

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	6 - 4 - 0
Yeas:	Berger, Edwards, Garrard, Garrett, Read, Roblan
Nays:	Gelser, Hanna, Jenson, Nolan
Exc.:	0
Prepared By:	Cheyenne Ross, Administrator
Meeting Dates:	2/11, 2/15, 2/16

WHAT THE MEASURE DOES: Allows two or more beverage distributors or importers to establish distributor cooperative (Cooperative) to collect container refunds from distributors or importers to refund dealers the amount paid for value of empty containers; pay refund value for beverage containers sold in state; and process beverage containers sold in state. Requires that Cooperative service majority of dealers in state. Permits dealer to use Cooperative to redeem and process beverage containers of non-participating distributors or importers, so long as dealer or Cooperative provides accounting to non-participating distributor or importer. Requires non-participating distributor or importer in receipt of such accounting to pay refund value of redeemed containers specified therein to preparing dealer or Cooperative.

ISSUES DISCUSSED:

- History of idea of universal redemption
- Whether measure is necessary to enable implementation of SB 707 (2007)
- Voluntary participation in Cooperative; its structure and access to decision making
- Whether negotiations between Cooperative participants and non-participants have been exhausted
- “Free ride” problem – possible for non-participants to receive value/benefit of Cooperative’s function
- Whether Cooperative’s function is redundant for non-participants that invested in equipment and infrastructure already, on their own, to become their own ‘redemption centers’ prior to establishment of Cooperative
- Cooperative exists for those who have not yet made such investment, enabling them to share the burden that non-participants have borne already, independently
- Cost for some to participate in Cooperative includes loss of salvage value of some recyclable materials

EFFECT OF COMMITTEE AMENDMENT: Provides method of calculation for beverage container return rate. Requires report from Cooperative and from distributors or importers annually on July 1 to Oregon Liquor Control Commission.

BACKGROUND: The Oregon “Bottle Bill” was implemented in 1972 to reduce litter and increase recycling by assessing deposits on particular beverage containers. Over time, many containers were introduced into the marketplace that were not subject to a deposit. Senate Bill 707 (2007) expanded the type of beverage containers subject to deposit to include water and flavored water containers. It also required dealers (large retailers) to accept any brand of beverage container if the dealer sold that type of beverage. In response, a statewide cooperative evolved from five pre-existing regional ones into the Oregon Beverage Recycling Cooperative. Participation in the cooperative is less than 100 percent of affected businesses.

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This summary has not been adopted or officially endorsed by action of the committee.