

## **SB 1564-1, Mattress Stewardship: Response to issues raised in 2/4 hearing**

### **Summary:**

- No general fund appropriation is needed to start up or operate the mattress stewardship program.
- The ultimate cost of this program to Oregon taxpayers is zero.
- There will be no charge to drop off a mattress at a collection site.
- The assessment paid by consumers at the point of sale, which in other states has been approximately \$10-\$15, may not exceed the cost of implementing the program.

### **Fiscal impact:**

The program will require 1 FTE to start up. However, no legislative appropriation from the general fund is required to implement the program. DEQ can cover startup costs with existing fees (“other funds”).

All startup costs, as well as ongoing costs of managing the program, will be fully reimbursed by the stewardship program from assessments collected at the point of retail mattress sales. The bill needs to go to Ways and Means only because it requires position authority.

The bottom line is that all costs of this program will be fully covered by the stewardship organization. The ultimate cost to the taxpayers is zero.

### **Assessment:**

The amount of the assessment (that will be paid by consumers at the point of sale) will be determined by the stewardship organization, but must be approved by DEQ. Assessments in other states have been in the range of approximately \$10-15 per mattress.

The assessment can only be used to cover the costs of operating the program and may not exceed the amount necessary to implement the program. From the -1 amendment:

- Page 7, lines 3-6: “[A] stewardship organization may use a mattress stewardship assessment collected in this state only to pay the costs necessary to plan, implement, administer and operate a mattress stewardship program in this state.”
- Page 9, lines 4-7: “The mattress stewardship assessment must be a flat amount that applies equally to each mattress sold to a consumer in this state and must be sufficient to recover, but not exceed, the costs of establishing and administering the mattress stewardship program...”

### **Free disposal:**

This program will cover the costs of recycling and environmentally responsible management of discarded mattresses, allowing consumers to drop off mattresses for free at designated sites throughout the state.

With respect to pickup of mattresses to and from the homes of individual consumers, the bill authorizes the stewardship program to allow a person (e.g., a hauler who provides curbside pickup) to charge for this as a “premium service.” Other than this, delivery and pickup of mattresses to and from individual consumers’ homes are not part of the program and will be dealt with as they are today. (In some cases, retailers delivering a new mattress take away the old one, but this is not a requirement of the product stewardship program.)

The bill does require the stewardship organization to provide bulk pickup services at no cost to collect a minimum of 100 mattresses (e.g., from hotels or hospitals or retailers).