

A-Engrossed
Senate Bill 93

Ordered by the Senate April 12
Including Senate Amendments dated April 12

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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.

Establishes dealer redemption centers for bulk redemption of beverage containers.

Provides that [*beverage container*] **full-service** redemption centers are not recycling depots for purposes of certain recycling laws.

Adds requirement to findings by Oregon Liquor Control Commission in its order approving **full-service** redemption center.

A BILL FOR AN ACT

1
2 Relating to beverage container redemption centers; creating new provisions; and amending ORS
3 459A.700, 459A.715, 459A.735, 459A.737 and 459A.738 and section 4, chapter 106, Oregon Laws
4 2013.

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

6 **SECTION 1.** ORS 459A.700 is amended to read:

7 459A.700. As used in ORS 459.992 (3) and (4) and 459A.700 to 459A.740, unless the context re-
8 quires otherwise:

9 (1) "Beverage" means a fluid described in ORS 459A.702.

10 (2) "Beverage container" means a container described in ORS 459A.702.

11 (3) "Commission" means the Oregon Liquor Control Commission.

12 (4) "Consumer" means every person who purchases a beverage in a beverage container for use
13 or consumption.

14 (5) "Dealer" means every person in this state who engages in the sale of beverages in beverage
15 containers to a consumer, or means a **full-service** redemption center [*certified*] **approved** under ORS
16 459A.735.

17 **(6) "Dealer redemption center" means a location that meets the requirements of section**
18 **3 of this 2019 Act, at which any person may return empty beverage containers and receive**
19 **payment of the refund value of the beverage containers.**

20 [(6)] (7) "Distributor" means every person who engages in the sale of beverages in beverage
21 containers to a dealer in this state including any manufacturer who engages in such sales.

22 **(8) "Full-service redemption center" means a location that meets the requirements of**
23 **ORS 459A.737, at which any person may return empty beverage containers and receive pay-**
24 **ment of the refund value of the beverage containers.**

25 [(7)] (9) "Importer" means any dealer or manufacturer who directly imports beverage containers

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.

1 into this state.

2 [(8)] (10) "In this state" means within the exterior limits of the State of Oregon and includes
3 all territory within these limits owned by or ceded to the United States of America.

4 [(9)] (11) "Manufacturer" means every person bottling, canning or otherwise filling beverage
5 containers for sale to distributors, importers or dealers.

6 [(10)] (12) "Place of business of a dealer" means the location at which a dealer sells or offers
7 for sale beverages in beverage containers to consumers.

8 (13) "**Redemption center**" means a full-service redemption center or a dealer redemption
9 center.

10 [(11)] (14) "Use or consumption" includes the exercise of any right or power over a beverage
11 incident to the ownership thereof, other than the sale or the keeping or retention of a beverage for
12 the purposes of sale.

13 [(12)] (15) "Water and flavored water" means any beverage identified through the use of letters,
14 words or symbols on its product label as a type of water.

15 **SECTION 2. Section 3 of this 2019 Act and ORS 459A.738 and 459A.739 are added to and**
16 **made a part of ORS 459A.700 to 459A.740.**

17 **SECTION 3. (1) Any person may establish a dealer redemption center to serve one or**
18 **more dealers doing business in an area that is not part of a convenience zone specified by**
19 **the Oregon Liquor Control Commission under ORS 459A.738.**

20 (2) Notwithstanding any other provision of ORS 459A.700 to 459A.740, a dealer redemption
21 center must:

22 (a) Provide secure drop off service at no charge for empty beverage containers to be re-
23 turned by any person for the refund value established by ORS 459A.705 in a bag or other bulk
24 return container sold for that purpose;

25 (b) Provide an accounting mechanism by which a person may redeem the refund value
26 of beverage containers returned in bulk either immediately in cash from a dealer partic-
27 ipating in the dealer redemption center or no later than one week after the beverage con-
28 tainers are dropped off;

29 (c) Be serviced by a distributor cooperative for purposes of transporting and processing
30 redeemed beverage containers;

31 (d) Be available for persons to return beverage containers to the dealer redemption cen-
32 ter during any time that a participating dealer is open between the hours of 8 a.m. and 8
33 p.m.; and

34 (e) Be of a sufficient capacity to provide convenient service to the public as the com-
35 mission may determine.

36 (3) A dealer redemption center may provide services other than those specified in sub-
37 section (2) of this section as determined necessary by the person responsible for operation
38 of the dealer redemption center.

39 (4) A distributor cooperative that services dealer redemption centers shall:

40 (a) Provide notice to the commission no later than 14 days after the date that a dealer
41 redemption center:

42 (A) Begins providing drop off service to persons for the return of empty beverage con-
43 tainers; or

44 (B) Ceases operations; and

45 (b) Annually provide to the commission the names and addresses of the dealers served

1 by all dealer redemption centers serviced by the distributor cooperative, and such additional
2 information as the commission may require.

3 (5)(a) A dealer that participates in, is served by and pays the cost of participation in a
4 dealer redemption center may, notwithstanding any other provision of ORS 459A.700 to
5 459A.740, refuse to accept and to pay the refund value of more than 24 individual empty
6 beverage containers returned by any one person during one day.

7 (b) If a dealer redemption center is established in a city having a population of less than
8 10,000 people, the Oregon Liquor Control Commission shall specify a dealer redemption cen-
9 ter convenience zone. The dealer redemption center convenience zone shall be the sector
10 within a radius of not more than one mile around the dealer redemption center. Any dealer
11 doing business within a dealer redemption center convenience zone may participate in, be
12 served by and pay the cost of participation in the dealer redemption center and receive the
13 benefit provided for in paragraph (a) of this subsection.

14 **SECTION 4.** Section 4, chapter 106, Oregon Laws 2013, is amended to read:

15 **Sec. 4.** No later than March 1 of each odd-numbered year, the Oregon Liquor Control Commis-
16 sion shall submit a report to the Legislative Assembly regarding [*beverage container*] **full-service**
17 redemption centers approved pursuant to the provisions of ORS 459A.737 **and dealer redemption**
18 **centers established pursuant to section 3 of this 2019 Act.** The report must include, for the two
19 previous calendar years:

20 (1) The number of beverage containers that are returned for refund value as a percentage of the
21 total number of beverage containers sold in this state.

22 (2) The number of [*beverage container*] redemption centers operating in this state and the number
23 of full-service redemption centers for which applications are pending with the commission.

24 (3) The number of beverage containers that are returned for refund value in areas designated
25 by the commission and the number of beverage containers returned for refund value in each area
26 in the year before the beverage container redemption center began operation.

27 (4) The number of beverage containers that are returned for refund value to [*beverage*
28 *container*] redemption centers in this state and the number of beverage containers that are returned
29 for refund value to dealers in this state.

30 **SECTION 5.** ORS 459A.715 is amended to read:

31 459A.715. (1) A dealer may refuse to accept from any person, and a distributor or importer may
32 refuse to accept from a dealer, any empty beverage container that does not state thereon a refund
33 value as established by ORS 459A.705.

34 (2) A dealer may refuse to accept and to pay the refund value of:

35 (a) Empty beverage containers if the place of business of the dealer and the kind of empty
36 beverage containers are included in an order of the Oregon Liquor Control Commission approving
37 a **full-service** redemption center under ORS 459A.735.

38 (b) Any beverage container visibly containing or contaminated by a substance other than water,
39 residue of the original contents or ordinary dust.

40 (c)(A) More than 144 individual beverage containers returned by any one person during one day,
41 if the dealer occupies a space of 5,000 or more square feet in a single area.

42 (B) More than 50 individual beverage containers returned by any one person during one day, if
43 the dealer occupies a space of less than 5,000 square feet in a single area.

44 (d) Any beverage container that is damaged to the extent that the brand appearing on the con-
45 tainer cannot be identified.

1 (3)(a) In order to refuse containers under subsection (2)(b), (c)(A) or (d) of this section, if a dealer
2 occupies a space of 5,000 or more square feet in a single area, the dealer must post in each area
3 where containers are received a clearly visible and legible sign containing the following information:
4

5
6 NOTICE:
7

8 Oregon Law allows a dealer to refuse to accept:

9 1. Beverage containers visibly containing or contaminated by a substance other than water,
10 residue of the original contents or ordinary dust;

11 2. More than 144 individual beverage containers from any one person during one day; or

12 3. Beverage containers that are damaged to the extent that the brand appearing on the con-
13 tainer cannot be identified.
14

15
16 (b) In order to refuse containers under subsection (2)(b), (c)(B) or (d) of this section, if a dealer
17 occupies a space of less than 5,000 square feet in a single area, the dealer must post in each area
18 where containers are received a clearly visible and legible sign containing the following information:
19

20
21 NOTICE:
22

23 Oregon Law allows a dealer to refuse to accept:

24 1. Beverage containers visibly containing or contaminated by a substance other than water,
25 residue of the original contents or ordinary dust;

26 2. More than 50 individual beverage containers from any one person during one day; or

27 3. Beverage containers that are damaged to the extent that the brand appearing on the con-
28 tainer cannot be identified.
29

30
31 **SECTION 6.** ORS 459A.735 is amended to read:

32 459A.735. (1) To facilitate the return of empty beverage containers and to serve dealers of
33 beverages, any person may establish a **full-service** redemption center, subject to the approval of the
34 Oregon Liquor Control Commission, at which any person may return empty beverage containers and
35 receive payment of the refund value of such beverage containers.

36 (2) Application for approval of a **full-service** redemption center shall be filed with the commis-
37 sion. The application shall state the name and address of the person responsible for the establish-
38 ment and operation of the **full-service** redemption center, the kind of beverage containers that will
39 be accepted at the **full-service** redemption center, the names and addresses of the dealers to be
40 served by the **full-service** redemption center and proposals for up to two convenience zones de-
41 scribed in ORS 459A.738. The application shall include such additional information as the commis-
42 sion may require.

43 (3) The commission shall approve a **full-service** redemption center if it finds the redemption
44 center will provide a convenient service to persons for the return of empty beverage containers.
45 The order of the commission approving a **full-service** redemption center shall state:

1 (a) The location of the convenience zones specified by the commission under ORS 459A.738 (1);

2 (b) The dealers within the convenience zones to be served by the **full-service** redemption center;

3 (c) The dealers within the convenience zones not to be served by or not participating in the
4 **full-service** redemption center;

5 (d) The services to be provided by the redemption center and the equivalent services required
6 to be provided under ORS 459A.738 (5) by a dealer that does not participate in, and is not served
7 by, the **full-service** redemption center;

8 (e) The kind of empty beverage containers that the **full-service** redemption center must accept;
9 [*and*]

10 (f) **Whether the full-service redemption center will be located in an area zoned for com-**
11 **mercial use under state statute or local ordinance or will be located in an area that will**
12 **provide more convenient service given the proximity of the location to the dealers within the**
13 **convenience zones to be served by the full-service redemption center; and**

14 [*f*] (g) Such other provisions to ensure [*the*] **that the full-service** redemption center will pro-
15 vide a convenient service to the public as the commission may determine.

16 (4) **A full-service redemption center approved by the commission under this section is**
17 **not a recycling depot for purposes of ORS 90.318, 459A.007, 459A.010, 459A.050 or 459A.080.**

18 [(4)(a)] (5)(a) No later than five days after approving a **full-service** redemption center under
19 subsection (3) of this section, the commission shall provide written notice to each dealer that is
20 identified in the order approving the **full-service** redemption center as a dealer within the conven-
21 ience zones not to be served by or not participating in the **full-service** redemption center.

22 (b) The notice required under this subsection shall include:

23 (A) All information required to be in the order approving the **full-service** redemption center
24 under subsection (3) of this section; and

25 (B) Notice of the provisions of ORS 459A.738 that are applicable to the dealer receiving the
26 notice.

27 [(5)] (6) The commission may review at any time approval of a **full-service** redemption center.
28 After written notice to the person responsible for the establishment and operation of the **full-**
29 **service** redemption center, and to the dealers served by the **full-service** redemption center, the
30 commission may, after hearing, withdraw approval of a **full-service** redemption center if the com-
31 mission finds there has not been compliance with its order approving the **full-service** redemption
32 center, or if the **full-service** redemption center no longer provides a convenient service to the
33 public.

34 **SECTION 7.** ORS 459A.737 is amended to read:

35 459A.737. (1) Pursuant to the provisions of ORS 459A.735, the Oregon Liquor Control Commis-
36 sion:

37 (a) Shall approve one [*beverage container*] **full-service** redemption center in a city having a
38 population of less than 300,000, operated by a distributor cooperative serving a majority of the
39 dealers in this state; and

40 (b) May approve one or more additional [*beverage container*] **full-service** redemption centers.

41 (2) Notwithstanding any other provision of ORS 459A.700 to 459A.740, a [*beverage container*]
42 **full-service** redemption center:

43 (a) May not refuse to accept and to pay the refund value of up to 350 individual empty beverage
44 containers, as established by ORS 459A.705, returned by any one person during one day;

45 (b) Must provide hand counting of up to 50 individual empty beverage containers returned by

1 any one person during one day for the refund value established by ORS 459A.705;

2 (c) May provide drop off service for at least 125 individual empty beverage containers returned
3 by any one person during one day for the refund value established by ORS 459A.705, and may pro-
4 vide an accounting mechanism by which the person may redeem the refund value of the beverage
5 containers at a later date; and

6 (d) May provide other services as determined necessary by the person responsible for the oper-
7 ation of the [beverage container] **full-service** redemption center.

8 (3) The commission may adopt all rules necessary to implement and administer the provisions
9 of this section, **section 3 of this 2019 Act** and ORS 459A.738.

10 **SECTION 8.** ORS 459A.738 is amended to read:

11 459A.738. (1) For each [beverage container] **full-service** redemption center, the Oregon Liquor
12 Control Commission shall specify up to two convenience zones. The first convenience zone shall be
13 the sector within a radius of not more than two miles around the [beverage container] **full-service**
14 redemption center. The second convenience zone shall be the sector beginning at the border of the
15 first convenience zone and continuing to a radius of not more than three and one-half miles around
16 the [beverage container] **full-service** redemption center. The convenience zones shall be based to the
17 greatest extent practicable upon the proposals submitted as part of the application for approval of
18 the **full-service** redemption center under ORS 459A.735.

19 (2) All dealers doing business within the first convenience zone that occupy a space of 5,000 or
20 more square feet in a single area may participate in, be served by and be charged the cost of par-
21 ticipation in the [beverage container] **full-service** redemption center and, if such a dealer partic-
22 ipates in, is served by and pays the cost of participation in the **full-service** redemption center, the
23 dealer may, notwithstanding any other provision of ORS 459A.700 to 459A.740, refuse to accept and
24 to pay the refund value of empty beverage containers.

25 (3) All dealers doing business within the second convenience zone that occupy a space of 5,000
26 or more square feet in a single area may participate in, be served by and be charged the cost of
27 participation in the [beverage container] **full-service** redemption center and, if such a dealer partic-
28 ipates in, is served by and pays the cost of participation in the **full-service** redemption center, the
29 dealer may, notwithstanding any other provision of ORS 459A.700 to 459A.740, refuse to accept and
30 to pay the refund value of more than 24 individual empty beverage containers returned by any one
31 person during one day.

32 (4) All dealers doing business within either convenience zone that occupy a space of less than
33 5,000 square feet in a single area may, notwithstanding any other provision of ORS 459A.700 to
34 459A.740, refuse to accept and to pay the refund value of more than 24 individual empty beverage
35 containers returned by any one person during one day.

36 (5)(a) Any dealer doing business in either convenience zone that occupies a space of 5,000 or
37 more square feet in a single area that does not participate in, and is not served by, the [beverage
38 container] **full-service** redemption center may not refuse to accept and to pay the refund value of
39 up to 350 individual empty beverage containers, as established by ORS 459A.705, returned by any
40 one person during one day and must, beginning on the date that the **full-service** redemption center
41 begins accepting beverage containers, provide services equivalent to those provided by the redemp-
42 tion center under ORS 459A.737 (2), including hand counting and drop off service.

43 (b) In addition to complying with the requirements specified in paragraph (a) of this subsection,
44 a dealer described in paragraph (a) of this subsection must:

45 (A) Post in each area where beverage containers are received a clearly visible and legible sign

1 that contains the list of services that must be provided by the dealer; and

2 (B) Provide two automated reverse vending machines capable of processing metal, plastic and
3 glass beverage containers, or one automated reverse vending machine capable of processing metal,
4 plastic and glass beverage containers for each 500,000 beverage containers sold by the dealer in the
5 previous calendar year, whichever is greater.

6 (c)(A) The provisions of paragraphs (a) and (b) of this subsection do not apply to a dealer de-
7 scribed in paragraph (a) of this subsection if the dealer sold fewer than 100,000 beverage containers
8 in the previous calendar year. To be eligible for the exemption under this paragraph, a dealer de-
9 scribed in paragraph (a) of this subsection must report to the commission the number of beverage
10 containers sold by the dealer in the previous calendar year.

11 (B) The report required under this paragraph must be submitted by a dealer:

12 (i) Except as provided in subsection (6) of this section, no later than 60 days after issuance of
13 the notice required under ORS 459A.735 [(4)] (5); and

14 (ii) No later than January 1 of each calendar year following the year that the notice under ORS
15 459A.735 [(4)] (5) was issued and for which the dealer intends to claim the exemption.

16 (d) The commission shall ensure compliance with this subsection by a dealer described in para-
17 graph (a) of this subsection that is not subject to an exemption under paragraph (c) of this sub-
18 section.

19 (6) A dealer that plans to begin doing business in either convenience zone after the date that
20 the [*beverage container*] **full-service** redemption center associated with the convenience zone begins
21 accepting beverage containers shall, not less than 60 days prior to the date that the dealer begins
22 doing business:

23 (a) Provide notice to the commission explaining whether the dealer will or will not participate
24 in, be served by and pay the cost of participation in the **full-service** redemption center; and

25 (b) If the dealer will not participate in the redemption center and will claim an exemption under
26 subsection (5)(c) of this section, provide documentation of compliance with the requirements for
27 nonparticipating dealers under this section and an estimate of the number of beverage containers
28 that the dealer expects to sell during the first calendar year that the dealer does business in the
29 convenience zone.

30 (7) The provisions of subsections (2) to (6) of this section do not apply to any dealer for which
31 the driving distance from the place of business of the dealer to the [*beverage container*] **full-service**
32 redemption center, calculated using the shortest route, is more than two times the radius specified
33 for the second convenience zone or, if only one convenience zone is specified by the commission, two
34 times the radius specified for that convenience zone.

35 (8) Not more than 60 days after issuance of notice from the commission under ORS 459A.735
36 [(4)] (5), a dealer shall provide the commission with written documentation confirming compliance
37 with each of the requirements of this section that are applicable to the dealer receiving notice.

38