

SB 1564 -1 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

Prepared By: Tyler Larson, LPRO Analyst

Meeting Dates: 2/4, 2/11

WHAT THE MEASURE DOES:

Establishes program for environmentally sound management of discarded mattresses funded by assessment on sale of new mattresses. Prohibits a producer, renovator, or retailer from selling or offering for sale any mattress to any person in this state unless registered with a stewardship organization. Requires retailer to purchase mattress only from producer or renovator registered with stewardship organization, collect mattress stewardship assessment at the point of sale and remit funds to the stewardship organization, and provide information to consumers on discarding mattresses through stewardship program at the point of sale. Requires assessment be identified as separate line item on receipt. Requires stewardship organization to make specified information available on website and on request, including brands owned by all producers and renovators registered with the organization and information on available collection opportunities. Dedicates assessment funds received by stewardship organization to planning, implementation, and administration of the stewardship program and prohibits use of assessment funds to pay civil penalties assessed against the organization. Allows stewardship organization to coordinate stewardship program efforts with similar programs in other states. Requires Department of Environmental Quality (DEQ) to maintain on website list of producers, renovators, and retailers in compliance with registration requirements. Requires stewardship organization to submit plan for development and implementation of mattress stewardship program to DEQ, including: 1) how the organization will identify and handle program and non-program mattresses; 2) registered producers, renovators, and retailers; 3) description of how organization will provide for environmentally sound management of program mattresses with no charge at the point of collection of discarded mattresses; 4) performance goals for collection and recycling rates and public awareness of stewardship program; 5) anticipated annual operating budget for two years; 6) proposed stewardship assessment amount and method of collection from retailers; 7) mechanism to mitigate costs of collecting discarded mattresses that are illegally dumped; 8) public education, advertisement, and promotion of collection opportunities; 9) closure plan to settle affairs in the even of dissolution or cessation; 10) coordination with existing recycling programs; and, 11) procedures for identifying substantial or material changes to system. Establishes minimum service levels for stewardship organization, including at least one permanent collection site in each county with population greater than 10,000 and additional 25 sites throughout the state, collection sites at solid waste facilities or other suitable sites, and bulk pickup services. Requires DEQ to approve, reject, or request additional information within 90 days of receipt of plan or amendment to plan from stewardship organization. Requires DEQ to post plan or amendment to website, hold hearing, and provide for public comment period before taking action on proposed plan. Requires rejection to be in writing and allows stewardship organization 60 days to submit additional information necessary for approval. Requires stewardship organization to implement program within 90 days of plan approval. Requires stewardship organization to submit amendment to DEQ when specified changes occur and provide monthly written notice of other changes. Establishes that initial plan approved by DEQ is valid for five years and requires stewardship organization to submit plan to DEQ for reapproval upon expiration. Requires stewardship program with approved plan to submit annual report to DEQ and pay annual fee established by DEQ to cover costs of program administration. Requires stewardship organization with approved plan to conduct study during third year of implementing stewardship program evaluating most effective methods of providing discarded mattress collection services to low-income individuals and multifamily housing structures and to report on recommendations on how to direct discarded mattresses to

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program. Allows DEQ to require performance audit. Requires Director of DEQ to appoint mattress stewardship program advisory committee to represent interests of identified stakeholders. Requires advisory committee to meet at least once annually, consult with stewardship organizations operating programs, and advise DDEQ regarding review and approval of plans, amendments, and annual reports. Authorizes DEQ to enter and inspect property for purposes of investigating actual or suspected violations. Requires stewardship organization to maintain and provide records upon request to DEQ. Establishes Mattress Stewardship Fund and dedicates funds to DEQ for administration, implementation, and enforcement of program. States intent to exempt assessment from state and federal antitrust laws and requires DEQ to actively supervise conduct of stewardship organization in establishing, administering, collecting, and disbursing assessment funds. Allows Environmental Quality Commission to adopt rules as necessary to implement program. Establishes civil penalties for violations. Requires initial plans to be submitted to DEQ no later than October 1, 2021, and stewardship organization to implement approved program no later than seven months after initial plan approval. Makes assessment and prohibition on sales operative January 1, 2021. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Function and benefits of product stewardship programs
- History of Senate Bill 276-A and interim work to develop measure and proposed amendments
- Current options for mattress disposal and options for consumers under proposed program
- Provisions of the measure and proposed amendment

EFFECT OF AMENDMENT:

-1 Prohibits stewardship organization from using assessment fees to pay legal fees associated with action taken by state. Requires plan to identify proposed transporters that stewardship organization will contract with to transport program mattresses, method for ensuring assessment is remitted to organization, and incentive for collectors of discarded mattresses that are illegally dumped. Requires permanent collection sites in county with population of 10,000 or more be staffed and open to public at least six days per week, and at least one day per week in county with population less than 10,000. Requires DEQ to approve changes for which no amendment is required if agency determines change has material impact on approved plan. Reduces plan approval to four years and requires stewardship organization to submit plan for reapproval at least 180 days before expiration. Requires plan submitted for reapproval to include proposed improvements based on result of third year program study. Requires annual report to sort specified data by collection site or event and report on outcome of audits of entities the stewardship organization contracts with. Amends ability of DEQ to require audit to align with four-year program approval. Establishes that civil penalties assessed against stewardship organization are joint and several obligation of stewardship organization and each producer registered with stewardship organization. Removes emergency clause and becomes effective on 91st day after sine die.

BACKGROUND:

In 2009, Oregon became the first state in the nation to enact a law requiring architectural paint manufacturers to start a program to reduce waste, increase reuse and recycling, and safely dispose of remaining unusable paint and other coatings. The paint product stewardship program is paid for by consumers who pay an assessment for each container of paint product registered for sale in Oregon. Retailers remit the assessment back to manufacturers, who pay a stewardship organization to manage collections and provide outreach and education to consumers on how to buy the right amount, reuse, and recycle paint products.

California created a product stewardship program for the recovery and recycling of used mattresses in 2013. Similar to other product stewardship programs, the program is financed by an assessment at the point of sale which is remitted to a product stewardship organization that is responsible to offer collection and recycling services, and consumer education. Producers and retailers must register with the stewardship organization, and

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retailers may not offer for sale any mattress not registered in the product stewardship program. The assessment for California's mattress stewardship program is currently \$10.80.

Senate Bill 1564 establishes a statewide mattress product stewardship program for the recovery and recycling of used mattresses. The measure requires DEQ to certify a stewardship organization to implement and administer the program, which is financed by an assessment at the point of sale. Producers, renovators, and retailers would be required to register with the stewardship organization and remit assessment funds to the organization. The organization would be required to provide free collection and recycling service throughout the state and report annually to DEQ.