

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

---

**Action:** Do Pass  
**Vote:** 7 - 0 - 1  
**Yeas:** Barnhart, Berger, Garrett, Holvey, Wingard, Hunt, Olson  
**Nays:** -  
**Exc.:** Freeman  
**Prepared By:** Jim Stenbridge, Administrator  
**Meeting Dates:** 6/6

---

**WHAT THE MEASURE DOES:** Allows beverage distributors to establish cooperative for the purposes of processing beverage containers as well as collecting and refunding beverage container refund values among distributors and dealers. Requires cooperative to service a majority of the state's dealers. Allows that dealer using the cooperative is not required to return containers to distributor who does not participate in the cooperative, provided the cooperative makes an accounting of the containers it redeems that were distributed by the non-participating distributor. Requires non-participating distributor to pay refund value of redeemed containers specified in the accounting to the cooperative or dealer. Requires cooperative to report beverage container return data to the Oregon Liquor Control Commission (OLCC). Prohibits OLCC from disclosing return data provided by the cooperative.

**ISSUES DISCUSSED:**

- Legislative history of the issue
- Forcing of distributors to participate in proposed cooperative
- Investments made in storage facilities and other aspects of business models not anticipating the proposal
- Added costs to small distributors
- Proposed amendment to exempt low-population counties

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** In carrying out Oregon's beverage container deposit law, retail stores pay the beverage distributor a 5-cent deposit for each container of bottled water, beer, and soft drink they purchase. Consumers then pay the 5-cent container deposit to the retailer when they make a purchase. When they're finished, consumers can return the containers to retail stores in Oregon to redeem their 5-cents. Distributors pay retail stores the 5-cent redemption for each container returned to the distributor for recycling. Deposits on containers not returned for refund (unredeemed deposits) are kept by the distributors. Beverage distributors keep the income from the sale of recyclable material.

Enrolled House Bill 3145-B (2011) expands Oregon's beverage container deposit law to cover containers holding between 4 fluid ounces and 1.5 fluid liters beginning one year after Oregon Liquor Control Commission (OLCC) determines that at least 60 percent of beverage containers returned for refund are returned to an approved redemption center, or January 1, 2018 at the latest. It also increases the deposit and refund value of beverage containers to 10 cents if the container return-rate falls below 80 percent. House Bill 3145-B also directs the OLCC to approve one beverage container redemption center pilot project in a city with population of less than 300,000, and imposes obligations on dealers located near the redemption center that choose not to participate in the pilot project.

The nearly-identical House Bill 3704-A (2010), was vetoed by Governor Kulongoski, who stated in his veto message that it could lead to more centralized redemption centers, making it less convenient for consumers to recycle.

6/8/2011 5:03:00 PM

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