

**Fiscal:** Fiscal impact issued

**Revenue:** No revenue impact, statement issued (Indeterminate Impact)

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**Action Date:** 04/15/15

**Action:** Do Pass As Amended And Be Printed Engrossed.

**Meeting Dates:** 03/02, 04/10, 04/15

**Vote:**

Yeas: 10 - Barreto, Barton, Doherty, Esquivel, Evans, Fagan, Heard, Holvey, Kennemer, Nosse

Nays: 1 - Weidner

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**WHAT THE MEASURE DOES:**

Provides information that must be included in order issued by Oregon Liquor Control Commission (OLCC) approving beverage container redemption center. Requires OLCC to provide notice of program requirements to each dealer identified in order as dealer within convenience zones not to be served by or not participating in the redemption center. Requires larger dealers within convenience zone who do not participate in redemption center to meet certain requirements. Requires OLCC to ensure compliance of larger dealers who choose not to participate in redemption center. Specifies that dealers exempt for reason that fewer than 100,000 beverage containers were sold in previous year to report to OLCC number of containers sold. Requires dealer who begins business in either convenience zone after redemption center begins operating to report to OLCC regarding participation in redemption center or, if claiming exemption, to provide estimate of beverage container sales for first calendar year in business and documentation of compliance. Grants OLCC authority to inspect any space occupied by dealer to ensure compliance. Requires OLCC to impose civil penalty of at least \$200 for violations per day after providing written notice and 60 days for dealer to cure violation.

**ISSUES DISCUSSED:**

- Services required by dealers not participating in redemption centers
- Costs to operate redemption centers
- Enforcement challenges with non-participating dealers
- Challenges with meeting future goals for bottle returns
- Importance of civil penalty for enforcement of dealers without liquor license
- OLCC's resource needs for additional regulations and improving enforcement

**EFFECT OF COMMITTEE AMENDMENT:**

Grants inspectors and investigators employed by OLCC authority to inspect any space occupied by a dealer. Removes requirement that OLCC inspect premises of certain dealers and replaces with requirement that OLCC ensures compliance by those dealers. Requires OLCC, upon approving a redemption center, to state and provide notice within 5 days to dealers within either convenience zone not to be served by or not participating in redemption center. Changes required time for dealers who sold fewer than 100,000 beverage containers in previous calendar year and claiming exemption to file report to OLCC from 30 to 60 days after receipt of notice. Specifies that dealer who begins doing business in either convenience zone after redemption center begins operating must notify OLCC regarding participation in redemption center at least 60 days prior to date dealer begins doing business. Requires non-participating dealers to provide documentation of compliance with each requirement to OLCC. Authorizes OLCC to impose additional civil penalties of at least \$200 for each day of non-compliance after a 60-day notice period for certain violations of this Act.

**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 to include water and flavored water beverage containers. In 2011, House Bill 3145 expanded the types of beverage containers subject to the deposit, set a trigger for the deposit to increase from five cents to ten 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, Senate Bill 1508 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. In 2013, Senate Bill 117 modified the redemption center program, removed its status as a pilot program, and allowed approval of additional beverage container redemption centers. The Oregon Liquor Control Commission (OLCC) administers and enforces the bottle bill and redemption centers.

House Bill 2803-A modifies the beverage container redemption program and provides penalty for violations.