

SB 247 A -A6 STAFF MEASURE SUMMARY

House Committee On Energy and Environment

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Meeting Dates: 5/7, 5/21

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:

-A6 Defines "hard seltzer" as sugar-based alcoholic beverage that contains carbonated water or any malt-based alcoholic beverage that contains carbonated water but is not a malt beverage. Clarifies that "wine" does not mean kombucha or hard seltzer. Adds hard seltzer to the list of beverages covered by provisions of the Bottle Bill. Establishes the refund value of not less than ten cents for beverage containers holding kombucha or hard seltzer and gives manufacturer until January 1, 2021 to indicate the refund value on the beverage container, until which time kombucha and hard seltzer beverage containers may be returned for refund regardless of whether the refund value is indicated on the container.

Extends civil penalty provisions in ORS 459A.717 to distributor or importer in violation of ORS 459A.718.

Clarifies that registration fee does not apply to a BottleDrop Express or similar redemption center or, upon passage of Senate Bill 93 A, a dealer redemption center. Establishes that, upon passage of Senate Bill 93 A, redemption center rules in ORS 459A.737, including limits on the number of beverage container refunds per day per person, apply to full-service redemption centers and not to dealer redemption centers.

Takes effect on the 91st day after adjournment, *sine die*.

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

This summary has not been adopted or officially endorsed by action of the committee.

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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.