular economic activity in 33 the state and region, material recovery facilities and other processing facilities handling materials under the program shall 34 prioritize agreements with and on behalf of producers or producer 35 36 responsibility organizations regarding long-term contracts and other 37 purchase agreements based on fair market pricing for commodities of 38 comparable quality.

<u>NEW SECTION.</u> Sec. 111. PERFORMANCE RATES. (1) By January 1, 2025, any registered producer responsibility organization must submit to the department proposed performance rates for covered products reported by the producer responsibility organization as supplied into the state to be achieved by the ninth calendar year from the effective date of this section. In proposing rates, the producer responsibility organization must:

8 (a) Consider the rates recommended in the performance rates9 study;

10 (b) Propose, at minimum:

11 (i) An overall combined reuse and recycling rate of covered 12 products;

(ii) A separate specific minimum reuse rate, that must also becounted within the overall combined reuse and recycling rate; and

15 (iii) A source reduction rate to be achieved solely by 16 eliminating plastic components;

17 (c) Provide a justification for the rates proposed, if they are 18 different from those recommended in the performance rates study; and

(d) Adhere to the performance rate calculation methodologyestablished in subsections (3), (4), and (5) of this section.

(2) Any producer responsibility organization plan submitted to the department must include rates for covered products reported by the producer responsibility organization as supplied into the state, taking into account the findings of the performance rates study, statewide needs assessment, and additional relevant data. The rates submitted by a producer responsibility organization must be achieved by the end of the plan implementation period.

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(a) At minimum, the plan must include:

29 (i) An overall combined reuse and recycling rate of covered 30 products;

(ii) A separate minimum reuse rate of covered products, which is also to be counted within the overall combined reuse and recycling rate;

(iii) A combined reuse and recycling rate for each material
 category of covered products reported by the producer responsibility
 organization as supplied into the state; and

37 (iv) A source reduction rate to be achieved solely by eliminating 38 plastic components.

39 (b) Proposed rates must demonstrate continuous improvement in40 performance rates of covered products over time.

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1 (c) Proposed rates must adhere to the performance rate 2 calculation methodology established in subsections (3), (4), and (5) 3 of this section.

(d) Any plan submitted to the department prior to the ninth 4 calendar year from the effective date of this section must also 5 6 include performance rates to be achieved by the ninth calendar year from the effective date of this section. If the rates differ from 7 those previously approved by the department as required under 8 subsection (1) of this section, the producer responsibility 9 organization must provide a justification for the proposed 10 11 adjustment.

12 (3) For the purposes of this chapter, the department must adopt 13 rules for measuring the performance rates of each material category 14 of covered products included in a producer responsibility 15 organization plan.

16 (4) To be included in a performance rate calculation for purposes 17 of this chapter, recycled materials must be transferred to a 18 responsible end market.

19 (5) For purposes of calculations of reuse and elimination under 20 this section, a producer responsibility organization must include 21 both the weight and number of units.

22 <u>NEW SECTION.</u> Sec. 112. FUNDING REQUIREMENTS. (1) A producer 23 responsibility organization implementing a plan must fully fund all 24 activities required under this chapter.

(2) A nonreimbursable point-of-sale fee may not be charged to consumers to recoup the costs of meeting producer obligations under this chapter.

(3) (a) A producer responsibility organization must develop a system to collect fees from participating producers to cover the costs of plan implementation. To minimize the administrative and reporting costs of the producers and the organization, the fee system must include:

(i) A de minimis level in which no fees are charged by the producer responsibility organization, determined by weight of covered products sold into the state;

(ii) Additional charges applied specifically to producers of
 postconsumer recycled content products covered by the requirements of
 chapter 70A.--- RCW (the new chapter created in section 602 of this
 act), in an amount roughly equivalent to fully cover the producer
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 35

1 responsibility organization's costs of implementing its duties under 2 chapter 70A.--- RCW (the new chapter created in section 602 of this 3 act), including funding the oversight of the department; and

4

(iii) An optional flat rate for producers below a certain size.

(b) A producer responsibility organization shall allow producers 5 6 of covered products that are magazines to satisfy their obligations under this section by providing advertisement or publication 7 supporting the education and outreach activities required under 8 section 118 of this act in their magazines, or on their websites in 9 lieu of program fees as long as the value of the advertisement is 10 equivalent to the estimated cost of managing the covered products 11 12 that are magazines, which are to be determined as described in subsection (4) of this section. The producer responsibility 13 organization may consider the in-state reach of the advertising when 14 determining the value of the advertising. 15

(4) A producer responsibility organization must base the system of fees assessed to producers upon the estimated cost of managing the material categories of covered products, while seeking to avoid a material category that subsidizes any other material category. In establishing a system of fees, a producer responsibility organization must consider the following factors:

(a) The total annual amount of covered products sold or supplied
 into the state, by material category, whether or not the material is
 currently recyclable or designated for collection for recycling;

(b) The material characteristics and the costs associated with the management of each material category; and

(c) The commodity value of each material category as a recycledmaterial.

(5) (a) The fee system must use eco-modulation factors to incentivize the use of packaging design attributes that reduce the environmental impacts of covered products. Examples of activities that a fee system may include to satisfy the requirement to use ecomodulation factors include, but are not limited to:

(i) Encourage designs that facilitate and improve infrastructure
 and systems for reuse, recycling, and home and industrial composting,
 and that achieve reuse, recycling, and home and industrial
 composting;

38 (ii) Encourage the use of postconsumer recycled content;

39 (iii) Encourage designs that reduce the amount of packaging 40 material used;

1 (iv) Discourage the use of problematic or difficult to recycle 2 materials that increase system costs of managing covered products; 3 and

4 (v) Encourage other design attributes that reduce the 5 environmental impacts of covered products.

6 (b) Any system of program fees under this section that includes 7 discounted fees or favorable treatment of covered products deemed to 8 be reusable must establish a basis for determining that products, in 9 practice, are designed and supported by adequate infrastructure to 10 ensure they are reused multiple times as part of a system of reuse.

(c) Fees collected under this fee system must be used exclusively for plan implementation and other activities required under this chapter and chapter 70A.--- RCW (the new chapter created in section 602 of this act).

(6) If more than one producer responsibility organization is 15 registered within the 16 state, each producer responsibility organization must coordinate with other producer responsibility 17 organizations to provide reimbursement and ensure that government 18 entities and service providers are reimbursed for recycling services 19 as required under this chapter, and to ensure that covered products 20 are not reported as supplied or managed by more than one producer 21 22 responsibility organization.

23 NEW SECTION. Sec. 113. CONVENIENCE STANDARDS. (1) In every 24 jurisdiction in which covered products are sold or supplied to 25 consumers, a producer responsibility organization must fund activities to make convenient collection services available for the 26 27 full list of covered products designated for collection in the plan. Convenient collection services must be available to residents as 28 29 follows:

30 (a) Curbside collection must be provided to residents in single-31 family and multifamily residences wherever curbside garbage 32 collection services are provided to these entities, except in areas where a county has adopted an ordinance after the effective date of 33 this section that designates that covered products must be collected 34 exclusively through alternate collection, and except for covered 35 products designated for alternate collection under a producer 36 37 responsibility organization plan.

38 (b)(i) In jurisdictions without curbside garbage collection, and 39 in all areas for covered products designated for alternate Code Rev/ML:akl 37 H-0947.1/23 collection, free and equitable access to permanent collection
 facilities must be provided that are located, at minimum, at:

3 (A) Each solid waste transfer, processing, or disposal site, or 4 other drop-off location, or a location demonstrated to the department 5 to be of equal convenience, as it existed prior to the effective date 6 of this section; and

Additional drop-off locations or collection events 7 (B) in communities that are not covered by a collection location described 8 (b)(i)(A) of this subsection. A producer responsibility 9 in organization, after soliciting and accommodating input from the 10 department, the relevant government entity, and the local community, 11 must determine a reasonable number and location of additional drop-12 off locations or frequency and location of collection events to be 13 held in underserved areas. A producer responsibility organization 14 must give special consideration for providing opportunities to island 15 16 and geographically isolated populations.

(ii) A retail establishment may choose to serve as a drop-off location or as the site of a collection event, or both, through mutual agreement with a producer responsibility organization, but nothing in this chapter requires a retail establishment to serve as a drop-off location or site of a collection event.

(c) For the duration of the initial plan implementation term,collection must be provided in public places:

(i) Any location where government entities provided and managed recycling collection receptacles as of July 1, 2023. The number and location of receptacles may be adjusted to optimize collection based on mutual agreement between the producer responsibility organization and the government entity providing the service; and

(ii) At additional locations as determined by the producer responsibility organization, after considering the recommendations of the statewide needs assessment in section 105 of this act and stakeholder consultation in section 106 of this act. Collection in additional locations is subject to mutual agreement by the producer responsibility organization and the government entity or other entity responsible for the public place.

36 (2) In any jurisdiction where collection of source separated
 37 recyclable materials from residences is provided by a city or town
 38 under the authority of RCW 35.21.120, by a county under the authority
 39 of RCW 36.58.040, or by a company that holds an applicable
 40 certificate under the authority of chapter 81.77 RCW, a producer
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1 responsibility organization must meet its curbside collection service obligation through the curbside collection service in 2 the jurisdiction as described in section 114 of this act. 3

(3) (a) A producer responsibility organization must, in its plan, 4 establish a statewide list of covered products designated for 5 6 collection.

(b) If more than one producer responsibility organization is 7 registered with the department, each producer responsibility 8 organization must coordinate with other producer responsibility 9 organizations to establish and annually update in a coordinated 10 submission to the department the statewide list of covered products 11 12 designated for collection.

(4) Every producer responsibility organization must identify in 13 14 its plan and on its website, in appropriate languages, maps of each area where curbside and alternative collection services for covered 15 16 products are available, a list and map of the location of each 17 permanent collection opportunity for covered products, the types and 18 a list and map of locations of alternate collection methods used, and 19 a list and map of the locations of public place collection services 20 for covered products.

NEW SECTION. Sec. 114. GOVERNMENT ENTITIES-AUTHORITY TO COLLECT 21 22 COVERED PRODUCTS. (1) The provisions of this chapter do not:

23 (a) Obligate a county, city, or town that utilizes its contract 24 authority under RCW 35.21.120 or 36.58.040 for collection of source 25 separated recyclable materials from residents or a city or town that 26 undertakes collection of source separated recyclable materials from residents to participate in a plan implemented by a producer 27 responsibility organization; 28

29 (b) Restrict the authority of a city under RCW 35.21.120, 35.21.130, and 35.21.152; or 30

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(c) Restrict the authority of a county under RCW 36.58.040.

(2) (a) A city, town, county, or other government entity may enter 32 33 into contractual agreements with a producer responsibility 34 organization or organizations for the purposes of reimbursement of 35 costs of services provided in accordance with the requirements of this chapter. 36

(b) A producer responsibility organization must reimburse the 37 government entity for services delivered in accordance with the 38 requirements of this chapter as described in section 115 of this act. 39 Code Rev/ML:akl

1 (c) A government entity is not restricted from including 2 additional materials in curbside or noncurbside collection that are 3 not part of the statewide list of covered products designated for 4 collection, but a producer responsibility organization is not 5 obligated to reimburse costs associated with the additional 6 materials.

(3) Consistent with RCW 81.77.020, where a city or town chooses 7 not to exercise its authority under chapter 35.21 RCW, or a county 8 chooses not to exercise its authority under chapter 36.58 RCW, 9 curbside collection of covered products designated for collection as 10 11 source separated recyclable materials from residences in areas 12 regulated by the utilities and transportation commission under the provisions of chapter 81.77 RCW must be provided by a company that 13 14 holds applicable certificate issued by the utilities an and transportation commission. 15

16 (4) A county may, by ordinance, direct that covered products 17 designated for collection by a producer responsibility organization plan be collected exclusively through alternate collection in areas 18 regulated by the utilities and transportation commission under the 19 provisions of chapter 81.77 RCW if the area was designated as rural 20 21 in the county solid waste management plan and no curbside recycling collection service was offered within those areas as of the effective 22 23 date of this section.

(5) Government entities are not obligated to provide resident education and outreach under this chapter but may carry out or contract for resident education and outreach consistent with producer responsibility organization plan provisions under section 118 of this act and be reimbursed for the costs of education and outreach performed by the government entity as described in section 115 of this act.

(6) A city, town, or county may not enact an ordinance requiring producers of covered products to provide residential recycling services for covered products that are additional to the requirements of this chapter unless producers are not required to fully fund the requirements of this chapter under section 112 of this act.

36 <u>NEW SECTION.</u> Sec. 115. COST REIMBURSEMENT FOR SERVICES PROVIDED 37 BY GOVERNMENT ENTITIES. (1) A producer responsibility organization 38 with covered products designated for curbside collection under its 39 plan must provide reimbursement to a government entity that chooses Code Rev/ML:akl 40 H-0947.1/23

1 to seek reimbursement for costs incurred in delivering curbside collection services, whether these services are provided directly or 2 through a contracted service provider, or both. Costs that must be 3 reimbursed by a producer responsibility organization include, 4 as applicable, any administrative, public education, collection, 5 6 transportation, and sorting or processing costs incurred in delivering curbside collection services in accordance with the 7 requirements of this chapter. Reimbursements for curbside collection 8 services must be calculated using base cost formulas established in 9 the producer responsibility organization plan approved by the 10 department. 11

12 (2) If a producer responsibility organization elects to use the services of a government entity for any services included in the 13 producer responsibility organization plan other than curbside 14 collection services, it must provide reimbursement to the government 15 16 entity. Reimbursement for any services other than curbside collection 17 services may be calculated using reimbursement rates established for noncurbside collection services in the producer responsibility 18 19 organization plan approved by the department.

(3) Any government entity that receives reimbursement for costs incurred in delivering curbside collection services must report or publish reimbursed costs to its residents annually and as part of each rate increase notification required under RCW 35.21.157.

24 NEW SECTION. Sec. 116. COST REIMBURSEMENT FOR SERVICES REGULATED BY THE UTILITIES AND TRANSPORTATION COMMISSION. In areas 25 where collection of source separated recyclable materials from 26 27 residences is regulated by the utilities and transportation commission under chapter 81.77 RCW, a producer responsibility 28 organization must provide reimbursement to the company granted a 29 30 certificate to provide the service in accordance with the rates 31 approved by the commission, including all associated taxes and fees that would be otherwise charged to residential customers directly or 32 indirectly for recycling service. To be eligible for reimbursement 33 from a producer responsibility organization under this section, the 34 35 company granted a certificate must provide service that:

(1) Is offered to residents in single-family and multifamily
 residences wherever curbside garbage collection services are offered;

38 (2) Includes collection of all covered products designated for 39 curbside collection;

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1 (3) Aligns with service standards for curbside collection 2 established by the producer responsibility organization plan under 3 section 107 of this act; and

4 (4) Is provided in a manner consistent with the requirements of 5 this chapter for curbside collection services.

Sec. 117. INFRASTRUCTURE INVESTMENTS. (1) Each 6 NEW SECTION. 7 producer responsibility organization must fund and support investments in infrastructure and market development in Washington 8 9 state as needed to achieve the convenience standards specified in section 113 of this act, the management standards specified in 10 section 110 of this act, the performance rates set in producer 11 responsibility organization plans as described in section 111 of this 12 act, or to address infrastructure gaps, as identified through the 13 statewide needs assessment under section 105 of this act and through 14 the consultation process under section 106 of this act. Investments 15 16 in infrastructure and market development may include, but are not limited to, those needed to enable reuse of covered products or the 17 recycling or composting of covered products not currently recycled or 18 composted in the residential recycling system, such as: 19

(a) Installing or upgrading equipment to improve sorting of
 covered products or mitigating the impacts of covered products to
 other commodities at existing sorting and processing facilities; and

23 (b) Capital expenditures for new technology, equipment, and 24 facilities.

(2) Investments must be detailed in the annual report submitted 25 to the department in the manner specified in section 119 of this act. 26 meeting the requirements of this section, 27 In a producer 28 responsibility organization must prioritize investments in preexisting infrastructure within Washington state. If a producer 29 did 30 responsibility organization not invest in preexisting 31 infrastructure within Washington state, the annual report must include a statement of the reasons why no such investment was made. 32

<u>NEW SECTION.</u> Sec. 118. EDUCATION AND OUTREACH. (1) Each plan 33 implemented by a producer responsibility organization under this 34 include education and outreach activities that 35 chapter must effectively reach diverse residents, are accessible, are clear, and 36 37 support the achievement of the performance rates set in producer responsibility organization plans as described in section 111 of this 38 Code Rev/ML:akl 42 H-0947.1/23 act. To implement the education and outreach activities described in
 the plan, a producer responsibility organization must, at minimum:

3 (a) Develop and provide outreach and educational materials, 4 resources, and campaigns about the program to be used by retail 5 establishments, collectors, government entities, and nonprofit 6 organizations. The materials, resources, and campaigns developed 7 under this section must encourage participation in recycling 8 collection and reuse and refill systems and must achieve:

9 (i) Education and engagement with residents on recycling, reuse, 10 and refill behaviors;

11 (ii) Outreach to obtain consistently high levels of public 12 participation in and use of collection services and reuse and refill 13 systems, including where and how to recycle covered products 14 designated for collection, or return or refill reusable covered 15 products; and

16 (iii) Education and engagement to reduce the rate of inbound 17 contamination or unwanted materials;

(b) Coordinate and fund the distribution and deployment of statewide promotional campaigns developed under this section through media channels that may include, but are not limited to, print publications, radio, television, the internet, and online streaming services;

(c) Use consistent and easy to understand messaging and education statewide, with the aim of reducing resident confusion regarding the recyclability, reuse, compostability, and end-of-life management options available for different covered products;

(d) Be conceptually, linguistically, and culturally accurate for the communities served and tailored to effectively reach the state's diverse populations, including through meaningful consultation with overburdened communities and vulnerable populations;

31 (e) Establish a process for answering customer questions and 32 resolving customer concerns; and

33 (f) Evaluate the effectiveness of education and outreach efforts 34 for the purposes of making progress toward performance requirements 35 established in this chapter.

36 (2)(a) A producer responsibility organization must coordinate 37 with government entities that choose to participate in carrying out 38 resident education and outreach in accordance with the approach 39 specified in the producer responsibility organization's plan.

1 (b) All producer responsibility organizations implementing a plan approved by the department must collaborate to present a consistent 2 statewide program to ensure that all state residents can easily 3 identify, understand, and access services provided by any approved 4 producer responsibility organization. The department may require 5 6 producer responsibility organizations to coordinate and use 7 consistent signage and consistent messaging in education and outreach activities under this section. 8

9 Sec. 119. ANNUAL REPORTING ON ACTIVITIES. (1) NEW SECTION. 10 Beginning July 1, 2028, and each July 1st thereafter, each producer responsibility organization must submit an annual report to the 11 department for the preceding calendar year of plan implementation. 12 Each annual report must include data, descriptions, and other 13 information sufficient to allow the department to determine whether a 14 15 producer responsibility organization has fulfilled its obligations 16 under this chapter during the preceding calendar year, including actions identified by the producer responsibility organization to be 17 undertaken as part of the plan submitted under section 107 of this 18 act, and actions to implement the requirements and other provisions 19 20 of this chapter including, but not limited to, sections 110 through 21 118 of this act.

(2) In addition to the data, descriptions, and information specified in subsection (1) of this section, each annual report must include the following:

(a) Identification of the governing board members of the producerresponsibility organization;

(b) The final destinations of recycled material managed by the program as reported by material recovery facilities under section 110(5) of this act, including:

30 (i) Names and locations of end users or reprocessors that 31 received recycled material managed by the program, by material 32 category; and

33 (ii) Descriptions of material categories managed by the program 34 that were sold or supplied to the end users or reprocessors; and

35 (c) The total cost of implementing the plan approved by the 36 department, as determined by an independent financial audit and 37 performed by an independent auditor, including:

38 (i) Information regarding the independently audited financial
 39 statements detailing all payments received and issued by the producer
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1 responsibility organization covered by the plan approved by the 2 department;

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(ii) A copy of the independent audit; and

4 (iii) A detailed description of how the program compensates 5 government entities, private collection and transportation service 6 providers, sorting and processing facilities, and other approved 7 entities for services under chapters 70A.--- (the new chapter created 8 in section 601 of this act), 70A.--- (the new chapter created in 9 section 602 of this act), and 70A.--- RCW (the new chapter created in 10 section 603 of this act).

(3) (a) Prior to the submission of the annual report, all 11 12 nonfinancial data and information that is material to the department's review of the program's compliance with the requirements 13 of this chapter must be audited annually by a third party that is a 14 nationally recognized, independent laboratory or certification body 15 16 that has received ISO/IEC 17065 accreditation as it existed as of 17 January 1, 2023, or a similar accreditation as determined by the 18 department.

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(b) Annual independent auditing and verification must:

20 (i) Include documentation of the performance rate calculations; 21 and

(ii) Encompass the management of materials from the point of collection through processing and sale of recycled materials to responsible end markets.

25 <u>NEW SECTION.</u> Sec. 120. ADVISORY COUNCIL. (1) The advisory 26 council is established.

(2) The advisory council consists of members appointed by thedepartment as follows:

(a) Four representatives of local governments representing geographic areas across the state, including two representatives of counties and two representatives of cities, each with one representative of urban communities and one representative of rural communities;

34 (b) One representative of tribal or indigenous solid waste 35 services organizations;

36 (c) One representative of special purpose districts involved in 37 activities related to the end-of-life management of solid waste;

1 (d) Two representatives of community-based organizations whose 2 mission is to serve the interests of overburdened communities and 3 vulnerable populations;

(e) Two representatives of environmental nonprofit organizations;

5 (f) One owner or operator of a small business that is not 6 eligible for representation under (g), (h), or (i) of this 7 subsection;

8 (g) Six representatives of the recycling industry, including 9 local governments' service providers, solid waste collection 10 companies or associations, material recovery facilities, or other 11 processing facilities;

(h) Three representatives of producers of covered products or producer trade associations representing different types of covered products. A member appointed to the council under this subsection may not be a representative or a member of the board of directors of a producer responsibility organization registered with the department under section 103 of this act;

18 (i) Two representatives of packaging suppliers that are not 19 producers as defined under this chapter representing different 20 material categories; and

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(j) One representative of a retail establishment.

(3) Advisory councilmembers must be appointed by the director of the department by January 1, 2024. In appointing members, the department shall:

(a) Appoint members that, to the greatest extent practicable,
 represent diversity in race, ethnicity, age, and gender, urban and
 rural areas, and different regions of the state;

(b) Consider recommendations for appointments from relevant
 represented groups or associations and from individuals interested in
 participating on the advisory council.

(4) (a) The terms of initial appointments must be staggered to two
 and three-year appointments, with subsequent terms of three years.
 Members are eligible for reappointment.

34 (b) If there is a vacancy for any reason, the department shall 35 make an appointment to become effective immediately for the unexpired 36 term.

37 (5)(a) The advisory council shall elect one of its members to 38 serve as chairperson and another to serve as vice chairperson, for 39 the terms and with the duties and powers necessary for the 40 performance of the functions of such offices as the advisory council Code Rev/ML:akl 46 H-0947.1/23 1 determines. The chairperson and vice chairperson may not both be 2 members appointed under the same subsection of subsection (2)(a) 3 through (i) of this section.

4 (b) The advisory council may adopt bylaws and a charter for the 5 operation of its business for the purposes of this chapter.

6 (6) The advisory council shall meet at least once every three 7 months for the first three years, at times and places specified by 8 the chairperson. The advisory council may also meet at other times 9 and places, including virtually, specified by the call of the 10 chairperson or of a majority of the councilmembers, as necessary, to 11 carry out the duties of the advisory council.

12 (7) (a) The department shall provide staff support and 13 facilitation as necessary for the advisory council to carry out its 14 duties.

(b) The department may select an impartial, third-party facilitator to convene and provide administrative support to the advisory council.

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(8) The duties of the advisory council include the following:

19 (a) (i) Advise and make recommendations to the department on the 20 scope of the statewide needs assessments;

(ii) Advise and make recommendations to the department on the amount of the additional refund value premium to be paid consistent with section 309(2)(c) of this act;

(b) Review and comment on a draft performance rate study and on adraft statewide needs assessment prior to their completion;

(c) (i) Advise and make recommendations to any registered producer responsibility organization during stakeholder consultation on plans as required under section 106 of this act;

(ii) Advise and make recommendations to any registered distributor responsibility organization during stakeholder consultation on plans as required under section 315 of this act;

32 (d)(i) Review and comment on all new and updated plans submitted 33 by producer responsibility organizations to the department, including 34 making recommendations to the department on plan approvals, as part 35 of the public comment period as established under section 104 of this 36 act;

(ii) Review and comment on all new and updated plans submitted by distributor responsibility organizations to the department, including making recommendations to the department on plan approvals, as part

1 of the public comment period as established under section 307 of this
2 act;

3 (e) (i) Advise and make recommendations to any registered producer 4 responsibility organization on annual reports prior to submission as 5 established in section 119 of this act;

6 (ii) Advise and make recommendations to any registered 7 distributor responsibility organization on annual reports prior to 8 submission as established in section 311 of this act;

9 (f)(i) Review and comment on all annual reports submitted by 10 producer responsibility organizations to the department, including 11 making recommendations to the department regarding the need for any 12 plan amendments or other recommendations regarding program 13 activities;

14 (ii) Review and comment on all annual reports submitted by 15 distributor responsibility organizations to the department, including 16 making recommendations to the department regarding the need for any 17 plan amendments or other recommendations regarding program 18 activities; and

(g) Provide input, review, and comment on rule making developed by the department under this chapter or chapter 70A.--- RCW (the new chapter created in section 603 of this act).

(9) Advisory councilmembers that are representatives of tribes or tribal and indigenous services organizations or community-based and environmental nonprofit organizations must, if requested, be compensated and reimbursed in accordance with RCW 43.03.050, 43.03.060, and 43.03.220.

(10) The department must include costs related to the advisory council in the estimate of annual costs as established in sections 104 and 307 of this act, including costs for:

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(a) Department resources, including staff time;

(b) A third-party facilitator, including related costs; and

32 (c) Expenses related to member participation as established in 33 subsection (9) of this section.

NEW SECTION. Sec. 121. CONFIDENTIAL INFORMATION SUBMISSION. A producer responsibility organization, material recovery facility, or other processing facility that submits information or records to the department under this chapter may request that the information or records be made available only for the confidential use of the department, the director of the department, or the appropriate Code Rev/ML:akl 48 H-0947.1/23 division of the department. The director of the department must give consideration to the request and if this action is not detrimental to the public interest and is otherwise in accordance with the policies and purposes of chapter 43.21A RCW, the director must grant the request for the information to remain confidential as authorized in RCW 43.21A.160.

7 <u>NEW SECTION.</u> Sec. 122. PROHIBITION ON THE USES OF FUNDS BY 8 PRODUCER RESPONSIBILITY ORGANIZATIONS. (1) A producer responsibility 9 organization may not use funds collected for purposes of implementing 10 a plan required under this chapter for costs associated with:

11 (a) The payment of an administrative penalty levied under this 12 chapter;

13 (b) Administrative appeals of orders or penalties issued under 14 this chapter;

15 (c) Litigation between the producer responsibility organization 16 and the state;

17 (d) Compensation of a person whose position is primarily 18 representing the producer responsibility organization relative to the 19 passage, defeat, approval, or modification of legislation that is 20 being considered by a government entity; or

(e) Paid advertisements related to encouraging the passage, defeat, or approval, or modification of legislation that is being considered during an upcoming or current legislative session or was considered during the previous legislative session.

(2) Nothing in this section limits the authority of a producer responsibility organization to collect funds, such as through a special assessment, for purposes other than implementing a plan required under this chapter, such as for the purposes identified in subsection (1)(a) through (e) of this section.

30 Sec. 123. ENFORCEMENT AUTHORITY. (1) (a) The NEW SECTION. department may administratively impose a civil penalty of up to 31 \$1,000 per violation per day on any person who violates this chapter 32 or on any producer responsibility organization that violates the 33 34 postconsumer recycled content provisions applicable to producer responsibility organizations under chapter 70A.--- RCW (the new 35 chapter created in section 602 of this act) and up to \$10,000 per 36 37 violation per day for the second and each subsequent violation.

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1 (b) For producers out of compliance with the requirements of this chapter, the department shall provide written notification and offer 2 information to producers in violation of this section. For the 3 purposes of this section, written notification serves as notice of 4 the violation. The department must issue at least one notice of 5 6 violation by certified mail prior to assessing a penalty and the 7 department may only impose a penalty on a producer that has not met the requirements of this chapter 60 days following the date the 8 written notification of the violation was sent. 9

10 (2) Upon the department notifying a producer responsibility 11 organization that it has not met a significant requirement of this 12 chapter or chapter 70A.--- RCW (the new chapter created in section 13 602 of this act), the department may, in addition to assessing the 14 penalties provided in subsection (1) of this section, take any 15 combination of the following actions:

16 (a)(i) Issue corrective action orders to a producer or producer 17 responsibility organization;

(ii) Issue orders to a producer responsibility organization to provide for the continued implementation of the program in the absence of an approved plan;

(b) Revoke the producer responsibility organization's plan approval and require the producer responsibility organization to implement its contingency plan under section 109 of this act;

(c) Require a producer responsibility organization to revise orresubmit a plan within a specified time frame; or

26 (d) Require additional reporting related to compliance with the 27 significant requirement of this chapter that was not met.

(3) Prior to taking the actions described in subsection (2)(b) of
this section, the department must provide the producer responsibility
organization or the producer an opportunity to respond to or rebut
the written finding upon which the action is predicated.

32 (4) Any person who incurs a penalty under subsection (1) of this 33 section or an order under subsection (2) of this section may appeal 34 the penalty or order to the pollution control hearings board 35 established in chapter 43.21B RCW.

36 (5) Penalties levied under this section must be deposited in the 37 recycling enhancement account created in RCW 70A.245.100.

38 <u>NEW SECTION.</u> Sec. 124. TRUTH IN LABELING. (1) Beginning January
 39 1, 2027, a producer may not offer for sale, sell, or distribute in or
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1 into Washington, including by means of remote sale, any covered 2 product under this chapter, certified product under chapter 70A.245 3 RCW, or qualifying beverage container under chapter 70A.--- RCW (the 4 new chapter created in section 603 of this act) that makes a 5 deceptive or misleading claim about its recyclability.

6 (a) A covered product, certified product, or qualifying beverage 7 container that displays a chasing arrows symbol, a chasing arrows symbol surrounding a resin identification code, or any other symbol 8 or statement indicating that it is recyclable is deemed to be 9 deceptive or misleading unless it is designated for collection in a 10 11 producer responsibility organization plan approved by the department 12 as described in section 107 of this act or is a qualifying beverage container in a deposit return system under chapter 70A.--- RCW (the 13 new chapter created in section 603 of this act). 14

(b) A label is not considered a misleading or deceptive claim of recyclability if it:

17 (i) Is required by another state or by a federal law or agency at18 the time that the claim is made;

19 (ii) Is part of a widely adopted and standardized third-party 20 labeling system; or

(iii) Uses a chasing arrows symbol in combination with a clearly visible line placed at a 45-degree angle over the chasing arrows symbol to convey that an item is not recyclable.

(2) At such time as an enforceable federal statutory or regulatory standard is implemented for labeling packaging related to recyclability, within 180 days the department shall review criteria under this chapter with federal standards or requirements. Upon completing its review, the department may adopt the federal criteria in lieu of the requirements of this section.

30 (3) Beginning August 1, 2023, a city, town, or county may not 31 enforce an ordinance restricting the distribution or sale of covered 32 products, certified products, or qualifying beverage containers due 33 to displaying a chasing arrows symbol, a chasing arrows symbol 34 surrounding a resin identification code, or any other symbol or 35 statement indicating that it is recyclable if the covered product is, 36 at the time that the claim is made:

37 (a) Designated for collection in a producer responsibility
 38 organization plan approved by the department as described in section
 39 107 of this act;

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(b) Required to display the symbol or statement by another state
 or by a federal law or agency;

3 (c) Part of a widely adopted and standardized third-party 4 labeling system; or

5 (d) Using a chasing arrows symbol in combination with a clearly 6 visible line placed at a 45-degree angle over the chasing arrows 7 symbol to convey that an item is not recyclable.

Sec. 125. PACKAGING REGISTRATION CLEARINGHOUSE-8 NEW SECTION. 9 PRODUCER REGISTRATION. (1) The department is authorized to participate in the development and ongoing operation of a regional or 10 multistate clearinghouse for the purpose of facilitating the 11 12 implementation of state laws and rules on packaging and paper products including, but not limited to, requirements established 13 under this chapter and in chapter 69.50 RCW pertaining to packaging 14 of cannabis products, and chapters 70A.222, 70A.230, 70A.245, 15 16 70A.340, 70A.350, 70A.455, 70A.--- (the new chapter created in section 602 of this act), and 70A.--- RCW (the new chapter created in 17 18 section 603 of this act) and other relevant laws.

19 (2) The department may direct producers, including third-party e-20 commerce sellers, to register and submit any required data, annual 21 reports, fees, and annual payments, and any additional information or 22 documentation to a clearinghouse in lieu of the department.

23 <u>NEW SECTION.</u> Sec. 126. OTHER ASSISTANCE PROGRAMS. Nothing in 24 this act impacts an entity's eligibility for any state or local 25 incentive or assistance program to which they are otherwise eligible.

26 Sec. 127. ACCOUNT. The responsible packaging NEW SECTION. 27 management account is created in the custody of the state treasury. 28 All receipts received by the department under this chapter and chapter 70A.--- RCW (the new chapter created in section 602 of this 29 act) must be deposited in the account. Only the director of the 30 department or the director's designee may authorize expenditures from 31 32 the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for 33 34 expenditures. Expenditures from the account may be used by the 35 department only for implementing, administering, and enforcing the requirements of this chapter and chapter 70A.--- RCW (the new chapter 36 created in section 602 of this act). 37

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1 NEW SECTION. Sec. 128. PETITION FOR THE EXCLUSION OF CERTAIN PRODUCTS. (1) Prior to the submission of a new or updated plan under 2 section 107 of this act, the department may review and determine for 3 the duration of the upcoming plan's period of applicability whether 4 to temporarily exclude for reasons of public health and safety from 5 6 the requirements of this chapter, except as provided in subsection (5) of this section, packaging used to contain the following 7 categories of products, subcategories of the following categories of 8 products, or individual products that are: 9

10 (a) Regulated as a drug, medical device, or dietary supplement by 11 the federal food and drug administration under the federal food, 12 drug, and cosmetic act, 21 U.S.C. Sec. 301 et seq., as amended or any 13 federal regulation promulgated under the act, or any equipment and 14 materials used to manufacture such products; and

(b) Other products subject to requirements under federal laws that make their inclusion in the requirements of this chapter infeasible or inadvisable.

18 (2) The department's review may be initiated by the department or 19 upon a petition by a producer, group of producers, or producer 20 responsibility organization. The department may specify the date by 21 which a petition must be filed under subsection (1) of this section 22 in order to be considered timely for purposes of an upcoming plan 23 implementation period.

(3) In making a determination to temporarily exclude a category
of products, subcategory of products, or individual product pursuant
to subsection (1) of this section, the department must consider, at a
minimum, all of the following factors:

(a) The technical feasibility of including the category of
 product, subcategory of product, or individual product in the program
 created by this chapter, and in recycling the packaging of the
 product or products; and

32 (b) The progress made by producers of products, categories of 33 products, or subcategories of products in achieving the goals of this 34 chapter, including by reducing the amount of packaging used with the 35 products, increasing the recycled content of the product packaging, 36 and increasing the ability of the products' packaging to be reused or 37 recycled if appropriate.

(4) The petition process established in this section is distinct
 from the processes pertaining to adjustments and exclusions to
 postconsumer recycled content requirements in section 210 of this
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1 act. A product that is temporarily excluded under this section 2 remains subject to postconsumer recycled content requirements 3 established in chapter 70A.--- RCW (the new chapter created in 4 section 602 of this act) unless a petition is separately granted by 5 the department for a product under section 210 of this act.

6 (5) The producer of a product that is temporarily excluded from 7 the requirements of this chapter under this section must report, 8 directly to the department in a form and manner prescribed by the 9 department, the information related to the temporarily excluded 10 product that is required to be reported to the department by producer 11 responsibility organizations under sections 103 and 119 of this act.

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Part Two

Postconsumer Recycled Content Requirements

14 <u>NEW SECTION.</u> Sec. 201. DEFINITIONS. The definitions in this 15 section and section 102 of this act apply throughout this chapter 16 unless the context clearly requires otherwise.

(1) (a) "Beverage" means liquid products intended for human or animal consumption and in a quantity more than or equal to two fluid ounces and less than or equal to one gallon, including:

20 (i) Water and flavored water;

21 (ii) Beer or other malt beverages;

22 (iii) Wine;

23 (iv) Distilled spirits;

24 (v) Mineral water, soda water, and similar carbonated soft 25 drinks;

26 (vi) Dairy milk; and

27 (vii) Any other beverage identified by the department by rule.

(b) "Beverage" does not include infant formula as defined in 21 U.S.C. Sec. 321(z), medical food as defined in 21 U.S.C. Sec. 30 360ee(b)(3), or fortified oral nutritional supplements used for 31 persons who require supplemental or sole source nutritional needs due 32 to special dietary needs directly related to cancer, chronic kidney 33 disease, diabetes, or other medical conditions as determined by the 34 department.

35 (2) "Beverage manufacturing industry" means an association that 36 represents beverage producers.

37 (3) "Brand" means a name, symbol, word, logo, or mark that 38 identifies a product and attributes the product and its components, Code Rev/ML:akl 54 H-0947.1/23 1 including packaging, to the brand owner of the product as the 2 producer.

3 (4) "Dairy milk" means a beverage made exclusively or principally
4 from lacteal secretions obtained from one or more milk-producing
5 animals. Dairy milk includes, but is not limited to:

6 (a) Whole milk, low-fat milk, skim milk, cream, half-and-half, or 7 condensed milk; or

8

(b) Cultured or acidified milk, kefir, or eggnog.

9 (5) "De minimis producer" means an entity that annually sells, 10 offers for sale, distributes, or imports:

(a) In or into the country for sale in Washington state less than one ton of PCRC products specified in subsection (18)(a)(i) through (vi) of this section; and

14 (b) That have a global gross revenue of less than \$5,000,000 for 15 the most recent fiscal year of the organization.

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(6) "Department" means the department of ecology.

17 (7) "Durable good" means a product that provides utility over an 18 extended period of time.

19 (8) "Entity" means an individual and any form of business 20 enterprise. For purposes of calculating the de minimis producer 21 thresholds under this chapter, a producer entity includes all legal 22 entities that are affiliated by common ownership of 50 percent or 23 greater, including parents, subsidiaries, and commonly owned 24 affiliates.

(9) "Household" means all of the people who occupy a residentialproperty regardless of their relationship to one another.

(10) "Household cleaning and personal care product manufacturing industry" means an association that represents companies that manufacture household cleaning and personal care products.

30 (11) "Household cleaning products" means products labeled, 31 marketed, or otherwise indicating that the purpose of the product is 32 to clean, freshen, or remove unwanted substances, such as dirt, 33 stains, and other impurities from objects, interior or exterior 34 structures, vehicles, possessions, and environments associated with a 35 household. These items include:

36 (a) Liquid soaps, laundry soaps, detergents, softeners, surface
 37 polishes, and stain removers;

38 (b) Textile cleaners, carpet and pet cleaners, and treatments; or

39 (c) Other products used to clean or freshen areas associated with 40 a household.

1 (12) "Licensee" means a manufacturer of a PCRC product or entity 2 who licenses a brand and manufactures a PCRC product under that 3 brand.

4 (13) "Personal care product" means a product intended or marketed 5 for use to be rubbed, poured, sprinkled, or sprayed on, introduced 6 into, or otherwise applied to the human body for cleansing, 7 beautifying, promoting attractiveness, or altering the appearance 8 including:

9 (a) Shampoo, conditioner, styling sprays and gels, and other hair 10 care products;

11 (b) Lotion, moisturizer, facial toner, and other skin care 12 products;

13 (c) Liquid soap and other body care products; or

14 (d) Other products used to maintain, improve, or enhance personal 15 care or appearance.

16 (14)(a) "Plastic beverage container" means a bottle or other 17 rigid container that is solely made of plastic material and is 18 capable of maintaining its shape when empty, comprised of one or 19 multiple plastic resins designed to contain a beverage. "Plastic 20 beverage container" includes a container's cap or lid.

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(b) "Plastic beverage container" does not include:

(i) Reusable beverage containers, such as containers that are
 sufficiently durable for multiple rotations of their original or
 similar purpose and are intended to function in a system of reuse;

(ii) Rigid plastic containers or plastic bottles that are or are used for medical devices, medical products that are required to be sterile, drugs, or dietary supplements as defined in RCW 82.08.0293 that do not contain a "nutrition facts" label required under federal law;

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(iii) Bladders or pouches that contain a beverage;

(iv) Paper-based beverage containers; or

32 (v) Liners, corks, closures, labels, and other items added 33 externally or internally but otherwise separate from the structure of 34 the bottle or container, other than a lid or cap.

35 (15)(a) "Plastic household cleaning and personal care product 36 container" means a bottle, jug, tub, tube, or other rigid container 37 with:

38 (i) A minimum capacity of eight fluid ounces or its equivalent 39 volume;

1 (ii) A maximum capacity of five fluid gallons or its equivalent 2 volume;

3

(iii) That is capable of maintaining its shape when empty;

4

(iv) Comprised solely of one or multiple plastic resins; and

(v) Containing a household cleaning or personal care product. 5

6 (b) "Plastic household cleaning and personal care product 7 container" does not include:

(i) Reusable household cleaning and personal care product 8 containers, such as containers that are sufficiently durable for 9 multiple rotations of their original or similar purpose and are 10 11 intended to function in a system of reuse;

12 (ii) Rigid plastic containers or plastic bottles that are medical devices, medical products that are required to be sterile, 13 prescription drugs, and dietary supplements as defined in RCW 14 82.08.0293, and packaging used for those products; and 15

16 (iii) Pesticide products regulated by the federal insecticide, 17 fungicide, and rodenticide act, 7 U.S.C. Sec. 136 et seq. that are in direct contact with the regulated product. This exemption does not 18 include products regulated by the United States food and drug 19 administration. 20

(16) (a) "Plastic tub" means a wide-mouth rigid container used to 21 22 package consumable or durable goods that reach consumers, with a maximum capacity of 50 ounces, that is: 23

24

(i) Capable of maintaining its shape when empty;

25 (ii) Comprised solely of one or multiple plastic resins and 26 designed to contain a product; and

27 (iii) Sealed with tamper-proof film or a detachable lid capable of multiple openings and closures. 28

29

(b) "Plastic tub" does not include:

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(i) Household cleaning and personal care products;

31 (ii) Plastic containers that are or are used for medical devices, 32 medical products that are required to be sterile, nonprescription and prescription drugs, or dietary supplements as defined in RCW 33 82.08.0293; 34

(iii) Thermoform plastic containers; 35

36 (iv) Single-use plastic cups; and

(v) Other covered products subject to minimum PCRC requirements. 37

(17) (a) (i) "Postconsumer recycled content" or "PCRC" means the 38 certified plastic resin incorporated into plastic packaging for a 39 PCRC product and derived specifically from recycled material 40 Code Rev/ML:akl H-0947.1/23 generated by households or by commercial or institutional facilities in their role as end users of packaged products that can no longer be used for their intended purpose.

4 (ii) "PCRC" includes returns of material from the distribution 5 chain.

6 (b) "PCRC" does not include plastic from preconsumer or 7 industrial plastic manufacturing sources.

8 (18)(a) "Postconsumer recycled content product" or "PCRC product" 9 means an item in one of the following categories subject to minimum 10 PCRC requirements under this chapter:

11 (i) Household cleaning products that use plastic household 12 cleaning product containers;

13 (ii) Personal care products that use personal care product 14 containers;

15 (iii) Beverages that use plastic beverage containers;

16 (iv) Plastic tubs for food products;

17 (v) Thermoform plastic containers; and

18 (vi) Single-use plastic cups.

(b) "PCRC product" does not include any type of container or bag for which the state is preempted from regulating content of the container material under federal law or any items subject to the postconsumer recycling content requirements of chapter 70A.245 RCW.

(19) (a) "Producer" means the following person responsible for compliance with requirements under this chapter for a PCRC product sold, offered for sale, or distributed in or into this state:

(i) If the product is sold in or with packaging under the brand of the product manufacturer or is sold in packaging that lacks identification of a brand, the producer of the packaging is the person that manufactures the product;

30 (ii) If the product is sold under a retail brand, the producer is 31 the retail brand owner;

(iii) If the product is manufactured by a person other than the brand owner, the producer of the packaging is the person that is the licensee of a brand or trademark under which a packaged item is used in a commercial enterprise, sold, offered for sale, or distributed in or into this state, whether or not the trademark is registered in this state;

38 (iv) If there is no person described in (a)(i), (ii), or (iii) of 39 this subsection within the United States, the producer is the person 40 who imports the product into the United States for use in a Code Rev/ML:akl 58 H-0947.1/23 1 commercial enterprise that sells, offers for sale, or distributes the 2 product in this state; or

3 (v) A person who would be considered a "producer" of a PCRC 4 product sold, offered for sale, or distributed in or into this state, 5 as defined in (a)(i) through (iv) of this subsection, can designate 6 another responsible producer for that PCRC product if another person 7 agrees to accept responsibility and has registered as the producer 8 responsible for that PCRC product under this chapter.

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(b) "Producer" does not include:

10 (i) Government agencies, municipalities, or other political 11 subdivisions of the state;

12 (ii) Registered 501(c)(3) charitable organizations and 501(c)(4) 13 social welfare organizations; or

14 (iii) De minimis producers that annually sell, offer for sale, 15 distribute, or import:

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(A) In Washington state less than one ton of PCRC products; and

(B) That have a global gross revenue of less than \$5,000,000 forthe most recent fiscal year of the organization.

19 (20) "Producer responsibility organization" has the same meaning 20 as defined in section 102 of this act, except that for the purposes 21 of this chapter, "producer responsibility organization" includes a 22 distributor responsibility organization formed under chapter 70A.---23 RCW (the new chapter created in section 603 of this act), if a 24 distributor responsibility organization is formed.

25 (21) "Responsible producer" means a producer that is not a de 26 minimis producer.

(22) (a) "Retail establishment" means any person, corporation, partnership, business, facility, vendor, organization, or individual that sells or provides merchandise, goods, or materials directly to a customer.

(b) "Retail establishment" includes, but is not limited to, food service businesses as defined in RCW 70A.245.010, grocery stores, department stores, hardware stores, home delivery services, pharmacies, liquor stores, restaurants, catering trucks, convenience stores, or other retail stores or vendors, including temporary stores or vendors at farmers markets, street fairs, and festivals.

37 (23)(a) "Single-use plastic cup" means all beverage cups that are 38 nonsealed or sealed at point of sale.

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40 (i) Commercially or home compostable cups;

(b) "Single-use plastic cups" do not include:

1 (ii) Expanded polystyrene cups; or

2 (iii) Composite plastic-lined fiber cups.

3 (24)(a) "Thermoform plastic container" means a clear or colored 4 plastic container, such as a clamshell, lid, tray, egg carton, 5 trifold, or similar rigid, nonbottle packaging, formed from sheets of 6 extruded plastic resin and used to package consumable or durable 7 goods that reach consumers, including:

8 (i) Branded and prepackaged containers that have been filled with 9 products and sealed prior to receipt by the retail establishment, 10 such as fresh produce, baked goods, nuts, toys, electronics, and 11 tools;

12 (ii) Containers that may be filled at the point of sale at a 13 retail establishment; and

14 (iii) Unfilled containers that are sold directly.

15

(b) "Thermoform plastic container" includes:

16 (i) Hinged plastic containers, commonly known as "clamshells" or 17 "blister packaging";

- 18 (ii) Two-piece unhinged containers;
- 19 (iii) One-piece containers without lids, such as trays; and

20 (iv) Trifold or tent containers with one or more hinges and a 21 flat bottom.

22 (c) "Thermoform plastic container" does not include:

23 (i) Household cleaning products or personal care products;

- 24 (ii) Plastic tubs;
- 25 (iii) Reusable containers;
- 26 (iv) A lid or seal of a different material type from plastic;

(v) A reusable thermoform plastic container that ordinarily wouldbe returned to the manufacturer to be refilled and resold;

(vi) Plastic containers that are or are used for medical devices,
 medical products that are required to be sterile, prescription drugs,
 or dietary supplements as defined in RCW 82.08.0293;

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- (vii) Commercially or home compostable containers;
- 33
- (viii) Other PCRC products; and

(ix) Thermoform plastic containers accompanying a durable good
 when the durable good model, and the associated packaging, was
 designed prior to January 1, 2025.

37NEW SECTION.Sec. 202.DE MINIMIS PRODUCERS. (1) For purposes38of determining whether a producer is a de minimis producer, the39weight and revenue definitional thresholds must be calculated at theCode Rev/ML:akl60H-0947.1/23

1 level of the "entity" associated with the PCRC product by the 2 producer responsibility organization.

3 (2) The exemptions under this chapter for de minimis producers do 4 not apply to entities that have agreed to accept responsibility for 5 compliance with the requirements of this chapter for a PCRC product 6 on the behalf of another producer.

7 (3)(a) De minimis producers are not required to meet annual
8 registration, reporting, PCRC, or fee requirements of PCRC products
9 under this chapter.

10 (b) De minimis producers must annually notify the producer 11 responsibility organization in which the producer participates to 12 demonstrate that they are de minimis producers.

13 (4) The producer responsibility organization must submit to the 14 department information necessary to verify whether a producer 15 qualifies for the de minimis status, including:

16 (a) Annual global gross revenue dollar amount less than or equal 17 to \$5,000,000;

18 19 (b) Annual total resin weight less than or equal to one ton; and

(c) Any additional information requested by the department.

20 NEW SECTION. Sec. 203. PCRC REQUIREMENTS FOR PCRC PRODUCTS. (1) (a) By January 1, 2025, and each January 1st thereafter, a 21 producer responsibility organization under chapter 70A.--- RCW (the 22 new chapter created in section 601 of this act) that represents 23 24 producers who offers for sale, sells, or distributes in or into 25 Washington PCRC products must register with the department on behalf 26 of each producer registered with the producer responsibility 27 organization with sale or distribution of PCRC products in or into 28 Washington. A producer must continue to register and report to the department under the methods established in chapter 70A.245 RCW until 29 30 a producer responsibility organization registers with the department 31 under chapter 70A.--- RCW (the new chapter created in section 601 of 32 this act).

33 (b) The registration information submitted under (a) of this 34 subsection must include a list of the producers of PCRC products and 35 the associated brand names of the PCRC products represented in the 36 registration submittal.

37 (2) Producers that offer for sale, sell, or distribute in or into
 38 Washington the following products must meet the minimum postconsumer
 39 recycled content requirements:

1 (a) Beginning January 1, 2024, producers of beverages other than 2 wine in 187 milliliter plastic beverage containers and dairy milk in 3 plastic beverage containers must meet minimum PCRC requirements 4 established under section 204 of this act.

5 (b) Beginning January 1, 2025, producers of household cleaning 6 products or personal care products in plastic household cleaning 7 product containers or plastic personal care product containers must 8 meet minimum PCRC requirements as required under section 205 of this 9 act.

10 (c) Beginning January 1, 2026, producers of plastic tubs used for 11 food products must meet minimum PCRC requirements established under 12 section 206 of this act.

13 (d) Beginning January 1, 2028, producers of wine in 187 14 milliliter plastic beverage containers or dairy milk in plastic 15 beverage containers must meet minimum PCRC requirements established 16 under section 204 of this act.

(e) Beginning January 1, 2029, producers of single-use plastic cups must meet minimum PCRC requirements established under section 207 of this act.

(f) Beginning January 1, 2031, producers of thermoform plastic containers, except those containing durable goods, must meet minimum PCRC requirements established under section 208 of this act.

(g) Beginning January 1, 2036, producers of durable goods in thermoform plastic containers must meet minimum PCRC requirements established under section 208 of this act.

(3) (a) In addition to the registration information submitted
under subsection (1) of this section, each producer of a PCRC product
must annually report PCRC to the producer responsibility organization
with which it is registered, beginning on the following dates:

(i) No later than 30 days after the registration of a producer
with a producer responsibility organization under subsection (1)(a)
of this section, for plastic beverage containers other than plastic
dairy milk containers and 187 milliliter plastic wine containers;

(ii) February 1, 2026, for plastic household cleaning product
 containers and plastic personal care product containers;

36 (iii) February 1, 2027, for plastic tubs used for food products; 37 (iv) February 1, 2029, for plastic dairy milk containers and 187 38 milliliter plastic wine containers;

(v) February 1, 2030, for single-use plastic cups;

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(vi) February 1, 2032, for thermoform plastic containers except
 those containing durable goods; and

3 (vii) February 1, 2037, for thermoform plastic containers
4 containing durable goods.

5 (b) Producer PCRC annual reports to the producer responsibility 6 organization must include:

7 (i) The amount in pounds of virgin plastic and the amount in 8 pounds of PCRC by resin type used within a single PCRC product 9 category sold, offered for sale, or distributed in or into 10 Washington;

(ii) The total PCRC resin as a percentage of the total weight of plastic reported for a single PCRC product category, or other metrics approved by the department; and

14 (iii) Any additional information adopted by rule by the 15 department.

16 <u>NEW SECTION.</u> Sec. 204. PCRC REQUIREMENTS FOR PLASTIC BEVERAGE 17 CONTAINERS. A producer of a beverage in a plastic beverage container 18 must meet the following annual minimum PCRC percentage on average for 19 the total quantity of plastic beverage containers, by weight, that 20 are sold, offered for sale, or distributed in or into Washington by 21 the producer effective:

(1) For beverages except wine in 187 milliliter plastic beverage containers and dairy milk:

(a) January 1, 2024, through December 31, 2025: No less than 15percent PCRC plastic by weight;

(b) January 1, 2026, through December 31, 2030: No less than 25
 percent PCRC plastic by weight; and

28 (c) On and after January 1, 2031: No less than 50 percent PCRC 29 plastic by weight.

30 (2) For wine in 187 milliliter plastic beverage containers and 31 dairy milk:

32 (a) January 1, 2028, through December 31, 2030: No less than 15
 33 percent PCRC plastic by weight;

(b) January 1, 2031, through December 31, 2035: No less than 25
 percent PCRC plastic by weight; and

36 (c) On and after January 1, 2036: No less than 50 percent PCRC 37 plastic by weight.

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<u>NEW SECTION.</u> Sec. 205. PCRC REQUIREMENTS FOR HOUSEHOLD CLEANING PRODUCTS AND PERSONAL CARE PRODUCTS. A producer of household cleaning products in plastic containers or a producer of personal care products in plastic containers must meet the following annual minimum PCRC percentage on average for the total quantity of plastic containers, by weight, that are sold, offered for sale, or distributed in or into Washington by the producer effective:

8 (1) January 1, 2025, through December 31, 2027: No less than 15 9 percent PCRC plastic by weight;

10 (2) January 1, 2028, through December 31, 2030: No less than 25 11 percent PCRC plastic by weight; and

12 (3) On and after January 1, 2031: No less than 50 percent PCRC 13 plastic by weight.

14 <u>NEW SECTION.</u> Sec. 206. PCRC REQUIREMENTS FOR PLASTIC TUBS FOR 15 FOOD PRODUCTS. A producer of plastic tubs must meet the following 16 annual minimum PCRC percentage on average for the total quantity of 17 plastic tubs used for food products, by weight, that are sold, 18 offered for sale, or distributed in or into Washington by the 19 producer effective:

(1) January 1, 2026, through December 31, 2030: No less than 10
 percent PCRC plastic by weight; and

(2) On and after January 1, 2031: No less than 30 percent PCRCplastic by weight.

24 <u>NEW SECTION.</u> Sec. 207. PCRC REQUIREMENTS FOR SINGLE-USE PLASTIC 25 CUPS. A producer of single-use plastic cups must meet the following 26 annual minimum PCRC percentage on average for the total quantity of 27 single-use plastic cups, by weight, that are sold, offered for sale, 28 or distributed in or into Washington by the producer effective:

29

(1) For polypropylene single-use plastic cups:

30 (a) January 1, 2029, through December 31, 2030: No less than 15
 31 percent PCRC plastic by weight; and

32 (b) On and after January 1, 2031: No less than 25 percent PCRC 33 plastic by weight.

34 (2) For polyethylene terephthalate and polystyrene, and other 35 types of single-use plastic cups:

(a) January 1, 2029, through December 31, 2030: No less than 20
 percent PCRC plastic by weight; and

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1 (b) On and after January 1, 2031: No less than 30 percent PCRC 2 plastic by weight.

NEW SECTION. Sec. 208. PCRC REQUIREMENTS FOR THERMOFORM PLASTIC 3 CONTAINERS. A producer of a thermoform plastic container must meet 4 5 the following annual minimum PCRC percentage on average for the total quantity of thermoform plastic containers, by weight, that are sold, 6 offered for sale, or distributed in or into Washington by the 7 producer effective: 8

(1) For packaging for consumable goods:

9

29

(a) January 1, 2031, through December 31, 2035: No less than 10 10 11 percent PCRC plastic by weight; and

12 (b) On and after January 1, 2036: No less than 30 percent PCRC 13 plastic by weight.

(2) (a) Except as provided in (b) of this subsection, for 14 15 packaging used for durable goods: On and after January 1, 2036, no less than 30 percent PCRC plastic by weight. 16

17 (b) Packaging designed to accompany a durable good where that durable good model is designed prior to the effective date of the 18 requirement in (a) of this subsection is exempt. 19

20 209. PCRC NEW SECTION. Sec. REPORTING ΒY PRODUCER 21 RESPONSIBILITY ORGANIZATIONS. (1) А producer responsibility 22 organization reporting to the department under this chapter must pay 23 fees as specified in chapter 70A.--- RCW (the new chapter created in section 601 of this act). 24

(2) Beginning April 1, 2025, and each April 1st thereafter, a 25 producer responsibility organization must annually report to the 26 department for each producer of PCRC products for which it receives 27 reports from producers under section 203 of this act: 28

(a) The amount in pounds of virgin plastic resin;

30 (b) The amount in pounds of PCRC by resin type used for each category of covered products that are sold, offered for sale, or 31 distributed in or into Washington; 32

(c) The total PCRC resins as a percentage of total weight; 33

(d) Any other information necessary to fulfill the intent of this 34 chapter, as required by rule adopted by the department. 35

(3)(a) The report must be submitted in a format and manner 36 prescribed by the department. A producer may submit national or 37 regional data allocated on a per capita basis for Washington to 38 H-0947.1/23 Code Rev/ML:akl 65

1 approximate the information required in this section if the producer 2 or third-party representative demonstrates to the department that 3 state level data are not available or feasible to generate.

(b) A producer must maintain a certificate of compliance, 4 conducted by a third-party certification entity, stating that the 5 6 covered product is in compliance with postconsumer recycled content 7 requirements under this chapter. A third-party certification entity must be an independent, accredited (ISO/IEC 17065) certifying body. A 8 producer shall maintain a certificate of compliance within a year by 9 the dates on which the postconsumer recycled content requirements 10 11 take effect for the producer's PCRC products.

12 (c) If compliance with minimum recycled content requirements is 13 achieved through an adjustment made pursuant to section 210 of this 14 act, the certificate must state the specific basis upon which the 15 exemption is claimed.

16 (d) The certificate of compliance must be kept on file by the 17 producer for three years from the date of the last sale or 18 distribution by the producer.

(e) A producer must furnish a certificate of compliance to thedepartment upon request within 60 days.

(f) Requests from a member of the public for any certificate of compliance must be made in writing to the department and must be specific as to the PCRC product information requested. The department must respond to requests from a member of the public under this subsection within 90 days.

(g) If manufacturers are required under any other state statute, including chapter 70A.222 RCW, to provide a certificate of compliance, one certificate may be developed containing all required information.

(h) If the producer of the PCRC product reformulates or creates a
 new PCRC product, the producer shall develop an amended or new
 certificate of compliance for the reformulated or new PCRC product.

(4) (a) A producer responsibility organization may, as part of the annual report submitted to the department under this section, or as a separate submission in advance of the effective dates in sections 205 through 208 of this act, petition for an exclusion or adjustment under section 210 of this act covering the upcoming calendar year to the minimum PCRC requirements on behalf of producers registered with the producer responsibility organization.

1 (b) When submitting a petition for a PCRC rate adjustment, the 2 producer responsibility organization must provide necessary 3 information that will allow the department to make a determination 4 based on the factors listed in section 210(2) of this act.

5 (c) When submitting a petition for a PCRC rate temporary 6 exclusion, the producer responsibility organization must provide 7 necessary information that will allow the department to make a 8 determination based on the factors listed in section 210(4) of this 9 act.

10 (5) The department must review and determine whether to approve 11 PCRC reports submitted by producer responsibility organizations. The 12 department must:

(a) Make PCRC reports submitted under this section, including petitions for exclusions or rate adjustments under section 210 of this act, available for public review and comment for at least 30 days upon the receipt of the annual report by the department;

17 (b) Make a determination as to whether or not an annual report 18 meets the requirements of this section and notify the producer 19 responsibility organization of the:

20

(i) Determination of approval of the PCRC annual report; or

(ii) Reasons for not approving the PCRC annual report. The producer responsibility organization must submit a revised PCRC annual report within 60 days after receipt of the letter of disapproval.

25 (6) The department must post approved PCRC annual reports 26 submitted by each producer responsibility organization under this 27 section on its website.

28 NEW SECTION. Sec. 210. ADJUSTMENTS AND TEMPORARY EXCLUSIONS TO PCRC RATES. (1) The department may review and determine for the 29 30 following calendar year whether to adjust the minimum PCRC percentage 31 required for a type of container or PCRC product or category of PCRC products under this chapter. The department's review may be initiated 32 by the department or upon a petition by a producer responsibility 33 organization in its annual report submitted to the department under 34 section 209 of this act. 35

36 (2) In making a determination pursuant to subsection (1) of this
 37 section, the department must consider, at a minimum, all of the
 38 following factors:

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(a) Changes in market conditions, including supply and demand for
 PCRC plastics, collection rates, and bale availability both
 domestically and globally;

(b) Recycling rates;

5 (c) The availability of recycled plastic suitable to meet the 6 minimum PCRC requirements pursuant to subsection (3) or (4) of this 7 section, including the availability of high quality recycled plastic, 8 and food-grade recycled plastic from recycling programs;

9

4

(d) The capacity of recycling or processing infrastructure;

(e) The technical feasibility of achieving the minimum PCRC
requirements in covered products that are regulated under 21 C.F.R.,
chapter I, subchapter G, 7 U.S.C. Sec. 136, 15 U.S.C. Sec. 1471-1477,
49 C.F.R. Sec. 178.33b, 49 C.F.R. Sec. 173, 40 C.F.R. Sec. 152.10, 15
U.S.C. Sec. 1261-1278, 49 U.S.C. Sec. 5101 et seq., 49 C.F.R. Sec.
178.509, 49 C.F.R. Sec. 179.522, 49 C.F.R. Sec. 178.600-609, and
other federal laws; and

17 (f) The progress made by producers in achieving the goals of this 18 chapter.

(3) (a) Under this section, the department may not adjust the minimum PCRC requirements above the minimum PCRC percentages under sections 204, 206, 207, and 208 of this act for the year under review.

(b) For plastic household cleaning product containers and plastic personal care product containers, the department may not adjust the minimum PCRC requirements above the minimum PCRC percentages for the year under review required pursuant to section 205 of this act or below a minimum of 10 percent.

(4) (a) The department must temporarily exclude from minimum PCRC requirements for the upcoming year any types of PCRC products in plastic containers for which a producer responsibility organization demonstrates to the department in its annual report under section 209 of this act that the:

(i) Producer cannot achieve the PCRC requirements and remain in compliance with applicable rules and regulations adopted by the United States food and drug administration, or any other state or federal law, rule, or regulation; or

37 (ii) Achievement of PCRC requirements in the container material38 is not technologically feasible.

39 (b) The producer responsibility organization must continue to 40 provide producer registration data and report consistent with the Code Rev/ML:akl 68 H-0947.1/23
requirements of this chapter for PCRC products temporarily excluded
 from minimum PCRC requirements under this subsection.

3 (5) A producer or producer responsibility organization may appeal 4 a decision by the department to adjust PCRC percentages under this 5 section or to temporarily exclude covered products from minimum PCRC 6 requirements under subsection (4) of this section to the pollution 7 control hearings board within 30 days of the department's 8 determination.

9 <u>NEW SECTION.</u> Sec. 211. ADMINISTRATIVE ROLE AND ENFORCEMENT BY 10 THE DEPARTMENT. (1)(a) A producer that does not pay fees, register, 11 report, or achieve the PCRC requirements established under this 12 chapter is subject to the penalties provided in this section.

(b) A producer responsibility organization that does meet the registration, fee payment, or reporting requirements under this chapter is subject to the provisions provided in section 123 of this act.

(2) (a) A producer assessed a penalty pursuant to this chapter 17 must remit the penalty to the producer responsibility organization 18 with which it is registered. A producer responsibility organization 19 20 must submit aggregated penalty payments comprised of the remitted 21 penalty payments from all producers owing penalties under this 22 chapter that are members of the producer responsibility organization. The producer responsibility organization's aggregated payment may be 23 24 a single annual payment, paid in quarterly installments, or on an 25 alternative payment schedule arranged subject to the approval of the 26 department. The department may not approve an alternative payment 27 schedule that exceeds a 12-month time frame unless the department 28 determines that an extension is needed due to unforeseen 29 circumstances, such as a public health emergency, state of emergency, 30 or natural disaster.

31 (b) Beginning June 1st of the year following the first year that 32 minimum PCRC requirements apply to a category of PCRC product, and annually thereafter, the department must determine the penalty for 33 the previous calendar year based on the PCRC requirement of the 34 previous calendar year. The department shall calculate the amount of 35 the penalty based upon the amount in pounds in the aggregate of 36 virgin plastic, PCRC plastic, and any other plastic per category used 37 by the producer to produce PCRC products sold or offered for sale in 38 or into Washington, in accordance with the following: 39

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1 (i) (A) Based on data provided in the annual report submitted under section 209 of this act by a producer responsibility 2 organization, the annual penalty amount assessed to a producer must 3 equal the product of both of the following: The total pounds of 4 plastic used per category multiplied by the relevant minimum PCRC 5 6 plastic target percentage, less the pounds of total plastic multiplied by the percent of PCRC plastic used; multiplied by 20 7 8 cents.

9 (B) Example: [(Total pounds of plastic used x minimum PCRC 10 plastic target percentage) - (Total pounds of plastic used x PCRC 11 plastic percentage used)] x 20 cents.

12 (ii) For the purposes of (b)(i) of this subsection, both of the 13 following apply:

(A) The total pounds of plastic used must equal the sum of the
amount of virgin plastic, PCRC plastic, and any other plastic used by
the producer, as reported pursuant to section 209 of this act;

(B) If the mathematical product calculated pursuant to (b)(i) of this subsection is equal to or less than zero, the department may not assess a penalty.

(3) (a) Upon request by a producer responsibility organization, 20 21 the department must consider granting a reduction of penalties assessed under this section for a producer's failure to achieve PCRC 22 23 requirements established in this chapter. Penalty reduction requests under this subsection must be submitted to the department by August 24 25 1st of each year. A producer responsibility organization's request to the department must contain sufficient information described in (b) 26 of this subsection to allow the department to determine whether to 27 28 grant the request.

(b) In determining whether to grant a penalty reduction, the
 department must consider, at minimum, all of the following factors:

31

(i) Anomalous market conditions;

32

(ii) Disruption in, or lack of supply of, recycled plastics; and

33 (iii) Other factors that have prevented a producer from meeting 34 the minimum PCRC requirements of this chapter.

35 (c) In lieu of or in addition to assessing a penalty under this 36 section, the department may require a producer responsibility 37 organization to submit on behalf of a producer or group of producers 38 a corrective action plan detailing how the producer or producers plan 39 to come into compliance with this chapter.

1 (4) For purposes of determining compliance with the PCRC 2 requirements of this chapter, the department may consider information 3 provided by the producer responsibility organization regarding the 4 date of manufacture of a PCRC product or the container of a PCRC 5 product.

6 (5)(a) A producer or a producer responsibility organization may 7 appeal penalties assessed and orders issued under this chapter to the 8 pollution control hearings board within 30 days of penalty assessment 9 or order issuance.

10 (b) Penalties collected under this section must be deposited in 11 the recycling enhancement account created in RCW 70A.245.100.

12 (6) (a) A city, town, county, or municipal corporation may not 13 implement local recycled content requirements for a PCRC product that 14 is subject to minimum PCRC requirements established in this chapter.

(b) A city, town, county, or municipal corporation may establish local purchasing requirements that include recycled content standards that exceed the minimum recycled content requirements established by this chapter for plastic household cleaning product containers and plastic personal care product containers purchased by a city, town, or municipal corporation, or its contractor.

(7) In-state distributors, wholesalers, and retail establishments in possession of PCRC products manufactured before the date that PCRC requirements become effective may exhaust their existing stock through sales to the public.

25 <u>NEW SECTION.</u> Sec. 212. RULE-MAKING AUTHORITY. The department 26 may adopt rules as necessary to implement, administer, and enforce 27 this chapter.

28 Sec. 213. RCW 70A.245.010 and 2021 c 313 s 2 are each amended to 29 read as follows:

30 The definitions in this section apply throughout this chapter 31 unless the context clearly requires otherwise.

32 (1) (("Beverage" means beverages identified in (a) through (f) of 33 this subsection, intended for human or animal consumption, and in a 34 quantity more than or equal to two fluid ounces and less than or 35 equal to one gallon:

36 (a) Water and flavored water;

37 (b) Beer or other malt beverages;

38 (c) Wine;

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(d) Distilled spirits;

2 (e) Mineral water, soda water, and similar carbonated soft 3 drinks; and

4 (f) Any beverage other than those specified in (a) through (e) of 5 this subsection, except infant formula as defined in 21 U.S.C. Sec. 6 321(z), medical food as defined in 21 U.S.C. Sec. 360ee(b)(3), or 7 fortified oral nutritional supplements used for persons who require 8 supplemental or sole source nutritional needs due to special dietary 9 needs directly related to cancer, chronic kidney disease, diabetes, 10 or other medical conditions as determined by the department.

11 (2) "Beverage manufacturing industry" means an association that 12 represents beverage producers.

13 (3)) "Condiment packaging" means packaging used to deliver 14 single-serving condiments to customers. Condiment packaging includes, 15 but is not limited to, single-serving packaging for ketchup, mustard, 16 relish, mayonnaise, hot sauce, coffee creamer, salad dressing, jelly, 17 jam, and soy sauce.

18 (((4)(a) "Covered product" means an item in one of the following 19 categories subject to minimum postconsumer recycled content 20 requirements:

21 (i) Plastic trash bags;

(ii) Household cleaning and personal care products that use
 plastic household cleaning and personal care product containers; and

24 (iii) Beverages that use plastic beverage containers.

25 (b) "Covered product" does not include any type of container or 26 bag for which the state is preempted from regulating content of the 27 container material or bag material under federal law.

28 (5) "Dairy milk" means a beverage that designates milk as the 29 predominant (first) ingredient in the ingredient list on the 30 container's label.

31

(6))) (2) "Department" means the department of ecology.

32 (((7))) <u>(3)</u> "Expanded polystyrene" means blown polystyrene and 33 expanded and extruded foams that are thermoplastic petrochemical 34 materials utilizing a styrene monomer and processed by any number of 35 techniques including, but not limited to, fusion of polymer spheres 36 (expandable bead polystyrene), injection molding, foam molding, and 37 extrusion-blow molding (extruded foam polystyrene).

38 (((8))) <u>(4)</u> "Food service business" means a business selling or 39 providing food for consumption on or off the premises, and includes 40 full-service restaurants, fast food restaurants, cafes, Code Rev/ML:akl 72 H-0947.1/23 delicatessens, coffee shops, grocery stores, vending trucks or carts,
 home delivery services, delivery services provided through an online
 application, and business or institutional cafeterias.

4 (((9))) (5) "Food service product" means a product intended for
5 one-time use and used for food or drink offered for sale or use. Food
6 service products include, but are not limited to, containers, plates,
7 bowls, cups, lids, beverage containers, meat trays, deli rounds,
8 utensils, sachets, straws, condiment packaging, clamshells and other
9 hinged or lidded containers, wrap, and portion cups.

10 (((10) "Household cleaning and personal care product" means any 11 of the following:

12

(a) Laundry detergents, softeners, and stain removers;

13 (b) Household cleaning products;

14 (c) Liquid soap;

15 (d) Shampoo, conditioner, styling sprays and gels, and other hair 16 care products; or

17 (e) Lotion, moisturizer, facial toner, and other skin care 18 products.

19 (11) "Household cleaning and personal care product manufacturing 20 industry" means an association that represents companies that 21 manufacture household cleaning and personal care products.

22 (12)) (6) "Licensee" means a manufacturer of a certified PCRC 23 product or entity who licenses a brand and manufactures a ((covered 24 product)) certified PCRC product under that brand.

(((13) "Oral nutritional supplement" means a manufactured liquid, powder capable of being reconstituted, or solid product that contains a combination of carbohydrates, proteins, fats, fiber, vitamins, and minerals intended to supplement a portion of a patient's nutrition intake.

30 (14) "Plastic beverage container" means a bottle or other rigid 31 container that is capable of maintaining its shape when empty, 32 comprised solely of one or multiple plastic resins designed to 33 contain a beverage. Plastic beverage container does not include:

34 (a) Refillable beverage containers, such as containers that are 35 sufficiently durable for multiple rotations of their original or 36 similar purpose and are intended to function in a system of reuse;

37 (b) Rigid plastic containers or plastic bottles that are or are 38 used for medical devices, medical products that are required to be 39 sterile, nonprescription and prescription drugs, or dietary 40 supplements as defined in RCW 82.08.0293;

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1 (c) Bladders or pouches that contain wine; or

2 (d) Liners, caps, corks, closures, labels, and other items added 3 externally or internally but otherwise separate from the structure of 4 the bottle or container.

5 (15)(a) "Plastic household cleaning and personal care product 6 container" means a bottle, jug, or other rigid container with a neck 7 or mouth narrower than the base, and:

8 (i) A minimum capacity of eight fluid ounces or its equivalent
9 volume;

10 (ii) A maximum capacity of five fluid gallons or its equivalent 11 volume;

12 (iii) That is capable of maintaining its shape when empty;

13 (iv) Comprised solely of one or multiple plastic resins; and

14 (v) Containing a household cleaning or personal care product.

15 (b) "Plastic household cleaning and personal care product 16 container" does not include:

17 (i) Refillable household cleaning and personal care product 18 containers, such as containers that are sufficiently durable for 19 multiple rotations of their original or similar purpose and are 20 intended to function in a system of reuse; and

21 (ii) Rigid plastic containers or plastic bottles that are medical 22 devices, medical products that are required to be sterile, and 23 nonprescription and prescription drugs, dietary supplements as 24 defined in RCW 82.08.0293, and packaging used for those products.

25 (16))) (7) "Plastic trash bag" means a bag that is made of noncompostable plastic, is at least 0.70 mils thick, and is designed 26 27 and manufactured for use as a container to hold, store, or transport 28 materials to be discarded or recycled, and includes, but is not limited to, a garbage bag, recycling bag, lawn or leaf bag, can liner 29 bag, kitchen bag, or compactor bag. "Plastic trash bag" does not 30 31 include any compostable bags meeting the requirements of chapter 32 70A.455 RCW.

33 (((17) "Plastic trash bag)) (8) "Certified PCRC product 34 manufacturing industry" means an association that represents 35 companies that manufacture ((plastic trash bags)) <u>a certified PCRC</u> 36 <u>product</u>.

37 (((18))) (9) "Postconsumer recycled content" means the content of 38 a ((covered product)) certified PCRC product made of recycled 39 materials derived specifically from recycled material generated by 40 households or by commercial, industrial, and institutional facilities Code Rev/ML:akl 74 H-0947.1/23 1 in their role as end users of a product that can no longer be used 2 for its intended purpose. "Postconsumer recycled content" includes 3 returns of material from the distribution chain.

4 (((19))) <u>(10)</u>(a) "Producer" means the following person 5 responsible for compliance with minimum postconsumer recycled content 6 requirements under this chapter for a ((covered product sold, offered 7 for sale, or distributed in or into this state:

8 (i) If the covered product is sold under the manufacturer's own 9 brand or lacks identification of a brand, the producer is the person 10 who manufactures the covered product;

11 (ii) If the covered product is manufactured by a person other 12 than the brand owner, the producer is the person who is the licensee 13 of a brand or trademark under which a covered product is sold, 14 offered for sale, or distributed in or into this state, whether or 15 not the trademark is registered in this state, unless the 16 manufacturer or brand owner of the covered product has agreed to 17 accept responsibility under this chapter; or

18 (iii) If there is no person described in (a)(i) and (ii) of this 19 subsection over whom the state can constitutionally exercise 20 jurisdiction, the producer is the person who imports or distributes 21 the covered product in or into the state)) certified product sold, 22 offered for sale, or distributed in or into this state:

(i) If the product is sold in or with packaging under the brand of the product manufacturer or is sold in packaging that lacks identification of a brand, the producer of the packaging is the person that manufactures the product;

27 (ii) If the product is sold under a retail brand, the producer is 28 the retail brand owner;

(iii) If the product is manufactured by a person other than the brand owner, the producer of the packaging is the person that is the licensee of a brand or trademark under which a packaged item is used in a commercial enterprise, sold, offered for sale, or distributed in or into this state, whether or not the trademark is registered in this state;

35 (iv) If there is no person described in (a) (i), (ii), or (iii) of 36 this subsection within the United States, the producer is the person 37 who imports the product into the United States for use in a 38 commercial enterprise that sells, offers for sale, or distributes the 39 product in this state; or

1 <u>(v) A person who would be considered a "producer" of a certified</u> 2 product sold, offered for sale, or distributed in or into this state, 3 as defined in (a) (i) through (iv) of this subsection, can designate 4 another responsible producer for that certified product if another 5 person agrees to accept responsibility and has registered as the 6 producer responsible for that certified product under this chapter.

7

(b) "Producer" does not include:

8 (i) Government ((agencies)) <u>entities</u>, municipalities, or other 9 political subdivisions of the state; <u>or</u>

10 (ii) Registered 501(c)(3) charitable organizations and 501(c)(4)
11 social welfare organizations((; or

12 (iii) De minimis producers that annually sell, offer for sale, 13 distribute, or import in or into the country for sale in Washington:

14 (A) Less than one ton of a single category of plastic beverage 15 containers, plastic household cleaning and personal care containers, 16 or plastic trash bags each year; or

17 (B) A single category of a covered product that in aggregate 18 generates less than \$1,000,000 each year in revenue)).

19 (((20))) <u>(11)</u>(a) "Retail establishment" means any person, 20 corporation, partnership, business, facility, vendor, organization, 21 or individual that sells or provides merchandise, goods, or materials 22 directly to a customer.

(b) "Retail establishment" includes, but is not limited to, food service businesses, grocery stores, department stores, hardware stores, home delivery services, pharmacies, liquor stores, restaurants, catering trucks, convenience stores, or other retail stores or vendors, including temporary stores or vendors at farmers markets, street fairs, and festivals.

29 (((21))) <u>(12)</u>(a) "Utensil" means a product designed to be used by 30 a consumer to facilitate the consumption of food or beverages, 31 including knives, forks, spoons, cocktail picks, chopsticks, splash 32 sticks, and stirrers.

33 (b) "Utensil" does not include plates, bowls, cups, and other 34 products used to contain food or beverages.

35 <u>(13) "Certified postconsumer recycled content product" or</u> 36 <u>"certified PCRC product" means:</u>

37 (a) Plastic household cleaning products or personal care 38 products, as defined in section 201 of this act, that are pesticide 39 products regulated by the federal insecticide, fungicide, and 40 rodenticide act, 7 U.S.C. Sec. 136 et seq., that are in direct

1 contact with the regulated product, and that are excluded from the requirements of chapters 70A.--- (the new chapter created in section 2 601 of this act) and 70A.--- RCW (the new chapter created in section 3 602 of this act); 4 (b) Plastic trash bags; and 5 6 (c) Plastic plant pots and trays. 7 (14) "Plant pot or tray" means a single-use or durable container, material transport tray, or water collection tray used to grow, 8 contain, cultivate, display, or transport plants or soil. 9 Sec. 214. RCW 70A.245.020 and 2021 c 313 s 3 are each amended to 10 11 read as follows: (1) (((a) Beginning January 1, 2023, producers that offer for 12 sale, sell, or distribute in or into Washington: 13 (i) Beverages other than wine in 187 milliliter plastic beverage 14 15 containers and dairy milk in plastic beverage containers must meet 16 minimum postconsumer recycled content requirements established under subsection (4) of this section; and 17 18 (ii) Plastic trash bags must meet minimum postconsumer recycled content requirements established under subsection (6) of this 19 20 section. (b) Beginning January 1, 2025, producers that offer for sale, 21 sell, or distribute in or into Washington household cleaning and 22 personal care products in plastic household cleaning and personal 23 24 care product containers must meet minimum postconsumer recycled content as required under subsection (5) of this section. 25 (c) Beginning January 1, 2028, producers that offer for sale, 26 27 sell, or distribute in or into Washington wine in 187 milliliter plastic beverage containers or dairy milk in plastic beverage 28 29 containers must meet minimum postconsumer recycled content as 30 required under subsection (4) of this section. (2) (a) On or before April 1, 2022, and annually thereafter, a 31 producer that offers for sale, sells, or distributes in or into 32 Washington covered products must register with the department 33 individually or through a third-party representative registering on 34 behalf of a group of producers. 35 (b) The registration information submitted to the department 36 37 under this section must include a list of the producers of covered 38 products and the brand names of the covered products represented in 39 the registration submittal. Beginning April 1, 2024, for plastic

1 trash bags and plastic beverage containers other than wine in 187 milliliter plastic beverage containers and dairy milk in plastic 2 beverage containers, April 1, 2026, for plastic household and 3 personal care product containers, and April 1, 2029, for wine in 187 4 milliliter plastic beverage containers and dairy milk, a producer may 5 6 submit registration information at the same time as the information 7 submitted through the annual reporting required under RCW 8 707.245.030

9 (3) (a) By January 31, 2022, and every January 31st thereafter, 10 the department must:

11 (i) Prepare an annual workload analysis for public comment that 12 identifies the annual costs it expects to incur to implement, 13 administer, and enforce this section and RCW 70A.245.030 through 14 70A.245.060 and 70A.245.090 (1), (2), and (4), including rule making, 15 in the next fiscal year for each category of covered products;

16 (ii) Determine a total annual fee payment by producers or their 17 third-party representatives for each category of covered products 18 that is adequate to cover, but not exceed, the workload identified in 19 (a) (i) of this subsection;

20 (iii) Until rules are adopted under (a) (iv) of this subsection, 21 issue a general order to all entities falling within the definition 22 of producer. The department must equitably determine fee amounts for 23 an individual producer or third-party representatives within each 24 category of covered product;

25 (iv) By 2024, adopt rules to equitably determine annual fee 26 payments by producers or their third-party representatives within 27 each category of covered product. Once such rules are adopted, the 28 general order issued under (a)(iii) of this subsection is no longer 29 effective; and

30 (v) Send notice to producers or their third-party representatives 31 of fee amounts due consistent with either the general order issued 32 under (a) (iii) of this subsection or rules adopted under (a) (iv) of 33 this subsection.

34

(b) The department must:

35 (i) Apply any remaining annual payment funds from the current 36 year to the annual payment for the coming year, if the collected 37 annual payment exceeds the department's costs for a given year; and 38 (ii) Increase annual payments for the coming year to cover the

39 department's costs, if the collected annual payment was less than the

40 department's costs for a given year.

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1 (c) By April 1, 2022, and every April 1st thereafter, producers or their third-party representative must submit a fee payment as 2 determined by the department under (a) of this subsection. 3 (4) A producer of a beverage in a plastic beverage container must 4 meet the following annual minimum postconsumer recycled content 5 6 percentage on average for the total quantity of plastic beverage containers, by weight, that are sold, offered for sale, or 7 distributed in or into Washington by the producer effective: 8 (a) For beverages except wine in 187 milliliter plastic beverage 9 10 containers and dairy milk: (i) January 1, 2023, through December 31, 2025: No less than 15 11 12 percent postconsumer recycled content plastic by weight; (ii) January 1, 2026, through December 31, 2030: No less than 25 13 percent postconsumer recycled content plastic by weight; and 14 (iii) On and after January 1, 2031: No less than 50 percent 15 16 postconsumer recycled content plastic by weight. 17 (b) For wine in 187 milliliter plastic beverage containers and 18 dairy milk: 19 (i) January 1, 2028, through December 31, 2030: No less than 15 percent postconsumer recycled content plastic by weight; 20 21 (ii) January 1, 2031, through December 31, 2035: No less than 25 percent postconsumer recycled content plastic by weight; and 22 (iii) On and after January 1, 2036: No less than 50 percent 23 postconsumer recycled content plastic by weight. 24 25 (5)) A producer of household cleaning ((and)) or plastic 26 personal care products that are pesticide products regulated by the 27 federal insecticide, fungicide, and rodenticide act, 7 U.S.C. Sec. 28 136 et seq. that are in direct contact with the regulated product and that are excluded from the requirements of chapters 70A. --- (the new 29 chapter created in section 601 of this act) and 70A. --- RCW (the new 30 chapter created in section 602 of this act) in plastic containers 31 32 must meet the following annual minimum postconsumer recycled content percentage on average for the total quantity of plastic containers, 33 by weight, that are sold, offered for sale, or distributed in or into 34 Washington by the producer effective: 35 (a) January 1, 2025, through December 31, 2027: No less than 15 36

37 percent postconsumer recycled content plastic by weight;

(b) January 1, 2028, through December 31, 2030: No less than 25
 percent postconsumer recycled content plastic by weight; and

1 (c) On and after January 1, 2031: No less than 50 percent 2 postconsumer recycled content plastic by weight.

3 (((6))) <u>(2)</u> A producer of plastic trash bags must meet the 4 following annual minimum postconsumer recycled content percentage on 5 average for the total quantity of plastic trash bags, by weight, that 6 are sold, offered for sale, or distributed in or into Washington by 7 the producer effective:

8 (a) January 1, 2023, through December 31, 2024: No less than 10 9 percent postconsumer recycled content plastic by weight;

10 (b) January 1, 2025, through December 31, 2026: No less than 15 11 percent postconsumer recycled content plastic by weight; and

12 (c) On and after January 1, 2027: No less than 20 percent 13 postconsumer recycled content plastic by weight.

14 (((7)(a) Beginning January 1, 2024, or when rule making is 15 complete, whichever is sooner, the department may, on an annual basis 16 on January 1st,)) (3) A producer of plastic plant pots or trays must 17 meet the following annual minimum postconsumer recycled content 18 percentage on average for the total quantity of covered products, by 19 weight, that are sold, offered for sale, or distributed in or into 20 Washington by the producer effective:

21 (a) January 1, 2026, through December 31, 2030: No less than 30 22 percent postconsumer recycled content plastic by weight;

23 (b) On and after January 1, 2031: No less than 80 percent 24 postconsumer recycled content plastic by weight.

25 (4) (a) By October 31st of each year, the department may review and determine for the following year whether to adjust the minimum 26 postconsumer recycled content percentage ((required for a type of 27 28 container or product or category of covered products)) pursuant to subsection ((((4), (5), or (6))) (1), (2), or (3) of this section. The 29 department's review may be initiated by the department or at the 30 31 petition of a producer or ((a covered product)) the certified PCRC product manufacturing industry not more than once annually. Petitions 32 for review and adjustment must be made to the department by June 30th 33 of the year prior to the year in which the adjustment would apply. 34 When submitting a petition, producers or ((a producer)) the certified 35 36 <u>PCRC product</u> manufacturing industry must provide necessary information that will allow the department to make a determination 37 under (b) of this subsection. 38

39 (b) In making a determination pursuant to this subsection, the 40 department must consider, at a minimum, all of the following factors: Code Rev/ML:akl 80 H-0947.1/23

(i) Changes in market conditions, including supply and demand for 1 postconsumer recycled content plastics, collection rates, and bale 2 availability both domestically and globally; 3

(ii) Recycling rates; 4

(iii) The availability of recycled plastic suitable to meet the 5 6 minimum postconsumer recycled content requirements pursuant to subsection (((4), (5), or (6))) (1), (2), or (3) of this section, 7 including the availability of high quality recycled plastic($\frac{1}{1}$ and 8 food-grade recycled plastic from recycling programs)); 9

10

(iv) The capacity of recycling or processing infrastructure;

11 (V) The technical feasibility of achieving the minimum 12 postconsumer recycled content requirements in covered products that are regulated under 21 C.F.R., chapter I, subchapter G, 7 U.S.C. Sec. 13 136, 15 U.S.C. Sec. 1471-1477, 49 C.F.R. Sec. 178.33b, 49 C.F.R. Sec. 14 173, 40 C.F.R. Sec. 152.10, 15 U.S.C. Sec. 1261-1278, 49 U.S.C. 5101 15 16 et seq., 49 C.F.R. Sec. 178.509, 49 C.F.R. Sec. 179.522, 49 C.F.R. 17 Sec. 178.600-609, and other federal laws; and

(vi) The progress made by producers in achieving the goals of 18 19 this section.

20

(c) Under (a) of this subsection((÷

21 (i) The department may not adjust the minimum postconsumer recycled content requirements above the minimum postconsumer recycled 22 23 content percentages for the year under review required pursuant to subsection (4), (5), or (6) of this section. 24

25 (ii) For plastic household cleaning and personal care product containers, the department may not adjust the minimum postconsumer 26 recycled content requirements above the minimum postconsumer recycled 27 28 content percentages for the year under review required pursuant to subsection (5) of this section or below a minimum of 10 percent. 29

(iii) For plastic trash bags)), the department may not adjust the 30 31 minimum postconsumer recycled content requirements above the minimum postconsumer recycled content percentages for the year under review 32 required pursuant to subsection (((-6))) <u>(1), (2), or (3)</u> of this 33 section or below the minimum percentage required in subsection 34 (((6))) <u>(1)</u>(a), <u>(2)(a)</u>, or <u>(3)(a)</u> of this section. 35

(d) A producer or the <u>certified PCRC product</u> manufacturing 36 industry ((for a covered product)) may appeal a decision by the 37 department to adjust postconsumer recycled content percentages under 38 39 (a) of this subsection or to temporarily exclude covered products 40 from minimum postconsumer recycled content requirements ((under Code Rev/ML:akl H-0947.1/23 subsection (8) of this section)) to the pollution control hearings board within 30 days of the department's determination.

((-(8))) (5) The department must temporarily exclude from minimum 3 postconsumer recycled content requirements for the upcoming year any 4 types of covered products in plastic containers for which a producer 5 6 annually demonstrates to the department by December 31st of a given 7 the achievement of postconsumer recycled content vear that requirements in the container material is not technically feasible in 8 order to comply with health or safety requirements of federal law, 9 including the federal laws specified in subsection (7)(b)(v) of this 10 11 section. A producer must continue to register and report consistent 12 with the requirements of this chapter for covered products temporarily excluded from minimum postconsumer recycled content 13 requirements under this subsection. 14

15 (((9))) <u>(6)</u> A producer that does not achieve the postconsumer 16 recycled content requirements established under this section <u>or does</u> 17 <u>not comply with the labeling requirements established in chapter</u> 18 <u>70A.245 RCW</u> is subject to penalties established in RCW 70A.245.040.

19 (((10))) (7)(a) A city, town, county, or municipal corporation 20 may not implement local recycled content requirements for ((a covered 21 product that is)) certified PCRC products that are subject to minimum 22 postconsumer recycled content requirements established in this 23 section.

(b) A city, town, county, or municipal corporation may establish local purchasing requirements that include recycled content standards that exceed the minimum recycled content requirements established by this chapter for ((plastic household cleaning and personal care product containers or plastic trash bags)) certified PCRC products purchased by a city, town, or municipal corporation, or its contractor.

31 (((11) The department may enter into contracts for the services 32 required to implement this chapter and related duties of the 33 department.

34 (12)) (8) In-state distributors, wholesalers, and retailers in 35 possession of ((covered products)) certified PCRC products 36 manufactured before the date that postconsumer recycled content 37 requirements become effective may exhaust their existing stock 38 through sales to the public.

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1 Sec. 215. RCW 70A.245.030 and 2021 c 313 s 4 are each amended to 2 read as follows:

3 (1) (((a) Except as provided in (b) and (c) of this subsection, beginning April 1, 2024, each producer of covered products, 4 individually or through a third party representing a group of 5 6 producers, must provide an annual report to the department that 7 includes the amount in pounds of virgin plastic and the amount in pounds of postconsumer recycled content by resin type used for each 8 category of covered products that are sold, offered for sale, or 9 10 distributed in or into Washington state, including the total postconsumer recycled content resins as a percentage of total weight. 11 The report must be submitted in a format and manner prescribed by the 12 department. A manufacturer may submit national data allocated on a 13 per capita basis for Washington to approximate the information 14 required in this subsection if the producer or third-party 15 16 representative demonstrates to the department that state level data 17 are not available or feasible to generate.

18 (b) The requirements of (a) of this subsection apply to household 19 cleaning and personal care products in plastic containers beginning 20 April 1, 2026.

21 (c) The requirements of (a) of this subsection apply to wine in 22 187 milliliter plastic beverage containers and dairy milk in plastic 23 beverage containers beginning April 1, 2029.

(d) The department must post the information reported under this 24 25 subsection on its website, except as provided in subsection (2) of this section)) A plastic trash bag producer must maintain a 26 certificate of compliance, conducted by a third-party certification 27 entity, stating that a plastic trash bag is in compliance with the 28 labeling requirements of RCW 70A.245.060 and the postconsumer 29 recycled content requirements of RCW 70.245.020. A producer of other 30 certified PCRC products must maintain a certificate of compliance 31 32 stating that the certified PCRC product is in compliance with the postconsumer recycled content requirements of RCW 70A.245.020. A 33 34 third-party certification entity must be an independent, accredited 35 (ISO/IEC 17065) certifying body.

36 (2) A producer ((that submits information or records to the 37 department under this chapter may request that the information or 38 records be made available only for the confidential use of the 39 department, the director, or the appropriate division of the 40 department. The director of the department must give consideration to

1 the request and if this action is not detrimental to the public interest and is otherwise in accordance with the policies and 2 purposes of chapter 43.21A RCW, the director must grant the request 3 for the information to remain confidential as authorized in RCW 4 43.21A.160)) shall develop a compliance certificate by the dates on 5 6 which the postconsumer recycled content requirements in RCW 70A.245.020 take effect for the producer's certified PCRC products. 7 (3) If compliance with minimum recycled content requirements is 8 achieved through an adjustment made pursuant to RCW 70A.245.020(4), 9 10 the certificate must state the specific basis upon which the exemption is claimed. 11 (4) (a) The certificate of compliance must be signed by an 12 authorized official of the producer. 13 (b) The certificate of compliance must be kept on file by the 14 15 producer for three years from the date of the last sale or 16 distribution by the producer. 17 (c) A producer must furnish a certificate of compliance to the department upon request within 60 days. 18 19 (d) Requests from a member of the public for any certificate of compliance must be made in writing to the department and must be 20 specific as to the certified PCRC product information requested. The 21 department must respond to requests from a member of the public under 22 23 this subsection within 90 days. 24 (e) If manufacturers are required under any other state statute, including chapter 70A.222 RCW, to provide a certificate of 25 compliance, one certificate may be developed containing all required 26 27 information. 28 (f) If the producer of the certified PCRC product reformulates or creates a new certified PCRC product, the producer shall develop an 29 30 amended or new certificate of compliance for the reformulated or new 31 certified PCRC product.

Sec. 216. RCW 70A.245.040 and 2021 c 313 s 5 are each amended to 32 33 read as follows:

34 (1) (((a) A producer that does not meet the minimum postconsumer recycled content requirements pursuant to RCW 70A.245.020 is subject 35 to a penalty pursuant to this section. Beginning June 1st of the year 36 37 following the first year that minimum postconsumer recycled product 38 content requirements apply to a category of covered product, the 39 penalty must be calculated consistent with subsection (2) of this Code Rev/ML:akl $H = 0.947 \cdot 1/23$

section unless a penalty reduction or corrective action plan has been
approved pursuant to subsection (3) of this section.

3 (b) A producer that is assessed a penalty pursuant to this 4 section may pay the penalty to the department in one payment, in 5 quarterly installments, or arrange an alternative payment schedule 6 subject to the approval of the department, not to exceed a 12-month 7 payment schedule unless the department determines an extension is 8 needed due to unforeseen circumstances, such as a public health 9 emergency, state of emergency, or natural disaster.

10 (2) Beginning June 1st of the year following the first year that 11 minimum postconsumer recycled product content requirements apply to a category of covered product, and annually thereafter, the department 12 shall determine the penalty for the previous calendar year based on 13 the postconsumer recycled content requirement of the previous 14 calendar year. The department shall calculate the amount of the 15 16 penalty based upon the amounts in pounds in the aggregate of virgin 17 plastic, postconsumer recycled content plastic, and any other plastic per category used by the producer to produce covered products sold or 18 offered for sale in or into Washington state, in accordance with the 19 20 following:

(a) (i) The annual penalty amount assessed to a producer must equal the product of both of the following: The total pounds of plastic used per category multiplied by the relevant minimum postconsumer recycled plastic target percentage, less the pounds of total plastic multiplied by the percent of postconsumer recycled plastic used; multiplied by 20 cents.

27 (ii) Example: [(Total pounds of plastic used x minimum 28 postconsumer recycled plastic target percentage) - (Total pounds of 29 plastic used x postconsumer recycled plastic percentage used)] x 20 30 cents.

31 (b) For the purposes of (a) of this subsection, both of the 32 following apply:

33 (i) The total pounds of plastic used must equal the sum of the 34 amount of virgin plastic, postconsumer recycled content plastic, and 35 any other plastic used by the producer, as reported pursuant to RCW 36 70A.245.030.

37 (ii) If the product calculated pursuant to (a) of this subsection 38 is equal to or less than zero, the department may not assess a 39 penalty.

1	(3)(a)(i) The department shall consider granting a reduction of
2	penalties assessed pursuant to this section for the purpose of
3	meeting the minimum postconsumer recycled content requirements
4	required pursuant to RCW 70A.245.020.
5	(ii) In determining whether to grant the reduction pursuant to
6	(a)(i) of this subsection, the department shall consider, at a
7	minimum, all of the following factors:
8	(A) Anomalous market conditions;
9	(B) Disruption in, or lack of supply of, recycled plastics; and
10	(C) Other factors that have prevented a producer from meeting the
11	requirements.
12	(b) In lieu of or in addition to assessing a penalty under this
13	section, the department may require a producer to submit a corrective
14	action plan detailing how the producer plans to come into compliance
15	with RCW 70A.245.020.
16	(4) For the purposes of determining compliance with the
17	postconsumer recycled content requirements of this chapter, the
18	department may consider the date of manufacture of a covered product
19	or the container of a covered product.
20	(5) A producer shall pay the penalty assessed pursuant to this
21	section, as applicable, based on the information reported to the
22	department as required under RCW 70A.245.030 in the form and manner
23	prescribed by the department.
24	(6))) <u>(a) The department may assess a civil penalty to a producer</u>
25	in violation of the requirements of RCW 70A.245.020, 70A.245.030, or
26	70A.245.060 in the amount of up to \$2,000 for the first violation of
27	this chapter, up to \$5,000 for the second violation of this chapter,
28	and up to \$10,000 for the third and any subsequent violation of RCW
29	70A.245.020, 70A.245.030, or 70A.245.060.
30	(b) A specific violation is deemed to have occurred upon the sale
31	of noncompliant product by stock-keeping unit number or unique item
32	number. The repeated sale of the same noncompliant product by stock-
33	keeping unit number or unique item number is considered a single
34	violation.
35	(2) In addition to the penalties authorized under subsection (1)
36	of this section, the department may prohibit the sale of any
37	certified PCRC products for which a manufacturer has failed to
38	respond to a request by the department for a certificate of
39	compliance within 60 days.

1 <u>(3) For the purposes of determining compliance with the</u> 2 postconsumer recycled content requirements of this chapter, the 3 department may consider the date of manufacture of a certified PCRC 4 product.

5 <u>(4)</u> A producer may appeal the penalty assessed under this section 6 to the pollution control hearings board within 30 days of assessment. 7 <u>(((7))) (5)</u> Penalties collected under this section must be 8 deposited in the recycling enhancement account created in RCW 9 70A.245.100.

10 Sec. 217. RCW 70A.245.090 and 2021 c 313 s 12 are each amended 11 to read as follows:

12 (1) ((The department may conduct audits and investigations for 13 the purpose of ensuring compliance with RCW 70A.245.020 and 14 70A.245.040 based on the information reported under RCW 70A.245.030.

15 (2) The department shall annually publish a list of registered 16 producers of covered products and associated brand names, their 17 compliance status, and other information the department deems 18 appropriate on the department's website.

19 (3)) To assist regulated parties with the requirements specified 20 under RCW 70A.245.070 and 70A.245.080, the department:

(a) Must prepare and post on its website information regarding the prohibitions on the sale and distribution of expanded polystyrene products as specified under RCW 70A.245.070 and restrictions on the provision of optional serviceware under RCW 70A.245.080;

(b) For education and outreach to help implement RCW 70A.245.070 and 70A.245.080, may develop culturally appropriate and translated educational materials and resources for the state's diverse ethnic populations from existing materials used by local jurisdictions and other states.

30 (((++))) (2) The department may adopt rules as necessary to 31 administer, implement, and enforce this chapter.

32 Sec. 218. RCW 70A.245.100 and 2021 c 313 s 13 are each amended 33 to read as follows:

The recycling enhancement account is created in the custody of the state treasurer. All penalties collected by the department pursuant to RCW 70A.245.040 ((and)), 70A.245.050, and sections 123, 211, and 319 must be deposited in the account. Only the director of the department or the director's designee may authorize expenditures Code Rev/ML:akl 87 H-0947.1/23 1 from the account. The account is subject to the allotment procedures 2 under chapter 43.88 RCW, but an appropriation is not required for 3 expenditures. Expenditures from the account may be used by the 4 department only for providing grants to local governments for the 5 purpose of supporting local solid waste and financial assistance 6 programs.

7 Sec. 219. RCW 70A.245.120 and 2021 c 313 s 15 are each amended 8 to read as follows:

9 (1) Subject to the availability of amounts appropriated for this 10 specific purpose prior to January 1, 2028, the department shall 11 contract with a research university or an independent third-party 12 consultant to study the plastic resin markets for all of the 13 following:

(a) Analyzing market conditions and opportunities in the state's
recycling industry for meeting the minimum postconsumer recycled
content requirements for ((covered products)) certified PCRC products
pursuant to RCW 70A.245.020 and 70A.245.030 for products subject to
minimum postconsumer recycled content requirements under chapter
<u>70A.--- RCW (the new chapter created in section 601 of this act)</u>; and

20 (b) Determining the data needs and tracking opportunities to 21 increase the transparency and support of a more effective, fact-based 22 public understanding of the recycling industry.

(2) If funding is provided pursuant to subsection (1) of this section and the department undertakes the study, the study must be completed by May 1, 2029. <u>The requirements of this section may be</u> <u>satisfied through a needs assessment as described in section 105(6)</u> of this act.

28 (3) This section expires July 1, 2029.

29 Sec. 220. RCW 70A.245.060 and 2021 c 313 s 7 are each amended to 30 read as follows:

31 (1) Beginning January 1, 2023, producers shall label each package 32 containing plastic trash bags sold, offered for sale, or distributed 33 in or into Washington with:

(a) The name of the producer and the city, state, and country
 where the producer is located, which may be designated as the
 location of the producer's corporate headquarters, and, beginning
 January 1, 2025, the percentage of postconsumer recycled content that

38 the plastic trash bag contains; or

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1 (b) A uniform resource locator or quick response code to an 2 internet website that contains the information required pursuant to 3 (a) of this subsection.

4 (2)(a) The provisions of subsection (1) of this section do not 5 apply to a plastic bag that is designed and manufactured to hold, 6 store, or transport dangerous waste or biomedical waste.

7 (b) For the purposes of this subsection:

8 (i) "Biomedical waste" means any waste defined as that term under9 RCW 70A.228.010; and

10 (ii) "Dangerous waste" means any waste defined as dangerous 11 wastes under RCW 70A.300.010.

12

Part Three

13Reimbursable Deposit Program Standards (Beverage Container Deposit14Program Provisions)

15 <u>NEW SECTION.</u> Sec. 301. DEFINITIONS. The definitions in this 16 section and section 102 of this act apply throughout this chapter 17 unless the context clearly requires otherwise.

18 (1) "Dealer" has the same meaning as "retail establishment" as 19 that term is defined in section 102 of this act.

20

(2) "Department" means the department of ecology.

(3) "Deposit return system" means a beverage container redemption program that pays a per unit refund value to consumers for qualifying beverage containers and collects and processes qualifying beverage containers as described in section 310 of this act.

(4) "Distributor" means every person or entity who engages in the sale of beverages in beverage containers to a dealer in this state, including any producer who engages in such sales, and dealers who self-distribute their own brands.

29 (5) "Distributor responsibility organization" means an individual 30 distributor or a producer responsibility organization formed as a cooperative association as defined under chapter 23.86 RCW, or an 31 alternative structure as approved by the department, that 32 is designated by a group of distributors representing the majority of 33 34 beverages sold in qualifying beverage containers in the state, to develop and carry out the activities required of distributors by this 35 36 chapter.

37 (6) "Qualifying beverage container" means beverage containers as38 described in section 303 of this act.

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<u>NEW SECTION.</u> Sec. 302. RELATIONSHIP WITH CHAPTER 70A.--- RCW 1 (THE NEW CHAPTER CREATED IN SECTION 601 OF THIS ACT). (1) As an 2 alternative to satisfying its compliance obligation under chapter 3 70A.--- RCW (the new chapter created in section 601 of this act) for 4 the qualifying beverage containers of participating producers, a 5 6 producer responsibility organization is not required to consider qualifying beverage containers to be covered products for purposes of 7 chapter 70A.--- RCW (the new chapter created in section 601 of this 8 act) upon a distributor responsibility organization's establishment 9 and operation of a deposit return system for the qualifying beverage 10 11 containers described in section 303 of this act.

12 (2) This chapter, related to the establishment of a deposit 13 return system, establishes requirements for the management of the 14 containers described in section 303 of this act.

(3) (a) The requirements of sections 303 through 319 of this act 15 16 do not apply to qualifying beverage containers unless and until a 17 distributor responsibility organization, other than а single 18 distributor acting as a distributor responsibility organization, is established and files a written notice with the department at the 19 time of producer responsibility organization registration under 20 chapter 70A.--- RCW (the new chapter created in section 601 of this 21 act), that the distributor responsibility organization will establish 22 and operate a deposit return system. 23

(b) Upon the receipt of the written notice by the department under (a) of this subsection, all qualifying beverage containers of all producers subject to the requirements of chapter 70A.--- RCW (the new chapter created in section 601 of this act) cease to be considered covered products for purposes of chapter 70A.--- RCW (the new chapter created in section 601 of this act) and are instead subject to the requirements of this chapter.

31 (c) Nothing in this section excludes packaging associated with 32 qualifying beverage containers, other than the qualifying beverage 33 container itself, from the requirements of chapter 70A.--- RCW (the 34 new chapter created in section 601 of this act).

35 <u>NEW SECTION.</u> Sec. 303. QUALIFYING BEVERAGE CONTAINERS. (1)
36 Sections 301 through 319 of this act apply to: Except as provided in
37 subsection (2) of this section, any individual, separate, sealed
38 glass, metal, or plastic bottle or can, except for a carton, foil
39 pouch, drink box, or metal container that requires a tool to be
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opened, that contains any beverage intended for human consumption and
 in a quantity of less than or equal to two and one-half gallons.

3 (2) The requirements of this chapter do not apply to dairy milk,
4 infant formula, or beverages excluded from the requirements of this
5 chapter by rules adopted by the department.

6 NEW SECTION. Sec. 304. DISTRIBUTOR RESPONSIBILITY ORGANIZATION-7 CREATION AND REGISTRATION. (1) (a) Each distributor that offers for sale, sells, or distributes in or into Washington qualifying beverage 8 9 containers must either join a distributor responsibility organization independently fulfill the duties 10 or must of а distributor 11 responsibility organization. This requirement takes effect four 12 months after a producer responsibility organization or a distributor 13 responsibility organization, other than a single distributor acting as a distributor responsibility organization, notifies the department 14 of its intent to operate a deposit return program under section 302 15 16 of this act.

А distributor 17 distributor that has joined (b) not а responsibility organization or that does not independently fulfill 18 the duties of a distributor responsibility organization may not sell, 19 20 distribute, make available for sale, or otherwise supply beverages in 21 qualifying beverage containers in or into Washington three months after the date specified in (a) of this subsection. A distributor 22 23 that operates in violation of this requirement is subject to penalties as described in section 319 of this act. 24

(2) (a) To qualify as a distributor responsibility organization 25 26 and be approved by the department as described in section 307 of this 27 act, a distributor responsibility organization must demonstrate to satisfaction that its member 28 the department's distributors distributed the majority of beverages in qualifying beverage 29 containers sold or made available for sale in the state during the 30 most recent year for which such distribution data are available. 31

32 (b) A distributor responsibility organization that implements or 33 proposes to implement a plan under this chapter may not include on 34 its board of directors or other governing structure, or otherwise be 35 governed by, representatives or affiliates of any public or private 36 entities that submit bids to perform work for the distributor 37 responsibility organization or that contract with the distributor 38 responsibility organization.

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1 (3)(a) By the date specified in subsection (1)(a) of this 2 section, a distributor responsibility organization and any 3 distributors independently fulfilling the requirements of this 4 chapter must register with the department and must submit with its 5 registration the following information:

6 (i) A list of the member distributors of the distributor responsibility organization, their brands of beverages distributed by 7 distributor or member distributors of the distributor 8 the responsibility organization, members of the board of directors or 9 other governing structure of the distributor responsibility 10 organization, and a description, including the materials, of the 11 12 qualifying beverage containers; and

(ii) The total gross sales volume of beverages in qualifying beverage containers distributed by the distributor or the member distributors in Washington during the most recent year for which such data are available.

17 (b) If there are changes to the list of member distributors, 18 distributed brands, or members of the board of directors or other 19 governing structure of the distributor responsibility organization by 20 the end of a given quarter, the distributor responsibility 21 organization must submit an updated list to the department within 30 22 days of the end of that quarter.

(4) Until a distributor responsibility organization begins to submit annual reports as specified in section 311 of this act, by January 15th of each year, beginning the year after distributor responsibility organization registration, a distributor responsibility organization must submit the following data for the prior calendar year:

(a) A list of its member distributors and their brands of
 beverages in qualifying beverage containers; and

31 (b) The number of qualifying beverage containers sold or made 32 available for sale in the state, by material category and size. A 33 distributor responsibility organization may rely on member reporting 34 for the reporting requirements in this subsection. The number of any 35 qualifying beverage containers that are reusable or compostable must 36 each be reported separately from the number of other types of 37 qualifying beverage containers.

38 (5) By December 31st of the year of initial distributor 39 responsibility organization registration and every December 31st 40 thereafter, a distributor responsibility organization registered with Code Rev/ML:akl 92 H-0947.1/23 1 the department must submit an annual payment to the department to 2 fund the following costs:

3 (a) The cost to implement, administer, and enforce this chapter,
4 including rule making;

5 (b) One-half of the costs for the support and facilitation of the 6 advisory council created in section 120 of this act; and

7 (c) One-half of the costs for a new or updated performance rates8 study under section 105 of this act.

9 (6) Within 180 days of the adoption of rules related to this 10 chapter, a distributor responsibility organization registered with 11 the department as described in section 307 of this act must submit a 12 plan to the department that meets the requirements of a deposit 13 return system plan as specified in section 309 of this act.

14 (7) A distributor responsibility organization registered with the 15 department must implement a deposit return system, as specified in 16 section 310 of this act, no later than two years after registration 17 with the department.

(8) A distributor responsibility organization registered with the
department may require deposits to be collected to offset the refund
value up to 30 days prior to the start of the deposit return system.

(9) A distributor responsibility organization must respond, in writing, to the written comments and recommendations of the advisory council created in section 120 of this act within 60 days of receipt.

(10) A distributor responsibility organization that submits 24 25 information or records to the department under this chapter may request that the information or records be made available only for 26 27 the confidential use of the department, the director of the 28 department, or the appropriate division of the department. The director of the department must give consideration to the request and 29 if this action is not detrimental to the public interest and is 30 31 otherwise in accordance with the policies and purposes of chapter 32 43.21A RCW, the director must grant the request for the information to remain confidential as authorized in RCW 43.21A.160. 33

34 (11)(a) A distributor responsibility organization may not use 35 unclaimed deposits, commodity sale revenues from collected materials, 36 or other funds collected for purposes of implementing a plan required 37 under this chapter for costs associated with:

38 (i) The payment of an administrative penalty levied under this 39 chapter;

(ii) Administrative appeals of orders or penalties issued under
 this chapter;

3 (iii) Litigation between the distributor responsibility
4 organization and the state;

5 (iv) Compensation of a person whose position is primarily 6 representing the distributor responsibility organization relative to 7 the passage, defeat, approval, or modification of legislation that is 8 being considered by a government entity; or

9 (v) Paid advertisements related to encouraging the passage, 10 defeat, or approval, or modification of legislation that is being 11 considered during an upcoming or current legislative session or was 12 considered during the previous legislative session.

(b) Nothing in this section limits the authority of a distributor responsibility organization to collect funds, such as through a special assessment, for purposes other than implementing a plan required under this chapter, such as for the purposes identified in (a) (i) through (v) of this subsection.

18 <u>NEW SECTION.</u> Sec. 305. REFUND VALUE. (1) Except as provided in 19 subsection (2) of this section, every qualifying beverage container 20 sold or offered for sale in this state must have a refund value of 10 21 cents.

(2) The department must determine, by rule, an additional premium refund value consistent with section 309(2)(c) of this act, after soliciting input from the advisory council created in section 120 of this act.

26 <u>NEW SECTION.</u> Sec. 306. INDICATION OF REFUND VALUE. (1) Every beverage container sold or offered for sale in this state by a dealer 27 must clearly indicate by embossing or by a stamp, or by a label or 28 29 other method securely affixed to the beverage container, the refund 30 value of the container, as determined by rule adopted by the department. The indication of the refund value need not identify the 31 amount of the additional refund value premium specified in section 32 309(2)(c) of this act. 33

34 (2) A beverage container for wine may satisfy the requirement to 35 indicate the refund value of the container under subsection (1) of 36 this section through the use of a quick response code.

1 <u>NEW SECTION.</u> Sec. 307. DEPARTMENT DUTIES. (1) The department 2 must implement, administer, and enforce this chapter. The department 3 may adopt rules to implement, administer, and enforce this chapter.

4 (2)(a) By September 1st of each year after a distributor
5 responsibility organization has notified the department of its intent
6 to implement a deposit return system under section 302 of this act,
7 the department must:

8 (i) Prepare a workload analysis that identifies the projected 9 annual costs to implement, administer, and enforce this chapter, 10 including rule making, in the next fiscal year;

11 (ii) Determine a total annual fee payment to be paid by each 12 distributor responsibility organization consistent with section 13 304(5) of this act that is adequate to cover, but not exceed, the 14 costs identified in (a)(i) of this subsection and one-half of the 15 costs of:

16 (A) Any performance rates studies or updates, as established in 17 section 105 of this act; and

(B) Support and facilitation of the advisory council created insection 120 of this act;

(iii) Until rules are adopted under (a)(iv) of this subsection, issue a general order to all registered distributor responsibility organizations. The department must equitably determine fee amounts for distributor responsibility organizations;

(iv) By 2026, adopt rules to equitably determine annual fee payments by distributor responsibility organizations. Once these rules are adopted, the general order issued under (a)(iii) of this subsection is no longer effective; and

(v) Send notice to distributor responsibility organizations of fee amounts due consistent with either the general order issued under (a)(iii) of this subsection or rules adopted under (a)(iv) of this subsection.

32

(b) The department must:

(i) Apply any remaining annual payment funds from the current year to the annual payment for the coming fiscal year, if the collected annual payment exceeds the costs identified under (a)(ii) of this subsection for a given year; and

(ii) Increase annual required payments for the coming fiscal year to cover the costs identified under (a)(ii) of this subsection, if the collected annual payment was less than the amount required to cover those costs for a given year.

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1 The department shall approve the registration of a (3) distributor responsibility organization submitted pursuant to section 2 304 of this act whose initial membership at the time of registration 3 represents, to the department's satisfaction, the distributors of a 4 majority of beverages in qualifying beverage containers sold or made 5 6 available for sale in Washington the prior year or the registration of a distributor acting as a distributor responsibility organization. 7 Except for an individual distributor fulfilling the distributor 8 responsibility organization, the department may not approve the 9 registration of a distributor responsibility organization whose 10 11 initial membership at the time of registration does not represent the 12 distributors of a majority of beverages in qualifying beverage containers sold or made available for sale in Washington the prior 13 14 year.

15 (4) The department must review new, updated, and revised plans 16 submitted by distributor responsibility organizations as required in 17 section 309 of this act. The department must:

(a) Make new, updated, and revised plans available for public
review and comment for at least 30 days prior to the department's
approval decision;

(b) Review new, updated, and revised distributor responsibility organization plans within 120 days of receipt of a complete plan;

(c) Make a determination as to whether or not to approve a plan, plan update, or plan revision and notify the distributor responsibility organization of the:

(i) Determination of approval if a plan provides for a program
 that meets the requirements of this chapter, taking into
 consideration comments received under (a) of this subsection; or

29 Reasons for not approving a plan. The (ii) distributor responsibility organization must submit a new or revised plan within 30 31 60 days after receipt of the letter of disapproval. In the event that 32 a new or revised plan submitted by a distributor responsibility organization does not sufficiently meet the requirements of this 33 chapter, including any deficiencies identified in the initial letter 34 35 of disapproval, the department may:

36 (A) Use the enforcement powers specified in section 319 of this 37 act; or

(B) Amend the contents of the insufficient new or revised plan ina manner that ensures that the plan meets the requirements of this

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chapter and the department may require the distributor responsibility
 organization to implement the plan as amended by the department;

3 (d) The approval of a plan by the department does not relieve 4 distributors participating in the plan from responsibility for 5 fulfilling the requirements of this chapter.

6 (5) The department must review annual reports submitted by 7 distributor responsibility organizations as required in section 311 8 of this act. The department must:

9 (a) Make annual reports available for public review and comment 10 for at least 30 days upon the receipt of the annual report by the 11 department;

12 (b) Review within 120 days of receipt of a complete annual 13 report;

14 (c) Make a determination as to whether or not an annual report 15 meets the requirements of section 311 of this act and notify the 16 producer responsibility organization of the:

17

(i) Determination of approval of the annual report; or

18 (ii) Reasons for not approving the annual report. The distributor 19 responsibility organization must submit a revised annual report 20 within 60 days after receipt of the letter of disapproval;

(d) Notify a distributor responsibility organization if the annual report demonstrates that the program and activities to implement the plan fail to achieve the performance rates approved by the department or otherwise fail to achieve significant requirements under this chapter.

26 (6) In order to determine compliance with this chapter, the 27 department may review the records of a distributor responsibility 28 organization.

(7) If in the course of a review described in subsection (6) of 29 this section the department determines that an audit of a distributor 30 31 responsibility organization is necessary to verify the redemption rate, the department shall require the distributor responsibility 32 organization to retain an independent audit firm to determine the 33 accuracy of the redemption rate. A distributor responsibility 34 organization that is subject to review must pay the costs of the 35 36 audit.

37 (8)(a) The department shall create and administer a curbside 38 revenue augmentation fund which must, for the first five years in 39 which a distributor responsibility organization operates a deposit 40 return system in the state:

(i) Collect funds from a distributor responsibility organization
 as described in this section; and

(ii) Beginning January 1st of the year following the year in 3 which a distributor responsibility organization first operates a 4 deposit return system in the state, and each January 1st for the 5 6 following four years, accept requests annually from local 7 governments, or operators of curbside recycling programs in the state, or both, to receive funds from the curbside revenue 8 augmentation fund to offset revenue losses from the previous year. 9 These requests must include third-party audited financial 10 data demonstrating any revenue losses from the value of scrap materials 11 12 diverted from curbside recycling by a deposit return system, less any decreased operating costs from not collecting, hauling, processing, 13 or landfilling the material. Each request must include the average 14 per household weight of material by type (glass, plastic, and metal) 15 16 for that applicant for the five years preceding the operation of a 17 deposit return system in the state, compared to the average household 18 weight of material by type for the year prior to the year in which 19 funds are requested.

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(b) The department shall:

21 (i) Evaluate all requests annually and determine the validity of 22 the data submitted by each requester;

23 (ii) Reject requests that do not include sufficient or 24 sufficiently accurate data;

(iii) Distribute funds to operators of curbside recycling systems proportionally, based on valid requests and available revenue in the fund; and

(iv) If the total amount of requests deemed valid by the department is less than the amount of funds available each year, less the department's program funding described in subsection (2) of this section, the department shall remit the remaining balance back to the distributor responsibility organization.

33 NEW SECTION. Sec. 308. REUSE AND RECYCLING PERFORMANCE 34 REQUIREMENTS. (1) To meet the reuse and recycling performance 35 requirements established in this section, a distributor responsibility organization must: 36

37 (a) Demonstrate that all qualifying beverage containers38 distributed by its member distributors are designed to be reusable or

1 recyclable by January 1, 2031, in accordance with criteria
2 established by the department;

(b) Calculate the reuse and recycling rates of qualifying 3 beverage containers and provide the verification to the department as 4 part of the annual reporting requirements. For materials reclaimed 5 6 under a deposit return system, the calculation point for the redemption rate is the number of qualifying beverage containers 7 redeemed statewide by the distributor responsibility organization 8 divided by the number of qualifying beverage containers sold in the 9 state by members of the distributor responsibility organization. 10

11 (2) At a minimum, each plan must achieve the following 12 performance requirements:

(a) By 2028, a minimum of 60 percent of all qualifying beverage
containers supplied into the state by its member distributors are
reused or recycled through the deposit return system;

(b) By 2031, a minimum of 80 percent of all qualifying beverage containers supplied into the state by its member distributors are reused or recycled through the deposit return system;

(c) (i) By 2028, a minimum of 5 percent of all qualifying beverage containers sold into the state by its member distributors are reusable;

(ii) By 2030, a minimum of 10 percent of all qualifying beveragecontainers sold into the state are reusable; and

(iii) By 2035, a minimum of 25 percent of all qualifying beveragecontainers sold into the state are reusable.

(3) To be included in a performance rate calculation for purposes
 of this chapter, recycled materials must be transferred to a
 responsible end market.

29 <u>NEW SECTION.</u> Sec. 309. DEPOSIT RETURN SYSTEM PLAN. (1) No later 30 than 12 months after a distributor responsibility organization has 31 been approved by the department pursuant to section 307 of this act, 32 the distributor responsibility organization must submit a deposit 33 return system plan to the department.

34

(2) The deposit return system plan must:

(a) Impose a refund value for all qualifying beverage containers
 covered under the plan, consistent with section 305 of this act;

37 (b) Identify methods for collecting qualifying beverage 38 containers from consumers and for paying consumers the refund value 39 of the qualifying beverage containers;

1 (c) Include a process for accepting direct, sorted returns for an 2 additional refund value premium if the containers are returned by a 3 501(c)(3) organization that is approved by the distributor 4 responsibility organization and serve very low-income individuals who 5 rely on regular container refunds through the deposit return system 6 as a source of daily funds;

7 (d) Identify the governing board members of the distributor 8 responsibility organization;

9 (e) List and explain the qualifying beverage containers supplied 10 or sold in or into Washington by each member distributor and their 11 brands of beverages participating in the plan;

(f) Describe how the distributor responsibility organization will use and interact with recycling programs and infrastructure that predate the implementation of the plan and with producer responsibility organizations formed under chapter 70A.--- RCW (the new chapter created in section 601 of this act);

17 (g) Include a list and description of qualifying beverage 18 container reuse and refill collection systems and processing 19 infrastructure;

20 (h) Describe activities to be undertaken to make convenient 21 collection services available for covered products in accordance with 22 the convenience standards established under section 310 of this act;

(i) Describe activities to be undertaken to implement the education and outreach component as required under section 316 of this act;

(j) Describe activities to be undertaken to minimize the amount and cost of residual nonrecyclable materials from the collection and processing of qualifying beverage containers. These include residual nonrecyclable materials from material recovery facilities or similar facilities producing specification grade commodities for sale, but do not include residuals from further processing of end market-ready material;

33 (k) Describe activities to be undertaken to develop or support 34 responsible end markets for qualifying beverage containers;

(1) Describe how plan implementation will maintain responsible management practices for qualifying beverage containers through to final disposition and ensure that any qualifying beverage containers collected for recycling will be delivered to a responsible end market;

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(m) Include a stakeholder consultation report, as described in
 section 315 of this act;

3 (n) Describe how the distributor responsibility organization will 4 coordinate with producer responsibility organizations under chapter 5 70A.--- RCW (the new chapter created in section 601 of this act) and 6 other distributor responsibility organizations in the state, in 7 specific terms;

8 (o) Include the contingency plan described in section 317 of this 9 act; and

10 (p) Include any other information to be included in the plan as 11 required by the department by rule.

(3) (a) The initial plans due to be submitted under this section may address no more than three calendar years, dating from the date on which the plan is due to be submitted to the department. Within two years of implementation of its initial plan, a distributor responsibility organization must submit an updated plan for the following five calendar years to address changes in the operations and activities of the program.

19 (b) For plans other than those described in (a) of this 20 subsection, a distributor responsibility organization must submit a 21 plan to the department that addresses five calendar years of 22 operation, dating from the date on which the plan is due to be 23 submitted to the department. A plan is valid for no more than five 24 years.

(c) For all subsequent plans submitted after the initial plan, a distributor responsibility organization must submit to the department, one year prior to the expiration of the plan, an updated plan for the following five calendar years of operation to address changes in the operations and activities of the program.

(d) If the performance rates set in section 308 of this act have 30 31 not been met as of the time of plan update, the distributor 32 responsibility organization must arrange for an independent evaluation to be conducted of the distributor responsibility 33 organization's efforts to implement the plan approved by the 34 department. The evaluation must provide information for the 35 distributor responsibility organization to use to target and improve 36 program outcomes relative to the proposed and approved performance 37 38 rates.

39 (e) A distributor responsibility organization must carry out the 40 consultation process established in section 315 of this act prior to Code Rev/ML:akl 101 H-0947.1/23 the submission of each plan and plan update. The consultation process established in section 315 of this act is not required to be carried out by a distributor responsibility organization that is submitting a revised plan:

5

(i) In response to an order from the department; or

6 (ii) Subsequent to a letter disapproving of a plan submission by 7 the distributor responsibility organization and for which the 8 original plan submitted by the distributor responsibility 9 organization had been subject to the consultation process required in 10 section 315 of this act.

11 (4) (a) A distributor responsibility organization may choose to 12 update its plan if significant changes have occurred.

13 (b) The department may require a distributor responsibility 14 organization to update its plan more frequently than every five years 15 if:

16 (i) The program and activities to implement the plan fail to 17 achieve the performance rates set in section 308 of this act or 18 otherwise fail to achieve significant requirements under this 19 chapter;

(ii) Additional distributor responsibility organizations register with the department or receive approval from the department to begin implementing a plan; or

(iii) There are significant changes to the regulatory or economic environment in which plan activities are being carried out.

25 NEW SECTION. Sec. 310. OPERATION OF DEPOSIT RETURN SYSTEM. (1) (a) The distributor responsibility organization approved by the 26 27 department must, at its own cost, provide a convenient bulk drop-off option for bagged qualifying beverage containers at geographically 28 dispersed locations in Washington. The drop-off locations must be at 29 30 locations convenient to locations that sell beverages in qualifying 31 beverage containers, but nothing in this chapter may be interpreted to create a legal obligation on the part of dealers either to accept 32 returned qualifying beverage containers or to allow a drop-off 33 location to be sited at the dealer. 34

35 (b) The distributor responsibility organization may not charge 36 customers for the drop-off service and must credit the cost of any 37 required bag purchase back to the customer when the bag is processed. 38 If drop-off bags are made of plastic film, the bags must have a 39 minimum 50 percent recycled content and the distributor

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1 responsibility organization must be able to demonstrate that waste 2 film from bags is being recycled in the best commercially available 3 manner.

4 (c) Every distributor responsibility organization must identify 5 in its plan and on its website, in appropriate languages, maps of 6 each area where drop-off and other collection services for qualifying 7 beverage containers are available, a list and map of the location of 8 each permanent collection opportunity for qualifying beverage 9 containers, and the types and a list and map of locations of 10 alternate collection methods used.

(2) The distributor responsibility organization must establish at 11 12 least 270 bag drop-off sites around the state of Washington, distributed by county in proportion to the volume of qualifying 13 beverage containers sold in the county. Bag drop-off sites may be 14 located at dealers, or any other publicly owned facility convenient 15 16 to a dealer, but nothing in this chapter may be interpreted to create 17 a legal obligation on the part of dealers, retail establishments, or publicly owned facilities either to accept returned qualifying 18 beverage containers or to allow a bag drop-off site to be sited at 19 the dealer or publicly owned facility. All sites must be paid for in 20 21 full by the distributor responsibility organization.

(3) The distributor responsibility organization is not requiredto accept or pay refunds for:

(a) Any beverage container that visibly contains or is
 contaminated by a substance other than water, residue of the original
 contents, or ordinary dust;

(b) Any beverage container that is crushed, broken, or damaged to the extent that the brand appearing on the container cannot be identified; or

30 (c) Any beverage container for which the distributor 31 responsibility organization has evidence was not purchased through 32 the state's deposit return system, or for which a refund has already 33 been given.

(4) If the distributor responsibility organization uses automated industrial counting equipment to count containers returned in bulk and credit refund values to consumers, the distributor responsibility organization may use commercially viable methods of counting and must have a customer service system to serve as the remedy in the case of discrepancies.

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1 (5) The distributor responsibility organization may create 2 reasonable terms and conditions for participation in the program.

3 (6) Distributor responsibility organizations, government 4 entities, and service providers implementing the deposit return 5 system must manage qualifying beverage containers in a manner 6 consistent with the state's solid waste management hierarchy 7 established in RCW 70A.205.005.

8 (7) Qualifying beverage containers collected by the deposit 9 return system must be responsibly managed at facilities operating 10 with human health and environmental protection standards that are 11 broadly equivalent to or better than those required in the United 12 States and other countries that are members of the organization for 13 economic cooperation and development.

14 (8) Distributor responsibility organizations implementing a plan 15 must include measures to:

16 (a) Track, verify, and publicly report that the responsible 17 management of qualifying beverage containers collected by the deposit 18 return system is maintained and that recycled materials are delivered 19 to a responsible end market;

20 (b) Promote and facilitate reuse of qualifying beverage 21 containers designed to be reused;

(c) Meet the necessary quality standards for recycled materials so that qualifying beverage containers collected by the program may be used to manufacture new products;

(d) (i) Document the locations of all material recovery facilities and other processing facilities used to meet the requirements of this chapter, whether within Washington, elsewhere in North America, or outside of North America; and

(ii) Describe whether the processing facilities were preexisting,planned, or under construction as of plan approval.

31 (9) (a) Prior to deposit return use of any alternative recycling process for conversion of postuse plastic polymers for the purpose of 32 producing recycled material to be counted toward performance target 33 rates under this chapter, the distributor responsibility organization 34 must seek the department's approval and submit a third-party 35 assessment of the process's environmental impacts, as described under 36 this subsection. In order for an alternative recycling process to be 37 approved, the department must determine, after considering public 38 comment and input from the advisory council, that the alternative 39 recycling process produces similar or lesser impacts than those 40 H-0947.1/23 Code Rev/ML:akl 104
produced in recycling that uses purely mechanical means for each of the following environmental impacts:

3 (i) Air and water pollution and release or creation of any4 hazardous pollutants;

5 (ii) Energy efficiency and greenhouse gas emissions;

6 (iii) Generation of hazardous waste;

7 (iv) Environmental impacts on overburdened communities and 8 vulnerable populations as identified by the department under chapter 9 70A.02 RCW;

10 (v) Water usage including, but not limited to, impacts to local 11 water resources and sewage infrastructure; and

12 (vi) Other environmental impacts as determined by the department 13 by rule.

(b) The results of the assessment under (a) of this subsection must, whenever reported and communicated, provide full disclosure of geographical, temporal, and technological boundaries that have been selected for the assessment.

(c) The person preparing the assessment under (a) of this subsection may not be interested, directly or indirectly, in the ownership or operation of any recycling facility proposed to conduct the alternative recycling process under assessment.

22 (10) To facilitate recycling of covered products back into covered products and encourage development of circular economic 23 activity in the state and region, material recovery facilities and 24 25 other processing facilities handling materials under the program shall prioritize agreements with and on behalf of distributor or 26 distributor responsibility organizations regarding 27 long-term contracts and other purchase agreements based on fair market pricing 28 29 for commodities of comparable quality.

(11) Distributor responsibility organizations must coordinate 30 31 with other distributor responsibility organizations in Washington or other states and producer responsibility organizations in Washington 32 or other states to provide reimbursement and ensure that government 33 entities and service providers are reimbursed for recycling services 34 as required under this chapter, and to ensure that qualifying 35 beverage containers are not reported as supplied or managed by more 36 than one organization. 37

38 <u>NEW SECTION.</u> Sec. 311. REPORTING. (1) Beginning July 1st of the 39 year after an approved program begins to be implemented, and each Code Rev/ML:akl 105 H-0947.1/23

1 July 1st thereafter, a distributor responsibility organization must submit an annual report to the department for the preceding calendar 2 year of plan implementation. Each annual report must include data, 3 descriptions, and other information sufficient to 4 allow the department to determine whether a distributor responsibility 5 6 organization has fulfilled its obligations under this chapter during the preceding calendar year, including actions identified by the 7 distributor responsibility organization to be undertaken as part of 8 the plan submitted under section 309 of this act, and actions to 9 implement the requirements and other provisions of this chapter. 10

11

(2) Each annual report must include the following information:

12 (a) A list of the member distributors within the distributor13 responsibility organization;

(b) A list and explanation of the beverages in qualifying beverage containers supplied or sold in or into Washington to consumers by members of the distributor responsibility organization and the brands of qualifying beverage containers participating in the deposit return system;

(c) The number of qualifying beverage containers supplied into the state in aggregate, and by material categories of glass, metal, and plastic, by members of the distributor responsibility organization, as determined by an independent financial audit in conjunction with (k) of this subsection;

(d) The number of qualifying beverage containers returned in
aggregate, and by material categories of glass, metal, and plastic,
through the deposit return system operated by the distributor
responsibility organization;

(e) The final destinations of all recycled material managed bythe program;

30 (f) The annual redemption rate in aggregate, and by material 31 categories of glass, metal, and plastic;

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(g) When applicable, the annual proportion of reused containers;

33 (h) The number, distribution, and location of container return 34 locations in the state;

35 (i) The total annual budget for the distributor responsibility 36 organization;

37 (j) The total value of unclaimed refunds;

38 (k) The total cost of implementing the deposit return system, as 39 determined by an independent financial audit and performed by an 40 independent auditor, including:

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1 (i) Information regarding the independently audited financial 2 statements detailing all payments received and issued by the 3 distributor responsibility organization covered by the deposit return 4 system under the plan approved by the department;

(ii) A copy of the independent audit; and

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6 (iii) A detailed description of the infrastructure investments 7 made consistent with section 312 of this act.

<u>NEW SECTION.</u> Sec. 312. UNCLAIMED REFUNDS. The entire value of 8 unclaimed refunds collected under this chapter, whether held or 9 10 retained by distributors or by the distributor responsibility 11 organization, must be invested in operations and infrastructure supporting the reuse and recycling of qualifying beverage containers 12 in Washington. The distributor responsibility organization shall 13 provide audited financial details to demonstrate that the distributor 14 15 responsibility organization's infrastructure and operating budget is 16 greater than the value of 100 percent of the unclaimed refunds.

17 NEW SECTION. Sec. 313. PAYMENT OF DEPOSIT FOR COLLECTION USING OTHER INFRASTRUCTURE AND SERVICE PROVIDER AGREEMENTS. (1) The 18 19 distributor responsibility organization must accept, and must pay the 20 full refund value for, any qualifying beverage containers presented 21 to it by material recovery facilities, government entities, and other processing facilities handling recyclable materials as long as the 22 23 qualifying beverage containers have been collected and separated in 24 accordance with standards established by the distributor responsibility organization, and those standards have been approved 25 by the department. The methodology for determining the amount of 26 27 beverage containers presented for redemption by government entities, material recovery facilities, and other processing facilities 28 29 handling recyclable materials must include periodic third-party 30 auditing and verification. Redemption of any qualifying beverage 31 containers collected through services for which a producer responsibility organization established under chapter 70A.--- RCW 32 (the new chapter created in section 601 of this act) provides 33 34 reimbursement must be reported to the producer responsibility organization and may be factored into reimbursement rates as 35 specified by the producer responsibility organization plan approved 36 37 by the department.

1 (2)Service provider agreements between distributor responsibility organizations and government entities under this 2 chapter are limited in scope to authorizing the reimbursement of 3 costs and any other services included in a distributor responsibility 4 organization plan that are to be carried out by a government entity. 5 6 A distributor responsibility organization may not make a government 7 entity's reimbursement under this chapter contingent upon the performance of activities or the fulfillment of terms or conditions 8 that are not specified as a duty of government entities under this 9 chapter or required under a plan approved under this chapter. 10

(3) A distributor responsibility organization that enters into contractual agreements with service providers to carry out producer responsibilities under this chapter must:

14 (a) Use open, competitive, and fair procurement practices;

(b) Provide opportunities for women, minority, or veteran-owned businesses, small businesses, and independent operators to participate as service providers;

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(c) Require that all contracted service providers:

(i) Meet minimum operating standards, including the requirementsof this chapter and chapter 70A.205 RCW;

(ii) Meet high labor standards, including family level wages, providing benefits including health care and retirement plans or contributions, and demonstrate procurement from and contracts with women, minority, or veteran-owned businesses; and

(iii) Provide fair opportunities regardless of ethnicity, race,
 gender, age, disability, religion, sexual orientation, or national
 origin; and

28 (d) Require that contracted service providers maintain records and provide the producer responsibility organization with verifiable 29 chain of custody documentation up to the point of final disposition, 30 31 reporting parameters for material recovery facilities and other 32 processing facilities under section 110 of this act, and other 33 documentation necessary to evaluate the performance relative to the requirements of this chapter. 34 The producer responsibility organization must submit the records and documentation required under 35 this subsection to the department, upon request by the department. 36

37 (4) The department must consult with other state agencies in any 38 review of the distributor responsibility organization's consistency 39 with the standards established in this section.

1 (5) Nothing in this chapter requires a person, including a 2 business, to use a deposit return system created under this chapter 3 or precludes the disposal for recycling of qualifying beverage 4 containers via curbside recycling collection systems.

5 NEW SECTION. Sec. 314. DROP ACCOUNT. The deposit return organization program account is created in the custody of the state 6 treasury. All receipts received by the department under this chapter 7 must be deposited in the account. Expenditures from the account may 8 be used by the department only for implementing, administering, and 9 10 enforcing the requirements of this chapter. Only the director of the 11 department or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under 12 chapter 43.88 RCW, but an appropriation is not required for 13 expenditures. 14

15 <u>NEW SECTION.</u> Sec. 315. STAKEHOLDER CONSULTATION. (1) Each 16 distributor of qualifying beverage containers must participate in, 17 implement, and fund a distributor responsibility organization plan 18 approved by the department.

(2) A distributor responsibility organization that is registered with the department must develop and maintain a public website with enhanced language access informing the public of plan implementation details, including collection services and locations for each type of qualifying beverage containers, and a current list of all member producers and brands of beverages participating in the plan.

(3) Prior to submitting a new, updated, or revised plan to the 25 26 department, a distributor responsibility organization must conduct a 27 consultation process to directly and actively involve stakeholders in development of key plan elements established in section 309 of this 28 29 act. The distributor responsibility organization, through the 30 consultation process, must solicit and respond to input and recommendations from the advisory council established in section 120 31 of this act and other stakeholders. At a minimum, the consultation 32 process must include: 33

(a) Quarterly meetings open to the public with the advisory
 council subject to the requirements of chapter 42.30 RCW throughout
 the plan development process to discuss and review key plan elements;

37 (b) Consultation on the reimbursement rates to be used for any
 38 services other than curbside collection that are to be carried out by
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1 government entities and that may be included in producer 2 responsibility organization plans;

3 (c) Consultation on the service agreement template and any other 4 forms, contracts, or documents outlining the terms and conditions for 5 reimbursement to government entities for services delivered in 6 accordance with the requirements of this chapter;

7 (d) Opportunities for all stakeholders, including the advisory 8 council created in section 120 of this act, and members of the public 9 to provide comment on the plan for no less than 30 days prior to its 10 submission to the department;

(e) Presentations in various formats and languages as necessary
 for soliciting meaningful input on the plan and receiving comments
 including workshops, surveys, webinars, and one-on-one meetings; and

(f) Documentation of all comments received from the advisory 14 council created in section 120 of this act and other stakeholders, 15 16 and a summary of responses provided by the distributor responsibility 17 organization for purposes of a stakeholder consultation report to be included with the submission of a plan to the department. The 18 19 stakeholder consultation report must also describe each forum in which comments or input was received and how it was addressed in the 20 21 plan.

22 <u>NEW SECTION.</u> Sec. 316. EDUCATION AND OUTREACH. (1) Each plan implemented by a distributor responsibility organization under this 23 24 chapter must include education and outreach activities that effectively reach diverse residents, are accessible, are clear, and 25 support the achievement of the performance rates set in distributor 26 27 responsibility organization plans as described in section 309 of this act. To implement the education and outreach activities described in 28 the plan, a distributor responsibility organization must, at minimum: 29

30 (a) Develop and provide outreach and educational materials, 31 resources, and campaigns about the program to be used by dealers, 32 government entities, and nonprofit organizations. The materials, 33 resources, and campaigns developed under this section must encourage 34 participation in recycling collection and reuse and refill systems 35 and must achieve:

36 (i) Education and engagement with residents on recycling, reuse, 37 and refill practices;

38 (ii) Outreach to obtain consistently high levels of public 39 participation in and use of the deposit return system and reuse and Code Rev/ML:akl 110 H-0947.1/23 1 refill systems, including where and how to redeem qualifying beverage 2 containers, or return or refill reusable covered products; and

3 (iii) Education and engagement to reduce the rate of inbound 4 contamination or unwanted materials;

5 (b) Coordinate and fund the distribution and deployment of 6 statewide promotional campaigns developed under this section through 7 media channels that may include, but are not limited to, print 8 publications, radio, television, the internet, and online streaming 9 services;

10 (c) Use consistent and easy to understand messaging and education 11 statewide, with the aim of reducing resident confusion regarding the 12 recyclability, reuse, compostability, and end-of-life management 13 options available for different qualifying beverage containers;

(d) Be conceptually, linguistically, and culturally accurate for the communities served and tailored to effectively reach the state's diverse populations, including through meaningful consultation with overburdened communities and vulnerable populations;

18 (e) Establish a process for answering customer questions and 19 resolving customer concerns; and

(f) Evaluate the effectiveness of education and outreach efforts for the purposes of making progress toward performance requirements established in this chapter.

(2) (a) A distributor responsibility organization must coordinate with government entities that choose to participate in carrying out resident education and outreach in accordance with the approach specified in the distributor responsibility organization's plan.

(b) All distributor responsibility organizations implementing a 27 plan approved by the department must collaborate to present a 28 consistent statewide program to ensure that all state residents can 29 easily identify, understand, and access services provided by any 30 31 approved distributor responsibility organization. The department may 32 require distributor responsibility organizations to coordinate and 33 use consistent signage and consistent messaging in education and outreach activities under this section. 34

35 <u>NEW SECTION.</u> Sec. 317. CONTINGENCY PLAN. (1) A distributor 36 responsibility organization must submit to the department a 37 comprehensive contingency plan demonstrating how the activities in 38 the plan will continue to be carried out by some other entity, if 39 needed, such as an escrow company:

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(a) Until such time as a new plan is submitted and approved by
 the department;

3

(b) Upon the expiration of an approved plan;

4 (c) In the event that the distributor responsibility organization 5 has been notified by the department that they must transfer 6 implementation responsibility for the program to a different 7 distributor responsibility organization;

8 (d) In the event that the distributor responsibility organization 9 notifies the department that it will cease to implement an approved 10 plan; or

11 (e) In any other event that the distributor responsibility 12 organization can no longer carry out plan implementation.

13 (2) The contingency plan required in this section must be 14 submitted to the department as a component of the distributor 15 responsibility organization's initial plan submitted to the 16 department under section 309 of this act. The department may require 17 a distributor responsibility organization to update the contingency 18 plan required under this section coincident with any plan update 19 under section 309 of this act.

(3) The department must follow the same process and timelines for reviewing and approving the contingency plan as it follows for reviewing and approving the distributor responsibility organization's program plan under section 309 of this act.

24 NEW SECTION. Sec. 318. DAMAGES FOR FAILURE TO PAY REFUND VALUE. 25 Unless otherwise specified in a distributor responsibility organization's bylaws or in a contract between a distributor 26 27 responsibility organization and an individual distributor arranging specifically for the collection of beverage containers sold for the 28 purpose of consumption on premises, any manufacturer, distributor, or 29 30 importer that fails to pay to the distributor responsibility 31 organization the refund value of beverage containers included in this 32 chapter is liable to the distributor responsibility organization for treble the unpaid refund value and treble the collection costs 33 incurred by the distributor responsibility organization for any 34 beverage containers that were sold without the refund value of the 35 36 container being remitted to the distributor responsibility 37 organization.

1 NEW SECTION. Sec. 319. CIVIL PENALTIES. (1) The distributor responsibility organization shall pay a penalty to the department 2 3 10 cents for every unredeemed container under the equal to performance requirements set forth in section 308(2) of this act. 4

(2) In addition to the penalties prescribed in subsection (1) of 5 6 this section, the department may administratively impose a civil penalty of up to \$1,000 per violation per day on any person who 7 violates this chapter or on any distributor responsibility 8 who violates 9 organization the postconsumer recycled content provisions applicable to distributor responsibility organizations 10 11 under chapter 70A.--- RCW (the new chapter created in section 603 of 12 this act) and up to \$10,000 per violation per day for the second and each subsequent violation. 13

(3) Upon the department notifying a distributor responsibility 14 organization that it has not met a significant requirement of this 15 16 chapter or chapter 70A.--- RCW (the new chapter created in section 602 of this act), the department may, in addition to assessing the 17 18 penalties provided in subsections (1) and (2) of this section, take 19 any combination of the following actions:

(a) (i) Issue corrective action orders to a distributor or 20 21 distributor responsibility organization;

22 (ii) Issue orders to a distributor responsibility organization to 23 provide for the continued implementation of the program in the absence of an approved plan; 24

(b) Revoke the distributor responsibility organization's plan 25 26 approval and require the distributor responsibility organization to implement its contingency plan under section 317 of this act; 27

28 (c) Require a distributor responsibility organization to revise 29 or resubmit a plan within a specified time frame; or

(d) Require additional reporting related to compliance with the 30 31 significant requirements of this chapter that was not met.

32 (4) Prior to taking the actions described in subsection (3)(b) of 33 this section, the department must provide the distributor responsibility organization or the producer an opportunity to respond 34 to or rebut the written finding upon which the action is predicated. 35

(5) (a) After October 1st of the first year in which a distributor 36 responsibility organization is registered with the department, and 37 after notification of noncompliance from the department and a 60-day 38 39 period in which the distributor responsibility organization has the opportunity to remedy the noncompliance, the department shall 40 Code Rev/ML:akl 113

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1 administratively impose a civil penalty once per year to any 2 distributor that fails to participate in a distributor responsibility 3 organization as specified in section 304 of this act, which is the 4 greater of 10 cents per qualifying beverage container sold or made 5 available for sale by that distributor in the state, or \$10,000.

6 (b) Any distributor that incurs a penalty or order under this 7 section may appeal the penalty to the pollution control hearings 8 board established in chapter 43.21B RCW.

9 (6) Penalties levied under this section must be deposited into 10 the recycling enhancement account created in RCW 70A.245.100.

Part Four

11 12

Amendments to Solid Waste Management Laws

13 Sec. 401. RCW 70A.205.005 and 2002 c 299 s 3 are each amended to 14 read as follows:

15 The legislature finds:

(1) Continuing technological changes in methods of manufacture, packaging, and marketing of consumer products, together with the economic and population growth of this state, the rising affluence of its citizens, and its expanding industrial activity have created new and ever-mounting problems involving disposal of garbage, refuse, and solid waste materials resulting from domestic, agricultural, and industrial activities.

(2) Traditional methods of disposing of solid wastes in this state are no longer adequate to meet the ever-increasing problem. Improper methods and practices of handling and disposal of solid wastes pollute our land, air and water resources, blight our countryside, adversely affect land values, and damage the overall quality of our environment.

(3) Considerations of natural resource limitations, energy shortages, economics and the environment make necessary the development and implementation of solid waste recovery and/or recycling plans and programs.

33 (4) Waste reduction must become a fundamental strategy of solid 34 waste management. It is therefore necessary to change manufacturing 35 and purchasing practices and waste generation behaviors to reduce the 36 amount of waste that becomes a governmental responsibility.

37 (5) Source separation of waste must become a fundamental strategy
 38 of solid waste management. Collection and handling strategies should
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have, as an ultimate goal, the source separation of all materials
 with resource value or environmental hazard.

3 (6) (a) It should be the goal of every person and business to 4 minimize their production of wastes and to separate recyclable or 5 hazardous materials from mixed waste.

6 (b) It is the responsibility of state, county, and city 7 governments to provide for a waste management infrastructure to fully implement waste reduction and source separation strategies and to 8 process and dispose of remaining wastes in a manner that 9 is environmentally safe and economically sound. It is further the 10 responsibility of state, county, and city governments to monitor the 11 12 cost-effectiveness and environmental safety of combusting separated waste, processing mixed municipal solid waste, and recycling 13 14 programs.

15 (c) It is the responsibility of county and city governments to 16 assume primary responsibility for solid waste management and to 17 develop and implement aggressive and effective waste reduction and 18 source separation strategies.

(d) It is the responsibility of state government to ensure that 19 20 local governments are providing adequate source reduction and separation opportunities and incentives to all, including persons in 21 22 both rural and urban areas, and nonresidential waste generators such 23 as commercial, industrial, and institutional entities, recognizing the need to provide flexibility to accommodate differing population 24 densities, distances to and availability of recycling markets, and 25 26 collection and disposal costs in each community; and to provide county and city governments with adequate technical resources to 27 28 accomplish this responsibility.

29 (e) It is the responsibility of producers to help provide for the 30 responsible management of their products.

31 (7) Environmental and economic considerations in solving the 32 state's solid waste management problems requires strong consideration 33 by local governments of regional solutions and intergovernmental 34 cooperation.

35 (8) The following priorities for the collection, handling, and 36 management of solid waste are necessary and should be followed in 37 descending order as applicable:

38 (a) Waste reduction;

39 (b) Recycling, with source separation of recyclable materials as 40 the preferred method;

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1 (c) Energy recovery, incineration, or landfill of separated
2 waste;

3 (d) Energy recovery, incineration, or landfill of mixed municipal4 solid wastes.

5 (9) It is the state's goal to achieve a ((fifty)) <u>50</u> percent 6 recycling rate by 2007.

7 (10) It is the state's goal that programs be established to 8 eliminate residential or commercial yard debris in landfills by 2012 9 in those areas where alternatives to disposal are readily available 10 and effective.

11 (11) Steps should be taken to make recycling at least as 12 affordable and convenient to the ratepayer as mixed waste disposal.

(12) It is necessary to compile and maintain adequate data on the types and quantities of solid waste that are being generated and to monitor how the various types of solid waste are being managed.

16 (13) Vehicle batteries should be recycled and the disposal of 17 vehicle batteries into landfills or incinerators should be 18 discontinued.

19 (14) Excessive and nonrecyclable packaging of products should be 20 avoided.

(15) Comprehensive education should be conducted throughout the state so that people are informed of the need to reduce, source separate, and recycle solid waste.

(16) All governmental entities in the state should set an example by implementing aggressive waste reduction and recycling programs at their workplaces and by purchasing products that are made from recycled materials and are recyclable.

(17) To ensure the safe and efficient operations of solid waste disposal facilities, it is necessary for operators and regulators of landfills and incinerators to receive training and certification.

(18) It is necessary to provide adequate funding to all levels of government so that successful waste reduction and recycling programs can be implemented.

The development of stable and expanding markets 34 (19)for recyclable materials is critical to the long-term success of the 35 state's recycling goals. Market development must be encouraged on a 36 state, regional, and national basis to maximize its effectiveness. 37 The state shall assume primary responsibility for the development of 38 39 a multifaceted market development program to carry out the purposes of chapter 431, Laws of 1989. 40

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1 (20) There is an imperative need to anticipate, plan for, and 2 accomplish effective storage, control, recovery, and recycling of 3 discarded tires and other problem wastes with the subsequent 4 conservation of resources and energy.

5 Sec. 402. RCW 70A.205.010 and 2005 c 394 s 2 are each amended to 6 read as follows:

7 The purpose of this chapter is to establish a comprehensive 8 statewide program for solid waste handling, and solid waste recovery 9 and/or recycling which will prevent land, air, and water pollution 10 and conserve the natural, economic, and energy resources of this 11 state. To this end it is the purpose of this chapter:

(1) To assign primary responsibility for adequate solid waste handling to local government, reserving to the state, however, those functions necessary to assure effective programs throughout the state, and sharing with producers' responsibility for the management of their covered products under chapter 70A.--- RCW (the new chapter created in section 601 of this act);

18 (2) To provide for adequate planning for solid waste handling by 19 local government;

(3) To provide for the adoption and enforcement of basic minimum performance standards for solid waste handling, including that all sites where recyclable materials are generated and transported from shall provide a separate container for solid waste;

(4) To encourage the development and operation of waste recycling facilities needed to accomplish the management priority of waste recycling, to promote consistency in the requirements for such facilities throughout the state, and to ensure that recyclable materials diverted from the waste stream for recycling are routed to facilities in which recycling occurs;

30 (5) To provide technical and financial assistance to local 31 governments in the planning, development, and conduct of solid waste 32 handling programs;

33 (6) To encourage storage, proper disposal, and recycling of 34 discarded vehicle tires and to stimulate private recycling programs 35 throughout the state; and

36 (7) To encourage the development and operation of waste recycling 37 facilities and activities needed to accomplish the management 38 priority of waste recycling and to promote consistency in the

1 permitting requirements for such facilities and activities throughout 2 the state.

3 It is the intent of the legislature that local governments be 4 encouraged to use the expertise of private industry and to contract 5 with private industry to the fullest extent possible to carry out 6 solid waste recovery and/or recycling programs.

7 Sec. 403. RCW 70A.205.045 and 2020 c 20 s 1163 are each amended 8 to read as follows:

9 Each county and city comprehensive solid waste management plan 10 shall include the following:

(1) A detailed inventory and description of all existing solid waste handling facilities including an inventory of any deficiencies in meeting current solid waste handling needs.

14 (2) The estimated long-range needs for solid waste handling 15 facilities projected twenty years into the future.

16 (3) A program for the orderly development of solid waste handling 17 facilities in a manner consistent with the plans for the entire 18 county which shall:

19 (a) Meet the minimum functional standards for solid waste 20 handling adopted by the department and all laws and regulations 21 relating to air and water pollution, fire prevention, flood control, 22 and protection of public health;

23 (b) Take into account the comprehensive land use plan of each 24 jurisdiction;

25 (c) Contain a six year construction and capital acquisition 26 program for solid waste handling facilities; and

27 (d) Contain a plan for financing both capital costs and 28 operational expenditures of the proposed solid waste management 29 system.

30

(4) A program for surveillance and control.

31 (5) A current inventory and description of solid waste collection 32 needs and operations within each respective jurisdiction which shall 33 include:

(a) Any franchise for solid waste collection granted by the
utilities and transportation commission in the respective
jurisdictions including the name of the holder of the franchise and
the address of his or her place of business and the area covered by
the franchise;

(b) Any city solid waste operation within the county and the
 boundaries of such operation;

3 (c) The population density of each area serviced by a city 4 operation or by a franchised operation within the respective 5 jurisdictions;

6 (d) The projected solid waste collection needs for the respective 7 jurisdictions for the next six years.

8 (6) A comprehensive waste reduction and recycling element that, 9 in accordance with the priorities established in RCW 70A.205.005, 10 provides programs that (a) reduce the amount of waste generated, (b) 11 provide incentives and mechanisms for source separation, and (c) 12 establish recycling opportunities for the source separated waste.

13 (7) The waste reduction and recycling element shall include the 14 following:

(a) Waste reduction strategies, which may include strategies to reduce wasted food and food waste that are designed to achieve the goals established in RCW 70A.205.715(1) and that are consistent with the plan developed in RCW 70A.205.715(3);

19

(b) Source separation strategies, including:

(i) Programs for the collection of source separated materials 20 from residences ((in urban and rural areas. In urban areas, these)), 21 including programs that are the responsibility of producer 22 responsibility organizations in chapter 70A.--- RCW (the new chapter 23 created in section 601 of this act) and distributor responsibility 24 organizations in chapter 70A.--- RCW (the new chapter created in 25 section 603 of this act). These programs shall include collection of 26 source separated recyclable materials from single and multiple-family 27 28 residences, unless the county has adopted an ordinance establishing that covered products designated for collection by a producer 29 30 responsibility organization plan must be collected exclusively through alternate collection in areas regulated by the utilities and 31 32 transportation commission under the provisions of chapter 81.77 RCW or the department approves an alternative program, according to the 33 criteria in the planning guidelines. Such criteria shall include: 34 Anticipated recovery rates and levels of public participation, 35 availability of environmentally sound disposal capacity, access to 36 markets for recyclable materials, unreasonable cost impacts on the 37 ratepayer over the six-year planning period, utilization 38 of 39 environmentally sound waste reduction and recycling technologies, and 40 other factors as appropriate. ((In rural areas, these)) These H-0947.1/23 Code Rev/ML:akl 119

1 programs shall <u>also</u> include but not be limited to drop-off boxes, buy-back centers, or a combination of both, at each solid waste 2 transfer, processing, or disposal site, or at locations convenient to 3 the residents of the county. The drop-off boxes and buy-back centers 4 may be owned or operated by public, nonprofit, or private persons. 5 6 Comprehensive solid waste management plans that are newly developed, updated, or amended after July 1, 2026, may incorporate by reference 7 the plans of producer responsibility organizations established in the 8 jurisdiction under chapter 70A.--- RCW (the new chapter created in 9 section 601 of this act) to fulfill this requirement in whole or in 10 11 part;

(ii) Programs to monitor the collection of source separated waste at nonresidential sites where there is sufficient density to sustain a program;

15 (iii) Programs to collect yard waste and food waste, if the 16 county or city submitting the plan finds that there are adequate 17 markets or capacity for composted yard waste and food waste within or 18 near the service area to consume the majority of the material 19 collected; and

20 (iv) Programs to educate and promote the concepts of waste 21 reduction and recycling;

(c) Recycling strategies, including a description of markets for recyclables, a review of waste generation trends, a description of waste composition, a discussion and description of existing programs and any additional programs needed to assist public and private sector recycling, and an implementation schedule for the designation of specific materials to be collected for recycling, and for the provision of recycling collection services;

29 (d) Other information the county or city submitting the plan 30 determines is necessary.

31 (8) An assessment of the plan's impact on the costs of solid 32 waste collection. The assessment shall be prepared in conformance 33 with guidelines established by the utilities and transportation 34 commission. The commission shall cooperate with the Washington state 35 association of counties and the association of Washington cities in 36 establishing such guidelines.

37 (9) A review of potential areas that meet the criteria as38 outlined in RCW 70A.205.110.

39 (10) A contamination reduction and outreach plan. The 40 contamination reduction and outreach plan must address reducing Code Rev/ML:akl 120 H-0947.1/23

1 contamination in recycling. Except for counties with a population of twenty-five thousand or fewer, by July 1, 2021, a contamination 2 reduction and outreach plan must be included in each solid waste 3 management plan by a plan amendment or included when revising or 4 updating a solid waste management plan developed under this chapter. 5 6 Jurisdictions may adopt the state's contamination reduction and outreach plan as developed under RCW 70A.205.070 or participate in a 7 producer responsibility organization's plan in lieu of creating their 8 own plan. In comprehensive solid waste management plans that are 9 newly developed, updated, or amended after July 1, 2027, a 10 jurisdiction must reference the plans of producer responsibility 11 organizations established in the jurisdiction under chapter 70A.---12 RCW (the new chapter created in section 601 of this act) and any 13 plans of distributor responsibility organizations under chapter 14 70A.--- RCW (the <u>new chapter created in section 603 of this act).</u> A 15 16 recycling contamination reduction and outreach plan must include the 17 following:

(a) A list of actions for reducing contamination in recycling programs for single-family and multiple-family residences, commercial locations, and drop boxes depending on the jurisdictions system components;

(b) A list of key contaminants identified by the jurisdiction oridentified by the department;

24 (c) A discussion of problem contaminants and the contaminants' 25 impact on the collection system;

26 (d) An analysis of the costs and other impacts associated with 27 contaminants to the recycling system; and

(e) An implementation schedule and details of how outreach is to be conducted. Contamination reduction education methods may include sharing community-wide messaging through newsletters, articles, mailers, social media, websites, or community events, informing recycling drop box customers about contamination, and improving signage.

34 Sec. 404. RCW 81.77.030 and 2020 c 20 s 1467 are each amended to 35 read as follows:

36 <u>(1)</u> The commission shall supervise and regulate every solid waste 37 collection company in this state,

38 (((1))) <u>(a)</u> By fixing and altering its rates, charges, 39 classifications, rules and regulations;

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1 (((2))) (b) By regulating the accounts, service, and safety of 2 operations;

3 ((-(3))) (c) By requiring the filing of annual and other reports 4 and data;

(((4))) <u>(d)</u> By supervising and regulating such persons 5 or 6 companies in all other matters affecting the relationship between 7 them and the public which they serve;

(((5))) <u>(e)</u> By requiring compliance with local solid waste 8 management plans and related implementation ordinances; 9

(((6))) (f) By reviewing producer responsibility organization 10 reimbursement of regulated service providers consistent with the 11 requirements of chapter 70A.--- RCW (the new chapter created in 12 section 601 of this act); 13

(g) By requiring certificate holders under this chapter ((81.77 14 RCW)) to use rate structures and billing systems consistent with the 15 16 solid waste management priorities set forth under RCW 70A.205.005 and 17 the minimum levels of solid waste collection and recycling services 18 pursuant to local comprehensive solid waste management plans and with 19 implementation of curbside recycling collection services designated by a producer responsibility organization in an approved plan to meet 20 the requirements of chapter 70A.--- RCW (the new chapter created in 21 22 section 601 of this act). The commission may order consolidated 23 billing and provide for reasonable and necessary expenses to be paid to the administering company if more than one certificate is granted 24 25 in an area.

26 (2) The commission, on complaint made on its own motion or by an aggrieved party, at any time, after providing the holder of any 27 28 certificate with notice and an opportunity for a hearing at which it shall be proven that the holder has willfully violated or refused to 29 observe any of the commission's orders, rules, or regulations, or has 30 31 failed to operate as a solid waste collection company for a period of 32 at least one year preceding the filing of the complaint, may suspend, 33 revoke, alter, or amend any certificate issued under the provisions of this chapter. 34

35 Sec. 405. RCW 81.77.040 and 2020 c 20 s 1468 are each amended to read as follows: 36

A solid waste collection company shall not operate for the 37 hauling of solid waste for compensation without first having obtained 38 from the commission a certificate declaring that public convenience 39 Code Rev/ML:akl 122

and necessity require such operation. Operating for the hauling of 1 solid waste for compensation includes advertising, 2 soliciting, offering, or entering into an agreement to provide that service. To 3 operate a solid waste collection company in the unincorporated areas 4 of a county, the company must comply with the solid waste management 5 6 plan prepared under chapter 70A.205 RCW in the company's franchise area and, if applicable, the service standards for curbside recycling 7 collection services established in an approved producer 8 responsibility organization plan to meet the requirements of chapter 9 10 70A.--- RCW (the new chapter created in section 601 of this act).

Issuance of the certificate of necessity must be determined on, 11 12 but not limited to, the following factors: The present service and the cost thereof for the contemplated area to be served; an estimate 13 of the cost of the facilities to be utilized in the plant for solid 14 waste collection and disposal, set out in an affidavit or 15 16 declaration; a statement of the assets on hand of the person, firm, 17 association, or corporation that will be expended on the purported plant for solid waste collection and disposal, set out in an 18 19 affidavit or declaration; a statement of prior experience, if any, in such field by the petitioner, set out in an affidavit or declaration; 20 21 and sentiment in the community contemplated to be served as to the 22 necessity for such a service.

23 When an applicant requests a certificate to operate in a 24 territory already served by a certificate holder under this chapter, 25 the commission may, after notice and an opportunity for a hearing, 26 issue the certificate only if the existing solid waste collection 27 company or companies serving the territory will not provide service 28 to the satisfaction of the commission or if the existing solid waste 29 collection company does not object.

In all other cases, the commission may, with or without hearing, issue certificates, or for good cause shown refuse to issue them, or issue them for the partial exercise only of the privilege sought, and may attach to the exercise of the rights granted such terms and conditions as, in its judgment, the public convenience and necessity may require.

Any right, privilege, certificate held, owned, or obtained by a solid waste collection company may be sold, assigned, leased, transferred, or inherited as other property, only if authorized by the commission.

For purposes of issuing certificates under this chapter, the commission may adopt categories of solid wastes as follows: Garbage, refuse, recyclable materials, and demolition debris. A certificate may be issued for one or more categories of solid waste. Certificates issued on or before July 23, 1989, shall not be expanded or restricted by operation of this chapter.

7 Sec. 406. RCW 81.77.160 and 1997 c 434 s 1 are each amended to 8 read as follows:

9 (1) The commission, in fixing and altering collection rates 10 charged by every solid waste collection company under this section, 11 shall include in the base for the collection rates:

(a) All charges for the disposal of solid waste at the facility
 or facilities designated by a local jurisdiction under a local
 comprehensive solid waste management plan or ordinance; and

(b) All known and measurable costs related to implementation of the approved county or city comprehensive solid waste management plan or to the implementation of curbside recycling collection services performed by a solid waste collection company and designated by a producer responsibility organization in an approved plan to meet the requirements of chapter 70A.--- RCW (the new chapter created in section 601 of this act).

(2) If a solid waste collection company files a tariff to recover the costs specified under this section, and the commission suspends the tariff, the portion of the tariff covering costs specified in this section shall be placed in effect by the commission at the request of the company on an interim basis as of the originally filed effective date, subject to refund, pending the commission's final order. The commission may adopt rules to implement this section.

(3) This section applies to a solid waste collection company that has an affiliated interest under chapter 81.16 RCW with a facility, if the total cost of disposal, including waste transfer, transport, and disposal charges, at the facility is equal to or lower than any other reasonable and currently available option.

34 Sec. 407. RCW 81.77.185 and 2010 c 154 s 3 are each amended to 35 read as follows:

(1) The commission shall allow solid waste collection companies
 collecting recyclable materials <u>other than covered products collected</u>
 under an approved plan in chapter 70A.--- RCW (the new chapter

1 created in section 601 of this act) and qualifying beverage containers under an approved plan in chapter 70A.--- RCW (the new 2 chapter created in section 603 of this act) to retain up to ((fifty)) 3 50 percent of the revenue paid to the companies for the material if 4 the companies submit a plan to the commission that is certified by 5 6 the appropriate local government authority as being consistent with 7 the local government solid waste plan and that demonstrates how the revenues will be used to increase recycling. The remaining revenue 8 shall be passed to residential customers. 9

10 (2) By December 2, 2005, the commission shall provide a report to 11 the legislature that evaluates:

12 (a) The effectiveness of revenue sharing as an incentive to13 increase recycling in the state; and

14 (b) The effect of revenue sharing on costs to customers.

15 NEW SECTION. Sec. 408. APPLICATION OF CHAPTER-COLLECTION AND 16 TRANSPORTATION OF RECYCLABLE MATERIALS BY RECYCLING COMPANIES OR 17 NONPROFIT ENTITIES-REUSE OR RECLAMATION. (1) Nothing in this chapter 18 or chapter 70A.--- (the new chapter created in section 602 of this act) or 70A.--- RCW (the new chapter created in section 603 of this 19 20 act) prevents a recycling company or nonprofit entity from collecting 21 and transporting recyclable materials from a buy-back center, drop 22 box, or from a commercial or industrial generator of recyclable materials that does not include materials generated from single and 23 24 multiple-family residences upon agreement with a solid waste 25 collection company.

(2) Nothing in this chapter or chapter 70A.--- (the new chapter 26 27 created in section 602 of this act) or 70A.--- RCW (the new chapter 28 created in section 603 of this act) may be construed as prohibiting a commercial or industrial generator of commercial recyclable materials 29 30 that does not contain materials generated from single or multiple-31 family residences from selling, conveying, or arranging for 32 transportation of the material to a recycler for reuse or 33 reclamation.

34NEW SECTION.Sec. 409.A new section is added to chapter3570A.222 RCW to read as follows:

36 The department of ecology may direct producers to register and 37 submit any required data, annual reports, fees, and annual payments, 38 and any additional information or documentation to the clearinghouse Code Rev/ML:akl 125 H-0947.1/23 1 established in section 125 of this act in lieu of submission to the 2 department.

3 <u>NEW SECTION.</u> Sec. 410. A new section is added to chapter 4 70A.350 RCW to read as follows:

5 The department may direct producers to register and submit any 6 required data, annual reports, fees, and annual payments, and any 7 additional information or documentation to the clearinghouse 8 established in section 125 of this act in lieu of submission to the 9 department.

10 <u>NEW SECTION.</u> Sec. 411. A new section is added to chapter 11 70A.245 RCW to read as follows:

12 The department may direct producers to register and submit any 13 required data, annual reports, fees, and annual payments, and any 14 additional information or documentation to the clearinghouse 15 established in section 125 of this act in lieu of submission to the 16 department.

17 <u>NEW SECTION.</u> Sec. 412. A new section is added to chapter 18 70A.230 RCW to read as follows:

19 The department may direct producers to register and submit any 20 required data, annual reports, fees, and annual payments, and any 21 additional information or documentation to the clearinghouse 22 established in section 125 of this act in lieu of submission to the 23 department.

24 <u>NEW SECTION.</u> Sec. 413. A new section is added to chapter 25 70A.340 RCW to read as follows:

The department may direct producers to register and submit any required data, annual reports, fees, and annual payments, and any additional information or documentation to the clearinghouse established in section 125 of this act in lieu of submission to the department.

31 <u>NEW SECTION.</u> Sec. 414. A new section is added to chapter 32 70A.455 RCW to read as follows:

33 The department may direct producers to register and submit any 34 required data, annual reports, fees, and annual payments, and any 35 additional information or documentation to the clearinghouse Code Rev/ML:akl 126 H-0947.1/23 1 established in section 125 of this act in lieu of submission to the 2 department.

3 <u>NEW SECTION.</u> Sec. 415. The department of ecology may direct 4 distributors to register and submit any required data, annual 5 reports, fees, and annual payments, and any additional information or 6 documentation to the clearinghouse established in section 125 of this 7 act in lieu of submission to the department.

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Part Five Other Conforming Amendments and Miscellaneous Provisions

10 Sec. 501. RCW 43.21B.110 and 2022 c 180 s 812 are each amended 11 to read as follows:

(1) The hearings board shall only have jurisdiction to hear and decide appeals from the following decisions of the department, the director, local conservation districts, the air pollution control boards or authorities as established pursuant to chapter 70A.15 RCW, local health departments, the department of natural resources, the department of fish and wildlife, the parks and recreation commission, and authorized public entities described in chapter 79.100 RCW:

(a) Civil penalties imposed pursuant to RCW 18.104.155,
70A.15.3160, 70A.300.090, 70A.20.050, 70A.530.040, 70A.350.070,
70A.515.060, 70A.245.040, 70A.245.050, 70A.245.070, 70A.245.080,
70A.65.200, 70A.455.090, sections 123, 211, and 319 of this act,
76.09.170, 77.55.440, 78.44.250, 88.46.090, 90.03.600, 90.46.270,
90.48.144, 90.56.310, 90.56.330, and 90.64.102.

(b) Orders issued pursuant to RCW 18.104.043, 18.104.060,
43.27A.190, 70A.15.2520, 70A.15.3010, 70A.300.120, 70A.350.070,
70A.245.020, 70A.65.200, sections 123, 211, and 319 of this act,
86.16.020, 88.46.070, 90.14.130, 90.46.250, 90.48.120, and 90.56.330.

29 (c) Except as provided in RCW 90.03.210(2), the issuance, 30 modification, or termination of any permit, certificate, or license by the department or any air authority in the exercise of its 31 jurisdiction, including the issuance or termination of a waste 32 33 disposal permit, the denial of an application for a waste disposal permit, the modification of the conditions or the terms of a waste 34 disposal permit, or a decision to approve or deny an application for 35 36 a solid waste permit exemption under RCW 70A.205.260.

(d) Decisions of local health departments regarding the grant or
 denial of solid waste permits pursuant to chapter 70A.205 RCW.

3 (e) Decisions of local health departments regarding the issuance
4 and enforcement of permits to use or dispose of biosolids under RCW
5 70A.226.090.

6 (f) Decisions of the department regarding waste-derived 7 fertilizer or micronutrient fertilizer under RCW 15.54.820, and 8 decisions of the department regarding waste-derived soil amendments 9 under RCW 70A.205.145.

10 (g) Decisions of local conservation districts related to the 11 denial of approval or denial of certification of a dairy nutrient 12 management plan; conditions contained in a plan; application of any 13 dairy nutrient management practices, standards, methods, and 14 technologies to a particular dairy farm; and failure to adhere to the 15 plan review and approval timelines in RCW 90.64.026.

16 (h) Any other decision by the department or an air authority 17 which pursuant to law must be decided as an adjudicative proceeding 18 under chapter 34.05 RCW.

(i) Decisions of the department of natural resources, the department of fish and wildlife, and the department that are reviewable under chapter 76.09 RCW, and the department of natural resources' appeals of county, city, or town objections under RCW 76.09.050(7).

24 (j) Forest health hazard orders issued by the commissioner of 25 public lands under RCW 76.06.180.

(k) Decisions of the department of fish and wildlife to issue, deny, condition, or modify a hydraulic project approval permit under chapter 77.55 RCW, to issue a stop work order, to issue a notice to comply, to issue a civil penalty, or to issue a notice of intent to disapprove applications.

31 (1) Decisions of the department of natural resources that are 32 reviewable under RCW 78.44.270.

33 (m) Decisions of an authorized public entity under RCW 79.100.010 34 to take temporary possession or custody of a vessel or to contest the 35 amount of reimbursement owed that are reviewable by the hearings 36 board under RCW 79.100.120.

(n) Decisions of the department of ecology that are appealable under RCW 70A.245.020 <u>or section 211 of this act</u> to set recycled minimum postconsumer content for ((covered)) products or to

1 temporarily exclude types of ((covered)) products in plastic 2 containers from minimum postconsumer recycled content requirements.

(o) Orders by the department of ecology under RCW 70A.455.080.

4 (2) The following hearings shall not be conducted by the hearings 5 board:

6 (a) Hearings required by law to be conducted by the shorelines 7 hearings board pursuant to chapter 90.58 RCW.

8 (b) Hearings conducted by the department pursuant to RCW 9 70A.15.3010, 70A.15.3070, 70A.15.3080, 70A.15.3090, 70A.15.3100, 10 70A.15.3110, and 90.44.180.

11 (c) Appeals of decisions by the department under RCW 90.03.110 12 and 90.44.220.

13 (d) Hearings conducted by the department to adopt, modify, or 14 repeal rules.

15 (3) Review of rules and regulations adopted by the hearings board 16 shall be subject to review in accordance with the provisions of the 17 administrative procedure act, chapter 34.05 RCW.

18 Sec. 502. RCW 43.21B.300 and 2022 c 180 s 813 are each amended 19 to read as follows:

20 (1) Any civil penalty provided in RCW 18.104.155, 70A.15.3160, 70A.205.280, 70A.300.090, 70A.20.050, 70A.245.040, 70A.245.050, 21 22 70A.245.070, 70A.245.080, 70A.65.200, 70A.455.090, sections 123, 211, and 319 of this act, 88.46.090, 90.03.600, 90.46.270, 90.48.144, 23 24 90.56.310, 90.56.330, and 90.64.102 and chapter 70A.355 RCW shall be imposed by a notice in writing, either by certified mail with return 25 receipt requested or by personal service, to the person incurring the 26 27 penalty from the department or the local air authority, describing the violation with reasonable particularity. For penalties issued by 28 local air authorities, within 30 days after the notice is received, 29 30 the person incurring the penalty may apply in writing to the 31 authority for the remission or mitigation of the penalty. Upon receipt of the application, the authority may remit or mitigate the 32 penalty upon whatever terms the authority in its discretion deems 33 proper. The authority may ascertain the facts regarding all such 34 35 applications in such reasonable manner and under such rules as it may deem proper and shall remit or mitigate the penalty only upon a 36 demonstration of extraordinary circumstances such as the presence of 37 38 information or factors not considered in setting the original penalty. 39

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1 (2) Any penalty imposed under this section may be appealed to the 2 pollution control hearings board in accordance with this chapter if 3 the appeal is filed with the hearings board and served on the 4 department or authority 30 days after the date of receipt by the 5 person penalized of the notice imposing the penalty or 30 days after 6 the date of receipt of the notice of disposition by a local air 7 authority of the application for relief from penalty.

8

(3) A penalty shall become due and payable on the later of:

9

(a) Thirty days after receipt of the notice imposing the penalty;

10 (b) Thirty days after receipt of the notice of disposition by a 11 local air authority on application for relief from penalty, if such 12 an application is made; or

13 (c) Thirty days after receipt of the notice of decision of the 14 hearings board if the penalty is appealed.

(4) If the amount of any penalty is not paid to the department 15 within 30 days after it becomes due and payable, the attorney 16 17 general, upon request of the department, shall bring an action in the name of the state of Washington in the superior court of Thurston 18 county, or of any county in which the violator does business, to 19 recover the penalty. If the amount of the penalty is not paid to the 20 authority within 30 days after it becomes due and payable, the 21 authority may bring an action to recover the penalty in the superior 22 court of the county of the authority's main office or of any county 23 24 in which the violator does business. In these actions, the procedures 25 and rules of evidence shall be the same as in an ordinary civil action. 26

27 (5) All penalties recovered shall be paid into the state treasury and credited to the general fund except those penalties imposed 28 29 pursuant to RCW 18.104.155, which shall be credited to the provided in RCW 18.104.155(7), 30 reclamation account as RCW 31 70A.15.3160, the disposition of which shall be governed by that provision, RCW 70A.245.040 ((and)), 70A.245.050, and section 211 of 32 this act, which shall be credited to the recycling enhancement 33 account created in RCW 70A.245.100, RCW 70A.300.090, which shall be 34 35 credited to the model toxics control operating account created in RCW 36 70A.305.180, RCW 70A.65.200, which shall be credited to the climate investment account created in RCW 70A.65.250, RCW 90.56.330, which 37 shall be credited to the coastal protection fund created by RCW 38 90.48.390, ((and)) RCW 70A.355.070, which shall be credited to the 39 underground storage tank account created by RCW 70A.355.090, and 40 Code Rev/ML:akl 130 H-0947.1/23 1 <u>chapter 70A.--- RCW (the new chapter created in section 601 of this</u> 2 <u>act) and section 319 of this act, which shall be credited to the</u> 3 <u>recycling enhancement account created in RCW 70A.245.100</u>.

<u>NEW SECTION.</u> Sec. 503. A new section is added to chapter 69.50
RCW to read as follows:

6 LIQUOR AND CANNABIS BOARD PACKAGING REQUIREMENTS. (1) By July 1, 7 2026, the board, in consultation with the department of ecology, must 8 update the rules adopted under RCW 69.50.342 and 69.50.345 related to 9 the nature, form, and capacity of containers used by licensees under 10 this chapter, with a goal of:

(a) Reducing the use of plastic packaging in an amount that is at least commensurate with the source reduction rates for covered products proposed by a producer responsibility organization under section 111(1)(a)(iii) of this act; and

(b) Allowing for and encouraging the reuse of containers for cannabis, cannabis concentrates, useable cannabis, or cannabisinfused products.

(2) In addition to the source reduction and reuse to be achieved 18 under subsection (1) of this section, the board may establish minimum 19 20 postconsumer recycled content requirements for packaging of at least 25 percent postconsumer recycled content by weight through the year 21 2030, and at least 50 percent postconsumer recycled content plastic 22 23 by weight beginning in the year 2031. If postconsumer recycled 24 content requirements are established for packaging under this 25 subsection, the board may require that producers of packaging report any required data, annual reports, fees, and annual payments, and any 26 27 additional information or documentation to the board or to the 28 department of ecology using the clearinghouse established in section 125 of this act. 29

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(3) Rules adopted by the board under this section must:

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(a) Not compromise public health, safety, or packaging integrity;

32 (b) Take into consideration the availability of recycled plastic 33 suitable to meet any minimum postconsumer recycled content 34 requirements established under this section; and

35 (c) Take into consideration the technical feasibility of source36 reduction, reuse, and postconsumer recycled content requirements.

37NEW SECTION.Sec.504.AUTHORITYOFUTILITIESAND38TRANSPORTATION COMMISSION. Nothing in this chapter or chapter 70A.---
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1 (the new chapter created in section 602 of this act) or 70A.--- RCW 2 (the new chapter created in section 603 of this act) changes or 3 limits the authority of the Washington utilities and transportation 4 commission to regulate collection of solid waste, including curbside 5 collection of residential recyclable materials, in accordance with 6 chapter 81.77 RCW.

NEW SECTION. Sec. 505. FEASIBILITY STUDY. (1) By December 1, 2025, the department of ecology must complete and publish on its website the feasibility analysis described in this section.

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(a) The purpose of the feasibility analysis is to:

(i) Identify options to improve the convenience experienced by consumers with unwanted products or packaging covered by state product stewardship, extended producer responsibility, and similar takeback programs, by harmonizing or establishing a system of common or centralized takeback centers or depots for consumers; and

16 (ii) Consider the viability, costs, and tradeoffs associated with 17 each option that might lead to improved outcomes for consumers and 18 improved end-of-life management outcomes for covered unwanted 19 products.

(b) The department of ecology must deliver policy recommendationsto the legislature by December 1, 2025.

(2) The department of ecology must consult with the department of health for purposes of considering the potential for integration of collection infrastructure under chapter 69.48 RCW with the collection infrastructure of other state programs.

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(3) The feasibility analysis required under this section must:

(a) Be conducted by an independent third party selected by thedepartment;

29

(b) Consider the following:

30 (i) Existing common collection infrastructure models used by 31 other jurisdictions;

32 (ii) Existing voluntary and contractually established collection 33 infrastructure currently used to collect unwanted products and 34 packaging in Washington; and

35 (iii) Options to deploy curbside collection systems for the 36 specialized collection of products;

37 (c) Include policy recommendations to the legislature to improve
 38 consumer convenience and improve environmental end-of-life management
 39 outcomes for any combination of products and packaging covered by
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1 extended producer responsibility programs, takeback programs, or 2 product stewardship programs;

3 (i) The policy recommendations must consider:

4 (A) Beverage containers covered by the deposit return 5 requirements of chapter 70A.--- RCW (the new chapter created in 6 section 603 of this act);

7 (B) Covered products under chapter 70A.--- RCW (the new chapter 8 created in section 601 of this act);

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(D) Covered electronic products under chapter 70A.500 RCW;

11 (E) Mercury-containing lights under chapter 70A.505 RCW;

12 (F) Photovoltaic modules under chapter 70A.510 RCW; and

13 (G) Architectural paint under chapter 70A.515 RCW.

(C) Covered drugs under chapter 69.48 RCW;

14 (ii) Any policy recommendations for changes to the collection of 15 products covered by programs identified in (c)(i) of this subsection 16 should consider:

17 (A) Whether and how to amend convenience standards established 18 under each program, including the types of curbside, drop off, event, 19 and public and private infrastructure that serves as collection 20 infrastructure; and

(B) Whether and how to specify that producers of products covered by programs recommended for inclusion in the creation of a common collection system be required to fund the establishment of the common collection infrastructure; and

25 (d) Include an opportunity for public input on the feasibility 26 study and on any draft recommendations.

27 <u>NEW SECTION.</u> Sec. 506. LITTER TAX STUDY. (1) In consultation 28 with producer responsibility organizations registered with the 29 department of ecology under chapter 70A.--RCW (the new chapter 30 created in section 601 of this act) and distributor responsibility 31 organizations under chapter 70A.--- RCW (the new chapter created in 32 section 603 of this act), the department of ecology and the 33 department of revenue must study:

(a) The impacts of producer and distributor requirements under
chapters 70A.--- (the new chapter created in section 601 of this act)
and 70A.--- RCW (the new chapter created in section 603 of this act)
on the litter rates of covered products and qualifying beverage
containers under those chapters; and

1 (b) Possible improvements to the structure of the litter tax 2 under chapter 82.19 RCW including, but not limited to, 3 administration, compliance, and distribution of the tax and 4 application of the tax to certain products, for achieving the purpose 5 of chapter 82.19 RCW.

6 (2) By January 1, 2029, the department of ecology, in 7 consultation with the department of revenue, must provide 8 recommendations to the appropriate committees of the legislature on:

9 (a) Applicability of the litter tax to covered products and 10 qualifying beverage containers, based on whether the purpose of the 11 litter tax under chapter 82.19 RCW is being achieved for those 12 products by the requirements of producers and distributors under 13 chapters 70A.--- (the new chapter created in section 601 of this act) 14 and 70A.--- RCW (the new chapter created in section 603 of this act); 15 and

16 (b) Improvements to the structure of the litter tax for meeting 17 the purposes of chapter 82.19 RCW.

18 (3) This section expires July 1, 2029.

19 <u>NEW SECTION.</u> Sec. 507. RCW 70A.245.110 (Recycled content 20 account) and 2021 c 313 s 14 are each repealed, effective July 1, 21 2029.

22 <u>NEW SECTION.</u> Sec. 508. If any provision of this act or its 23 application to any person or circumstance is held invalid, the 24 remainder of the act or the application of the provision to other 25 persons or circumstances is not affected.

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Part Six Codification Directives

28 <u>NEW SECTION.</u> Sec. 601. Sections 101 through 128, 408, 504, and 29 506 of this act constitute a new chapter in Title 70A RCW.

30 <u>NEW SECTION.</u> Sec. 602. Sections 201 through 212 of this act 31 constitute a new chapter in Title 70A RCW.

<u>NEW SECTION.</u> Sec. 603. Sections 301 through 319 and 415 of this
 act constitute a new chapter in Title 70A RCW.

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