Senate Bill 276

Sponsored by Senators MANNING JR, PROZANSKI, Representative FAHEY; Senators DEMBROW, FREDERICK, Representatives NOSSE, POWER, SANCHEZ, WILDE (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.**

Establishes product stewardship program for mattresses.

Establishes Mattress Stewardship Fund.

Becomes operative January 1, 2020.

Requires initial plans for mattress stewardship programs to be submitted to Department of Environmental Quality no later than April 1, 2021. Provides that mattress stewardship program developed pursuant to approved plan may first be implemented no earlier than January 1, 2022.

Imposes civil penalty for violation of program provisions not to exceed \$25,000 per day for each day of violation.

Declares emergency, effective on passage.

A BILL FOR AN ACT

2 Relating to mattresses; creating new provisions; amending ORS 459.995; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

MATTRESS STEWARDSHIP

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SECTION 1. The Legislative Assembly finds and declares that:

- (1) It is in the best interests of this state for manufacturers of mattresses to take responsibility for developing, financing and implementing a statewide system to conveniently serve the urban and rural areas of this state, for the collection and environmentally sound management of mattresses; and
- (2) It is the policy of the State of Oregon that a statewide system for the collection and environmentally sound management of mattresses is consistent with the priority of solid waste management set forth in ORS 459.015 (2).

SECTION 2. As used in sections 1 to 13 of this 2019 Act:

- (1) "Brand" means a name, symbols, words or marks that identify a mattress and attribute the mattress to the owner of the brand as the manufacturer.
- (2) "Environmentally sound management" includes, but is not limited to, the following management practices, implemented in a manner that is designed to protect public health, safety and the environment:
 - (a) Adequate record keeping;
- (b) Keeping detailed documentation of the methods used to:
 - (A) Manage used mattresses; and
- (B) Track and document the fate of used mattresses from collection through final disposition within this state and outside this state;
 - (c) Performance audits and inspections;
 - (d) Compliance with worker health and safety requirements; and

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

- (e) Maintenance of adequate environmental liability insurance and financial assurances for a stewardship organization and contractors working for the stewardship organization.
- (3) "Final disposition" means the point beyond which no further processing takes place and the used mattress has been recycled, renovated or disposed of in accordance with rules adopted by the Environmental Quality Commission.
- (4) "Foundation" means a ticking-covered structure used to support a mattress or sleep surface and that may be constructed of frames, foam, box springs or other materials, used alone or in combination.
- (5) "Manufacturer" means any person, irrespective of the selling technique used, including that of remote sale:
 - (a) That manufactures mattresses under a brand that it owns or is licensed to use;
 - (b) That sells mattresses manufactured by others under a brand that the seller owns;
 - (c) That manufactures mattresses without affixing a brand;
 - (d) That manufactures mattresses to which it affixes a brand that it does not own; or
- (e) On whose account mattresses manufactured outside the United States are imported into the United States. This paragraph does not apply if, at the time the mattresses are imported into the United States, another person is registered as the owner of the brand of the mattresses.
 - (6)(a) "Mattress" means:
- (A) A resilient material or combination of materials that is enclosed by a ticking, is used alone or in combination with other products and is intended for or promoted for sleeping upon;
 - (B) A foundation and a renovated mattress; or
- 24 (C) A renovated foundation.
 - (b) "Mattress" does not mean:
 - (A) An unattached mattress pad or unattached mattress topper, with or without resilient filling or ticking, that is intended to be used with or on top of a mattress;
 - (B) A sleeping bag;
 - (C) A pillow;

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- (D) A car bed, crib mattress or bassinet mattress;
- (E) A carriage, basket, dressing table, stroller, playpen, infant carrier, lounge pad, crib bumper or other product manufactured for young children or the pad for a product described in this subparagraph;
- (F) A water bed, an air mattress or another product that contains liquid- or gas-filled ticking and that does not contain upholstery material between the ticking and the mattress core; or
 - (G) A foldout sofa bed, futon, futon mattress or upholstered furniture.
- (7) "Mattress stewardship assessment" means the amount added to the purchase price of a mattress sold in this state to cover the cost of collecting, transporting and processing the used mattresses managed through a mattress stewardship program.
- (8) "Mattress stewardship program" means a statewide program for the collection and environmentally sound management of used mattresses that is funded and operated by a stewardship organization pursuant to a plan approved by the Department of Environmental Quality under section 6 of this 2019 Act.
 - (9) "Orphan mattress" means a used mattress for which no manufacturer can be identi-

1 fied.

- (10) "Person" means the United States, the state or a public or private corporation, local government unit, public agency, individual, partnership, association, firm, trust, estate or other legal entity.
- (11) "Premium service" means a service such as at-home pickup service, including curbside pickup service.
- (12) "Retailer" means a person that offers new mattresses or renovated mattresses for sale at retail through any means, including but not limited to remote offerings such as sales outlets, catalogs or the Internet.
- (13) "Stewardship organization" means a corporation, nonprofit organization or other legal entity designated by a manufacturer or group of manufacturers to implement a mattress stewardship program.
 - (14) "Ticking" means the outermost layer of fabric or related material of a mattress.
- (15) "Used mattress" means a mattress that has been abandoned or discarded by a consumer or that is no longer wanted by its purchaser.
- <u>SECTION 3.</u> (1) A manufacturer or retailer may not sell or offer for sale any mattress to any person in this state unless:
 - (a) The mattress is labeled with a brand; and
- (b) The brand is included in a plan for a mattress stewardship program that is submitted to and approved by the Department of Environmental Quality pursuant to sections 5 and 6 of this 2019 Act.
- (2) The manufacturer or retailer shall provide to consumers, at the time of sale, information on available collection opportunities for the mattress and for used mattresses through the approved mattress stewardship program.
- (3) A retailer is in compliance with subsection (1) of this section if, on the date the mattress is ordered from the manufacturer or its agent, the website maintained by the manufacturer's stewardship organization lists the manufacturer, along with the manufacturer's brand associated with the mattress, as a participant in an approved mattress stewardship program.
- SECTION 4. Before January 1 of each year, a stewardship organization for mattresses sold or offered for sale in this state shall register with the Department of Environmental Quality, for a period to cover the upcoming calendar year, on a form provided by the department. The registration must include:
 - (1) A list of all manufacturers that are participating in the stewardship organization.
- (2) A list of all the brands manufactured, sold or imported by the manufacturers participating in the stewardship organization, including those brands being offered for sale in this state by the manufacturers.
- (3) Any other information required by the department to implement sections 1 to 13 of this 2019 Act.
 - SECTION 5. (1) In a form and manner prescribed by the Department of Environmental Quality, a stewardship organization shall submit to the department a plan for the development and implementation of a mattress stewardship program. The plan must describe how the stewardship organization will:
 - (a) Manage and conduct a mattress stewardship program.
 - (b) Fund the mattress stewardship program, including how the stewardship organization

will fund all the costs incurred for the environmentally sound management of used mattresses during each stage of management, from collection of the used mattresses from the public through final disposition of the used mattresses.

- (c) Apportion the costs of the mattress stewardship program among each manufacturer participating in the stewardship organization.
 - (d) Provide for the environmentally sound management of used mattresses.
- (e) Provide for advertising and promoting collection opportunities statewide and on a regular basis.
- (f) Work to develop and implement the mattress stewardship program in coordination with:
 - (A) Retailers;

- (B) Facilities that recycle or renovate used mattresses; and
- (C) Other stewardship organizations in this state.
- (g) Provide for convenient service as described in subsection (2) of this section.
- (2)(a) Unless the department adopts by rule a different standard, a plan provides for convenient service if the plan describes how the stewardship organization will provide for at least one collection site per every ______ residents in a county for every county in this state.
 - (b) A plan must provide for convenient service through:
 - (A) Providing for at least one collection site in every county in this state; and
- (B) Providing for any additional collection sites that the department determines are necessary to meet the standard set forth in paragraph (a) of this subsection and to provide environmentally sound management for used mattresses returned to retailers under paragraph (c) of this subsection.
- (c) A plan must also provide for convenient service by compensating retailers to collect a used mattress from a consumer, free of charge, at the time that the retailer sells a new or renovated mattress to a consumer. A stewardship organization shall provide retailers with suitable containers as necessary for retailers to store used mattresses between the time that used mattresses are collected by the retailer and collected by the stewardship organization for final disposition.
- (3) In addition to the requirements specified in subsections (1) and (2) of this section, the plan must also:
- (a) Include a financial incentive to encourage parties to collect used mattresses for recycling or renovation.
- (b) Describe the efforts taken by the stewardship organization to provide used mattress collection services to low-income and otherwise disadvantaged communities.
- (c) Include an anticipated annual operating budget for the program for the next four calendar years, beginning with the year in which the plan is submitted to the department, as described in subsection (4) of this section.
- (d) Include a funding mechanism whereby each manufacturer remits to the stewardship organization payment of a mattress stewardship assessment for each mattress that the manufacturer sells in this state. The mattress stewardship assessment must be added to the cost of all mattresses sold to Oregon retailers and distributors, and each Oregon retailer or distributor shall add the assessment to the purchase price of all mattresses sold in this state. The mattress stewardship assessment may not be described as an Oregon recycling fee at

the point of retail. To ensure that the funding mechanism is equitable and sustainable, a uniform mattress stewardship assessment must be established for all mattresses sold in this state. The mattress stewardship assessment must be approved by the department as part of the plan and must be sufficient to recover, but not exceed, the costs of the mattress stewardship program.

- (4) The budget required under subsection (3)(c) of this section shall include, but not be limited to, budget line items relating to:
- (a) The collection, transportation and processing of used mattresses as part of the program;
 - (b) The financial incentive required under subsection (3)(a) of this section;
 - (c) The administrative costs of the program to the stewardship organization;
- (d) The costs of compensating retailers and collection sites for the collection and handling of used mattresses;
- (e) The anticipated amount of moneys that the stewardship organization will hold in unallocated reserve funds for the program;
- (f) The administrative fees paid to the Environmental Quality Commission under section 10 of this 2019 Act; and
- (g) Any additional budgetary information requested by the department that is necessary for the department to approve the plan.
 - (5) In operating a mattress stewardship program, a stewardship organization shall:
- (a) Implement the plan required under this section no later than 60 days after the department approves the plan.
- (b) Meet or exceed the requirements for providing convenient service as described in subsection (2) of this section.
- (c) Offer organizations that recycle or refurbish mattresses the first opportunity to participate as collection sites.
- (d) Prioritize recycling or refurbishing over disposal in providing for the environmentally sound management and final disposition of used mattresses under the mattress stewardship program.
- (e) Provide for the environmentally sound management of all used mattresses, regardless of the manufacturers of the used mattresses and including orphan mattresses, with no charge at the point of collection of the used mattresses, except that a stewardship organization that provides premium service for a household may charge for the additional cost of that premium service.
- (f) Notify retailers that sell or offer for sale mattresses made or sold by manufacturers participating in the stewardship organization about the mattress stewardship program and provide the retailers with information that the retailers will need in order to comply with sections 3 (2) and 5 (2) of this 2019 Act.
- (g) By April 1 of each year, or by a later date as determined by the department, provide a report for review by the department that details how the plan required under this section was implemented during the previous calendar year, including but not limited to information about the services that were provided and the material collected during the previous calendar year.
- (h) Establish and maintain a website that provides information about collection sites under the program and lists manufacturers participating in the stewardship organization

under the plan and mattresses that are sold or offered for sale in this state by participating manufacturers.

SECTION 6. (1) The Department of Environmental Quality shall approve, deny or request additional information for a plan submitted under section 5 of this 2019 Act or an amendment to a plan submitted under section 7 of this 2019 Act no later than 60 days after the date the department receives the plan or amendment from the stewardship organization.

- (2) If the department rejects, or requests additional information for, the plan or amendment, the department must provide the stewardship organization with the reasons in writing. The stewardship organization shall have 60 days from the date that the rejection or request for additional information is received to submit to the department any additional information necessary for the approval of the plan or amendment.
- (3) The department's rejection of, or request for additional information for, an amendment does not relieve a stewardship organization from continuing to implement a mattress stewardship program in compliance with a previously approved plan pending a final action by the department on the amendment.
- (4)(a) Beginning no later than two months after a plan or amended plan is approved under this section, a stewardship organization must implement a mattress stewardship program as described in the plan or amended plan.
- (b) A stewardship organization may enter into contracts with local governments as defined in ORS 174.116, a collection service franchise holder under ORS 459A.085, any person who provides collection service as defined in ORS 459.005 or a person who provides mattress recycling or renovation services in order to implement a program under this subsection. Terms of a contract described in this subsection may include, but are not limited to:
 - (A) The coverage of costs for accepting used mattresses through collection sites.
 - (B) The transportation, recovery and final disposition of used mattresses.
- (5) Nothing in this section shall be construed to limit the power of a local government, a collection service franchise holder or any person authorized by a local government to provide collection service, to offer premium service.
- SECTION 7. (1) A stewardship organization must submit to the Department of Environmental Quality for approval an amendment to a plan that has been approved by the department under section 6 of this 2019 Act if, at any time:
- (a) The stewardship organization makes a change to the mattress stewardship assessment that was approved by the department as part of the plan;
- (b) The stewardship organization makes a change to the types of mattresses that will be collected by the stewardship organization under the plan;
- (c) The stewardship organization makes a change to the provisions for convenient service that were approved by the department as part of the plan; or
- (d) The department requests an amendment to the plan in order to address a specific finding by the department that:
- (A) The administrative costs to the stewardship organization for the mattress stewardship program equaled 20 percent or more of the organization's total annual budget for the program during the prior calendar year;
- (B) The cost per used mattress of the program during the prior calendar year was at least 10 percent higher than the preceding calendar year;
 - (C) The unallocated reserve funds held by the stewardship organization for the program

during the prior calendar year equaled 35 percent or more of the total annual budget for the program during the year;

- (D) The total number of used mattresses collected as part of the program during the prior calendar year was at least 10 percent lower than the preceding calendar year; or
- (E) The recycling rate for the program during the prior calendar year was at least 10 percent lower than the preceding calendar year.
- (2) A stewardship organization must submit an amendment under this section within 120 days after the date of the change by the stewardship organization or the date of the request by the department.

SECTION 8. (1)(a) Except for the financial, cost, production or sales data and records specified in paragraph (b) of this subsection, the Department of Environmental Quality may not disclose any financial, cost, production or sales data and records of a stewardship organization, or of a specific manufacturer, obtained by the department as part of the approval of a plan, or an amended plan, for a mattress stewardship program pursuant to sections 1 to 13 of this 2019 Act or as part of an annual report submitted pursuant to section 5 of this 2019 Act.

- (b) If the department determines that disclosure is necessary for the public to adequately understand the derivation of the mattress stewardship assessment described in section 5 of this 2019 Act, the level of the services or associated costs that are anticipated under the assessment or the services or associated costs that are delivered under the assessment, the department may disclose, in aggregate form, information contained in the financial, cost, production or sales data and records related to the level of service and associated costs for the following services offered by the mattress stewardship program:
- (A) Collection, reuse, transportation, recycling, energy recovery, disposal and other processing of used mattresses;
 - (B) Waste reduction efforts;
 - (C) Education and promotion; and
 - (D) Administration.

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- (2) The department may not disclose the names of brands by specific manufacturers obtained by the department as part of the approval of a plan for a mattress stewardship program. The department may disclose separate lists indicating participating manufacturers and participating brands of the mattress stewardship program.
- (3) Nothing in this section shall impose additional reporting obligations on a stewardship organization beyond those specified in sections 1 to 13 of this 2019 Act.
- SECTION 9. (1) In accordance with the applicable provisions of ORS chapter 183 relating to contested case proceedings, the Department of Environmental Quality may issue an order requiring compliance with the provisions of sections 1 to 13 of this 2019 Act.
- (2) The department may bring an action against any person that is in violation of the provisions of sections 1 to 13 of this 2019 Act.
- SECTION 10. (1) The Environmental Quality Commission shall adopt by rule an annual registration fee to be paid by a stewardship organization. The fee adopted under this section must be reasonably calculated to cover the costs of administering, implementing and enforcing sections 1 to 13 of this 2019 Act.
- (2) The fee required by this section shall accompany the registration form submitted by a stewardship organization under section 4 of this 2019 Act.

(3) Fees collected by the commission under this section shall be deposited in the State Treasury to the credit of the Mattress Stewardship Fund established under section 11 of this 2019 Act.

SECTION 11. The Mattress Stewardship Fund is established, separate and distinct from the General Fund. Moneys in the Mattress Stewardship Fund are continuously appropriated to the Department of Environmental Quality and may be used only to pay the costs of administering, implementing and enforcing sections 1 to 13 of this 2019 Act.

SECTION 12. (1) The Legislative Assembly declares that the collaboration of manufacturers and stewardship organizations to develop and implement mattress stewardship programs is in the best interests of the public. Therefore, the Legislative Assembly declares its intent that the development, implementation and operation of mattress stewardship programs as required by sections 1 to 13 of this 2019 Act shall be exempt from state antitrust laws. The Legislative Assembly further declares its intent to provide immunity for the development, implementation and operation of mattress stewardship programs as required by sections 1 to 13 of this 2019 Act from federal antitrust laws. This section does not authorize any person to engage in activities or to conspire to engage in activities that constitute per se violations of state or federal antitrust laws that are not authorized under sections 1 to 13 of this 2019 Act.

- (2) The Department of Environmental Quality shall actively supervise the conduct of a stewardship organization, including but not limited to conduct related to payments made by mattress manufacturers to the stewardship organization for the mattress stewardship assessment specified in section 5 of this 2019 Act. The department may require the stewardship organization to take whatever action the department considers necessary to:
- (a) Ensure that the stewardship organization is engaging in conduct authorized under this section;
- (b) Ensure that the policies of the state are being fulfilled by a mattress stewardship program; and
- (c) Enjoin conduct that is not authorized by the department or conduct that the department finds does not advance the interests of this state in carrying out the mattress stewardship program.

<u>SECTION 13.</u> The Environmental Quality Commission may adopt rules as necessary to implement sections 1 to 13 of this 2019 Act.

SECTION 14. ORS 459.995 is amended to read:

459.995. (1) Except as provided in subsection (2) of this section, in addition to any other penalty provided by law:

- (a) Any person who violates ORS 459.205, 459.270, 459.272, 459.386 to 459.405, 459.705 to 459.790, 459A.005 to 459A.620, 459A.310 to 459A.335, 459A.675 to 459A.685 or 646A.080 **or sections 1 to 13 of this 2019 Act**, or any rule or order of the Environmental Quality Commission pertaining to the disposal, collection, storage or reuse or recycling of solid wastes, as defined by ORS 459.005, or any rule or order pertaining to the disposal, storage or transportation of waste tires, as defined by ORS 459.705, or any rule or order pertaining to the sale of novelty items that contain encapsulated liquid mercury, incurs a civil penalty not to exceed \$25,000 per day for each day of the violation.
- (b) Any person who violates the provisions of ORS 459.420 to 459.426 incurs a civil penalty not to exceed \$500 for each violation. Each battery that is disposed of improperly is a separate violation. Each day an establishment fails to post the notice required under ORS 459.426 is a separate vio-

lation.

- (c) For each day a city, county or metropolitan service district fails to provide the opportunity to recycle as required under ORS 459A.005, the city, county or metropolitan service district incurs a civil penalty not to exceed \$500 for each violation.
- (d) Any person who violates the provisions of ORS 459.247 (1)(f) incurs a civil penalty not to exceed \$500 for each violation. Each covered electronic device that is disposed of improperly is a separate violation.
- (e) Any retailer that violates the provisions of ORS 459A.825 (1) or (2)(b) incurs a civil penalty not to exceed \$100 per day for each day of the violation.
- (f) Any producer that violates the provisions of ORS 459A.825 (1) incurs a civil penalty not to exceed \$1,000 per day for each day of the violation.
- (g) Any stewardship organization that violates the provisions of ORS 459A.825 (2)(a), 459A.827, 459A.830 to 459A.837 or 459A.842 incurs a civil penalty not to exceed \$1,000 per day for each day of the violation.
- (2) Any product manufacturer or package manufacturer who violates ORS 459A.650 to 459A.665 or any rule adopted under ORS 459A.650 to 459A.665 incurs a civil penalty not to exceed \$1,000 per day for each day of the violation. A violation of ORS 459A.650 to 459A.665 is not subject to additional penalties under subsection (1) of this section.
- (3) Any civil penalty authorized by subsection (1) or (2) of this section shall be imposed in the manner provided by ORS 468.135.

SECTION 15. Sections 1 to 13 of this 2019 Act and the amendments to ORS 459.995 by section 14 of this 2019 Act apply to all manufacturers engaging in the activities set forth in section 2 (5) of this 2019 Act before, on or after January 1, 2020.

MISCELLANEOUS

SECTION 16. (1) Sections 1 to 13 of this 2019 Act and the amendments to ORS 459.995 by section 14 of this 2019 Act become operative on January 1, 2020.

(2) The Environmental Quality Commission and the Department of Environmental Quality may take any action before the operative date specified in subsection (1) of this section that is necessary for the commission and the department to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the commission and the department by sections 1 to 13 of this 2019 Act and the amendments to ORS 459.995 by section 14 of this 2019 Act.

SECTION 17. (1) Initial plans for a mattress stewardship program must be submitted to the Department of Environmental Quality under section 5 of this 2019 Act not later than April 1, 2021.

(2) Notwithstanding section 5 (5)(a) of this 2019 Act, a mattress stewardship program developed pursuant to an approved plan under sections 5 and 6 of this 2019 Act may first be implemented no earlier than January 1, 2022.

CAPTIONS

SECTION 18. The unit captions used in this 2019 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any

1	legislative intent in the enactment of this 2019 Act.
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3	EMERGENCY CLAUSE
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5	SECTION 19. This 2019 Act being necessary for the immediate preservation of the public
6	peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect
7	on its passage.
8	