

## SB 1520 -3 STAFF MEASURE SUMMARY

### Senate Committee On Energy and Environment

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**Meeting Dates:** 2/2, 2/7

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#### WHAT THE MEASURE DOES:

Requires payment of refund value for wine in cans beginning January 1, 2024 and allows wine in cans to be sold and redeemed without the refund value being indicated on the container until April 1, 2025.

Authorizes the Oregon Liquor and Cannabis Commission (OLCC) to modify definition of “dealer” by rule. Defines “direct distributor” for purposes of Bottle Bill. Establishes annual fee to be paid to OLCC by direct distributors that do not participate in a distributor cooperative of: \$25,000 if direct distributors sell fewer than 2 million beverage containers annually and \$150,000 if direct distributors sell more than 2 million beverage containers annually. Establishes timeframe to cure violation based on the number of beverages sold. Requires distributors, other than direct distributors, that do not participate in a distributor cooperative to establish program for processing and paying refund value for beverage containers. Requires program to provide level of redemption services comparable to those provided by the dealer cooperative that include: a redemption center; drop off service; retail pick-up service; and any other services required by OLCC by rule. Establishes annual fee for distributors, other than direct distributors, that do not participate in a distributor cooperative to be paid to OLCC in amount equal to \$3,000 for each redemption center in the state for. Modifies civil penalties for distributors for violations of certain provisions of Bottle Bill.

Modifies requirements for notices required to be displayed by dealers and requires OLCC to develop and provide notices.

Requires distributor cooperative to report to Legislative Assembly no later than February 15<sup>th</sup> of each year regarding expansion activities for previous calendar year, expansion priorities for current year and efforts to expand and enhance alternative redemption access opportunities for individuals who redeem containers on a daily or near daily basis. Takes effect on 91st day following adjournment sine die.

#### ISSUES DISCUSSED:

##### EFFECT OF AMENDMENT:

-3 Replaces measure. Requires payment of refund value for wine in cans beginning July 1, 2025 and allows wine in cans to be sold and redeemed without the refund value being indicated on the container until **October 1, 2026**.

Requires distributor not participating in distributor cooperative that sold more than 500,000 beverages in the state within the previous calendar year to: establish a program to provide redemption services comparable to services provided by distributive cooperative **in the state**. Stipulates that redemption services may include: operation of **full-service** redemption centers; drop-off service; retail pick up service and any other service required by the Oregon Liquor Control Commission by rule. Requires distributor not participating in distributor cooperative that sold more than 500,000 beverages to pay \$3,000 annually for each **full-service** redemption center in the state to OLCC. Establishes annual fee for distributors not participating in a distributor cooperative center that sell less than 500,000 units in the state based on the quantity of units sold. Clarifies that distributor cooperative pay amount equal to \$3,000 for every **full-service** redemption center operated in state by person other than the cooperative. Requires fees to be deposited in the Bottle Bill Fund. Modifies civil penalties for distributors for violations of certain provisions of Bottle Bill.

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Minimal Revenue Impact

Fiscal Statement Issued

### **BACKGROUND:**

The original Bottle Bill legislation was enacted in 1971, and it is the nation's longest-standing beverage container deposit law. Since its passage, nine other states have enacted similar programs. Since enactment, the Bottle Bill has undergone multiple updates and changes. Legislation enacted in 2013 authorized a redemption center program to improve customer convenience and reduce the burden on retailers to accept and process empty containers, known as "BottleDrops." In addition, the Legislative Assembly expanded coverage to include additional containers and, in 2017, increased the deposit from five to 10 cents. Under the current law, people pay a 10-cent container deposit when they buy beverage containers three liters or less in size, except distilled liquor, wine, dairy or plant-based milk, and infant formula. Consumers can return the empty containers to dealers and BottleDrops and receive the 10-cent refund value for each container returned.

Senate Bill 1520 would require, beginning January 1, 2024, the payment of a refund value for wine in cans and change the requirements for distributors that do not participate in a distributor cooperative.