

HB 2746 STAFF MEASURE SUMMARY

Carrier: Sen. Dembrow

Senate Committee On Environment and Natural Resources

Action Date: 03/13/17
Action: Do pass.
Vote: 4-0-1-0
Yeas: 4 - Baertschiger Jr, Dembrow, Olsen, Prozanski
Exc: 1 - Roblan
Fiscal: Has minimal fiscal impact
Revenue: No revenue impact
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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:

- Beverage container deposit will increase to 10 cents on April 1, 2017
- On April 1, 2017 some containers will still carry 5 cent deposit on label
- Need for clarity on refund value

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 further 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. On August 1, 2016, the Oregon Liquor Control Commission 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 deposit to 10 cents effective April 1, 2017.

House Bill 2746 would specify 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, specifying that those containers will carry a 10 cent deposit regardless of whether the deposit amount appears on the container.