

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action: Do Pass the A-Engrossed Measure

Vote: 4 – 1 – 0

Yeas: Atkinson, Burdick, Metsger, Devlin

Nays: Ferrioli

Exc.: -

Prepared By: Erin Seiler, Administrator

Meeting Dates: 2/19, 2/20

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 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 for universal redemption
- Necessity of measure to implement SB 707 (2007)
- Voluntary participation in Cooperative and reasons for non-participation
- Ability of non-participating distributors to receive benefit of Cooperative's function
- Cost of participation in Cooperative
- Non-participation impact on recycling
- Violation of federal and state antitrust laws
- Alternative dispute resolution methods

EFFECT OF COMMITTEE AMENDMENT: No amendment.

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.