

HB 2746 STAFF MEASURE SUMMARY
House Committee On Energy and Environment

Carrier: Rep. Lininger

Action Date: 02/15/17
Action: Do Pass.
Vote: 8-0-1-0
Yeas: 8 - Barnhart, Bentz, Helm, Holvey, Johnson, Power, Reschke, Smith DB
Exc: 1 - Boone
Fiscal: Has minimal fiscal impact
Revenue: No revenue impact
Prepared By: Beth Reiley, LPRO Analyst

WHAT THE MEASURE DOES:

Requires payment of refund value of 10 cents for covered beverage containers on and after April 1, 2017, regardless of the refund value indicated on the beverage container. Clarifies that after April 1, 2017, and until September 30, 2018 beverage containers that indicate a 5 cent deposit may continue to be sold. Allows sale of beverage containers that become subject to the deposit on January 1, 2018 but that do not indicate refund value on and after January 1, 2018, and until December 31, 2018. Sunsets measure provisions on January 2, 2019. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Flexibility during transition period
- Effect of January 1, 2018 expansion
- History of Bottle Bill program

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

In 1971, Oregon enacted the “Bottle Bill” which is the nation’s longest-standing deposit law. In 2007, the Legislature expanded coverage of the five-cent beverage container deposit to include water and flavored water. In 2011, the Legislature passed House Bill 3145, which expanded the types of beverage containers subject to the deposit to include juices, teas and more; set a trigger for the deposit to increase to 10 cents if the recycling rate fell below 80 percent for two consecutive years; and set up a redemption center pilot project. In 2012, the Legislature passed Senate Bill 1508 to provide incentives for a more efficient system for distributors to collect empty containers from stores. In 2013, Senate Bill 117 modified the redemption center program by removing its status as a pilot program and authorized the Oregon Liquor Control Commission (OLCC) to approve additional centers. The redemption centers – known as “BottleDrops” – are operated and funded by the Oregon Beverage Recycling Cooperative in partnership with grocery retailers.

August 1, 2016, OLCC determined the redemption rate had been below 80 percent for two consecutive years, 68.26 percent in 2014 and 64.45 percent in 2015, triggering the increase of the refund value to 10 cents effective April 1, 2017. House Bill 2746 would provide direction on how containers that are not yet labeled with the higher deposit value will be handled during the transition from a 5 cent to 10 cent deposit. The Act would require the payment of a refund value of 10 cents for any beverage container that is subject to the deposit on and after April 1, 2017, regardless of the refund value indicated on the beverage container. The measure would also address the beverage containers that are scheduled to be added to the Bottle Bill on January 1, 2018 (including juices and teas), specifying that those containers will carry a 10 cent deposit regardless of whether the deposit amount appears on the container.