

**REVENUE: Minimal revenue impact, no statement issued**

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

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**Action:** Do Pass as Amended and Be Printed Engrossed

**Vote:** 5 - 0 - 0

**Yeas:** Bates, Hansell, Hass, Olsen, Dingfelder

**Nays:** 0

**Exc.:** 0

**Prepared By:** Beth Reiley, Administrator

**Meeting Dates:** 2/13, 4/3

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**WHAT THE MEASURE DOES:** Authorizes Oregon Liquor Control Commission (Commission) to impose minimum \$50, maximum \$500, daily civil penalty for violating provisions of ORS 459A to 459A.740 (Beverage Containers; Bottle Bill). Authorizes Commission to review or audit records within six months of receiving reports from distributor cooperative or distributor or importer not participating in distributor cooperative. Stipulates if Commission in course of review determines audit is necessary, Commission will require distributor cooperative, distributor or importer to retain and pay costs of independent financial audit firm to determine accuracy of information contained in report.

**ISSUES DISCUSSED:**

- How cooperatives are currently working
- Appropriate maximum daily penalty
- Under current law Commission only has authority to seek criminal penalties or revoke license for violations

**EFFECT OF COMMITTEE AMENDMENT:** Establishes maximum daily fine is \$500. Clarifies Act authority to impose civil penalties is in addition to and not in lieu of revocation, suspension and criminal penalty authority. Authorizes Commission to audit distributor cooperative, distributor or importer if in course of review Commission determines it is necessary. Establishes process for audit.

**BACKGROUND:** In 1971, Oregon enacted the “bottle bill.” Within two years of its implementation, more than 90 percent of all carbonated beverage containers were being recycled and more than 80 percent of the roadside container litter was eliminated. The 2007 Legislative Assembly expanded coverage of the five-cent beverage container deposit to include water and flavored water beverage containers. In 2011, the Legislative Assembly passed House Bill 3145, which expanded the types of beverage containers subject to the deposit, set a trigger for the deposit to increase to 10 cents if the recycling rate falls below 80 percent for two consecutive years (but not before 2017) and set up a redemption center pilot project. In 2012, the Legislative Assembly passed Senate Bill 1508 which allowed two or more beverage distributors to establish a cooperative and required cooperatives, distributors and importers to report information on bottle returns to the Commission.

Senate Bill 112 A authorizes the Commission to impose a civil penalty for violating provisions of the Beverage Containers statute and to review or audit records of cooperatives, distributors and importers within six month of receiving a report.