

## **SB 247 A STAFF MEASURE SUMMARY**

### **House Committee On Energy and Environment**

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**Prepared By:** Misty Freeman, LPRO Analyst

**Meeting Dates:** 5/7

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#### **WHAT THE MEASURE DOES:**

Defines "kombucha" as a fermented tea containing not more than 21 percent alcohol by volume. Adds kombucha to the list of beverages covered by provisions of the Bottle Bill (ORS 459A.700-459A.740). Requires a person responsible for the operation of one or more redemption centers to register with the Oregon Liquor Control Commission (OLCC) by July 1 each year and to pay an annual \$3,000 registration fee for each redemption center the person is responsible for operating. Establishes the Bottle Bill Fund (Fund), authorizes registration fees to be deposited into the Fund, and authorizes moneys in the Fund to be used by OLCC to carry out provisions of the Bottle Bill.

*REVENUE: No revenue impact*

*FISCAL: Fiscal impact issued*

Senate Vote (4/23/19): Carried by Prozanski. Passed. Ayes, 23; Nays, 6--Baertschiger Jr, Boquist, Girod, Heard, Linthicum, Thatcher; Excused, 1--Winters.

#### **ISSUES DISCUSSED:**

#### **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, expanding the types of beverage containers subject to the deposit to include juices, teas, and more; the measure also 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 authorizing 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. In 2018, the legislature expanded the program to include a variety of other products such as energy drinks, coffee and tea drinks, and regular kombucha.

Senate Bill 247 A would add hard kombucha to the list of beverages covered by the Bottle Bill and would require redemption center operators to submit an annual registration form and fee to the OLCC.