HOUSE BILL 1469

2009 Regular Session State of Washington 61st Legislature

Hunt, Campbell, Dickerson, Anderson, Representatives Carlyle, Hudgins, Kagi, Darneille, Sells, Van De Wege, Appleton, Dunshee, Upthegrove, Rolfes, Nelson, Morrell, Wood, Liias, O'Brien, Goodman, Hasegawa, White, Conway, Kenney, and Pedersen

Read first time 01/21/09. Referred to Committee on Environmental Health.

- 1 AN ACT Relating to establishing product stewardship recycling
- 2. programs for mercury-containing lights; adding a new chapter to Title
- 70 RCW; prescribing penalties; providing an effective date; and 3
- 4 declaring an emergency.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- <u>NEW SECTION.</u> **Sec. 1.** The legislature finds that: 6
- 7 (1) Convenient and environmentally sound product stewardship
- 8 for mercury-containing lights that include
- 9 transporting, and recycling mercury-containing lights will help protect
- Washington's environment and the health of state residents; 10
- 11 (2) Product producers should finance and provide these programs.
- 12 NEW SECTION. Sec. 2. The definitions in this section apply
- 13 throughout this chapter unless the context clearly requires otherwise.
- (1) "Brand" means a name, symbol, word, or mark that identifies a 15 product, rather than its components, and attributes the product to the
- owner of the brand as the producer. 16

14

17 (2) "Covered entity" means the end user of a product, such as a

- resident or small business, that can use a product stewardship program to discard an unwanted product.
 - (3) "Covered product" means a product designated by this chapter, either individually or as an item within a covered product category including all materials that make up the covered product.
 - (4) "Covered product category" means a group of similar products covered by this chapter.
 - (5) "Department" means the department of ecology.

5

6 7

8

16 17

18 19

2021

22

23

24

25

26

27

28

29

32

33

34

- 9 (6) "Final disposition" means the point beyond which no further 10 processing takes place and materials from a covered product have been 11 transformed for direct use as a feedstock in producing new products or 12 disposed of or managed in permitted facilities.
- 13 (7) "Hazardous substances" or "hazardous materials" means those 14 substances or materials identified by rules adopted under chapter 15 70.105 RCW.
 - (8) "Mercury-containing lights" means lamps, bulbs, tubes, or other devices that contain mercury and provide functional illumination in homes, offices, and outdoors.
 - (9) "Orphan product" means a covered product that lacks a producer's brand, or for which the producer is no longer in business and has no successor in interest, or that bears a brand for which the department cannot identify an owner.
 - (10) "Person" means a sole proprietorship, partnership, corporation, nonprofit corporation or organization, limited liability company, firm, association, cooperative, or other legal entity located within or outside Washington state.
 - (11) "Processing" means recovering materials from unwanted products for use as feedstock in new products.
 - (12) "Producer" means a person that:
- 30 (a) Has or had legal ownership of the brand, brand name, or cobrand 31 of a covered product sold in or into Washington state;
 - (b) Imports or has imported a covered product branded by a producer that meets the requirements of (a) of this subsection and where that producer has no physical presence in the United States;
- 35 (c) If (a) and (b) of this subsection do not apply, makes or made 36 an unbranded product that is sold or has been sold in or into 37 Washington state; or

(d)(i) Sells or sold at wholesale or retail a covered product, (ii) does not have legal ownership of the brand, and (iii) elects to fulfill the responsibilities of the producer for that product.

- (13) "Product stewardship" means a requirement for a producer of a covered product to manage and reduce adverse safety, health, and environmental impacts of the covered product throughout its life cycle, including financing and providing for the collection, transporting, reusing, recycling, processing, and final disposition of their products.
- (14) "Product stewardship plan" or "plan" means a detailed plan describing the manner in which a product stewardship program will be implemented.
- (15) "Product stewardship program" or "program" means the methods, systems, and services financed and provided by producers of covered products that addresses product stewardship and includes collecting, transporting, reusing, recycling, processing, and final disposition of unwanted products, including a fair share of orphan products.
- (16) "Recycling" means transforming or remanufacturing unwanted products into usable or marketable materials for use other than landfill disposal or incineration. Recycling does not include energy recovery or energy generation by means of combusting unwanted products with or without other waste.
- (17) "Reporting period" means the period commencing January 1st and ending December 31st in the same calendar year.
- (18) "Residuals" means nonrecyclable materials left over from processing an unwanted product.
- (19) "Retailer" means a person who offers covered products for sale at retail through any means including, but not limited to, remote offerings such as sales outlets, catalogs, or the internet, but does not include a sale that is a wholesale transaction with a distributor or a retailer.
- (20) "Reuse" means a change in ownership of a covered product or its components, parts, packaging, or shipping materials for use in the same manner and purpose for which it was originally purchased, or for use again, as in shipping materials, by the generator of the shipping materials. "Reuse" does not include dismantling of products for the purpose of recycling.

p. 3 HB 1469

1 (21) "Small school district" means a school district with a student 2 enrollment less than two thousand.

3

4

5

6 7

18

19

20

21

2223

24

25

26

27

28

- (22) "Stakeholder" means a person who may have an interest in or be affected by a product stewardship program.
- (23) "Stewardship organization" means an organization designated by a group of producers to act as an agent on behalf of each producer to operate a product stewardship program.
- 8 (24) "Unwanted product" means a covered product no longer wanted by 9 its owner or that has been abandoned, discarded, or is intended to be 10 discarded by its owner.
- NEW SECTION. Sec. 3. Covered product and covered product categories designated under this chapter are mercury-containing lights.
- NEW SECTION. Sec. 4. (1) Covered entities are residents and small school districts located in Washington state and any other person delivering fifteen or fewer mercury-containing lights to a collection site or service participating in a product stewardship program for mercury-containing lights.
 - (2)(a) All mercury-containing lights collected by product stewardship programs must be recycled. Mercury and mercury-bearing residuals from recycling of mercury-containing lights must be retorted in properly permitted facilities.
 - (b) Mercury recovered from retorting must be recycled or placed in a properly permitted hazardous waste landfill. When a facility is available, mercury recovered from retorting must be placed in a properly permitted mercury repository.
 - (3) Product stewardship programs for mercury-containing lights must be fully implemented by January 1, 2011, and may be implemented prior to rule making by the department.
- 29 (4) Effective January 1, 2012, all government, commercial, 30 industrial, and retail facilities and office buildings must recycle 31 their end-of-life mercury-containing general purpose lights.
- 32 (5) Effective January 1, 2013, all residents and other generators 33 must recycle their end-of-life mercury-containing general purpose 34 lights.
- 35 (6) All processors of mercury-containing lamps shall submit an

- 1 annual report to the department in a format provided by the department,
- 2 that includes the number and type of lamps received from generators in
- 3 the state.

1011

12

13

1415

16

17

18

24

25

26

27

28

29

30

31

- NEW SECTION. Sec. 5. (1) Every producer of a covered product sold in or into Washington state must participate in a product stewardship program for that product.
 - (2) Every such producer must:
- 8 (a) Operate, either individually or jointly with other producers, 9 a product stewardship program approved by the department; or
 - (b) Enter into an agreement with a stewardship organization to operate, on the producer's behalf, a product stewardship program approved by the department.
 - (3) A producer, group of producers, or stewardship organization must pay all administrative and operational costs associated with their program.
 - (4) Product stewardship programs shall collect, free of charge, unwanted products from covered entities for reuse, recycling, processing, or final disposition.
- 19 (5) The department, or its designee, may inspect, audit, or review 20 audits of processing and disposal facilities used to fulfill the 21 requirements of a product stewardship program.
- 22 (6) No product stewardship program required under this chapter may 23 use federal or state prison labor for processing unwanted products.
 - NEW SECTION. Sec. 6. (1) As of the implementation date established under this chapter for the covered product, no producer, wholesaler, retailer, or other person may sell or offer for sale that product to any person in this state unless the producer is participating in a product stewardship program under a plan approved by the department.
 - (2) Each product stewardship plan must be approved by the department.
- 32 (3) A person selling or offering for sale a covered product in the 33 state shall receive from the producer of the covered product 34 verification that the producer is participating in an approved product 35 stewardship program prior to selling the product in or into the state. 36 A person is considered to have complied with this subsection (3) if, on

p. 5 HB 1469

- 1 the date the person ordered a covered product from a producer or its
- 2 agent, the producer provided written verification or a facsimile
- 3 thereof.

17

18

19

25

26

27

2829

30

33

- NEW SECTION. Sec. 7. (1) A producer, group of producers, or 4 stewardship organization operating or intending to operate a product 5 6 stewardship program must, at least sixty days prior to submitting a 7 product stewardship plan to the department pursuant to subsection (2)(h) of this section, provide public notice of the plan it is 8 9 considering for submittal. The producer, group of producers, 10 stewardship organization must consult with stakeholders during 11 development of the plan, solicit stakeholder comments, and attempt to address any stakeholder concerns regarding the plan prior to submittal. 12 13 Documentation of these actions must be submitted to the department at the time of plan submittal. 14
 - (2) A producer, group of producers, or stewardship organization operating or intending to operate a product stewardship program must submit a product stewardship plan to the department specifying:
 - (a) Information, including contact information, regarding:
 - (i) The organization submitting the plan;
- 20 (ii) A list of all participating producers and their brands 21 including the trademark, if applicable; and
- 22 (iii) If the program is to be operated by a stewardship 23 organization, a description of management, administration, and tasks to 24 be performed by the stewardship organization.
 - (b) Recovery goals, including:
 - (i) Recovery goals for the first, second, and third years of the program, expressed as pounds per capita, and an explanation of how these goals reflect a significant percentage of an unwanted product relative to the quantity of the unwanted product that may be available for reuse or recycling; and
- 31 (ii) Plans to maximize reuse or recycling of packaging or shipping 32 materials that may be collected.
 - (c) A collection system, including:
- 34 (i) Location of collection sites and other collection services to 35 be used by the program;
- (ii) A description of the consideration given to existing curbsidecollection infrastructure as an appropriate collection mechanism. If

the curbside collection infrastructure is not utilized by the plan, a written explanation must be provided citing the reasons that curbside collection services are not included in the plan;

- (iii) How unwanted products from all covered entities will be collected for all cities in the state with populations greater than ten thousand and in all counties of the state;
- (iv) How the collection system will be convenient and adequate to serve the needs of all covered entities in both urban and rural areas; and
- 10 (v) How collected unwanted products will be transported to 11 processing facilities.
 - (d) A processing and disposal system, including:

- (i) Locations, permit status, and records of any penalties, violations, or regulatory orders received in the previous five years by processing and disposal facilities proposed to be used by the program, including all downstream processing and disposal facilities handling hazardous substances and hazardous materials through final disposition;
- (ii) A third-party audit of each processing and disposal facility proposed to be used by the program for any unwanted product or residuals containing hazardous substances or hazardous materials, documenting compliance with all applicable laws, regulations, and rules;
- (iii) Policies and procedures to be followed by persons collecting, transporting, processing, and disposing of unwanted products, including how the program will ensure compliance with all applicable laws, regulations, and rules;
 - (iv) A description of how unwanted products will be processed at each processing facility;
 - (v) How all residuals will be disposed of or managed in permitted facilities, including disposal or management of all hazardous substances and hazardous materials in permitted hazardous waste facilities;
 - (vi) How hazardous substances and hazardous materials will be safely and securely tracked and handled from collection to final disposition in compliance with this chapter, any rules adopted by the department to implement this chapter, and all other applicable laws and rules; and

p. 7 HB 1469

- (vii) Management practices that will be used by first processors and their downstream vendors to ensure that hazardous substances and hazardous materials are not released into the environment and will not adversely impact human health.
 - (e) How the program will seek to use businesses within the state, including transportation services, retailers, collection sites and services, existing curbside collection services, and processing facilities.
 - (f) A financing system, including:

6 7

8

9

16

- 10 (i) How the entire product stewardship program will be financed, 11 including how costs will be apportioned among and assessed upon 12 producers participating in the program; and
- 13 (ii) How those providing services for the collection, 14 transportation, and processing systems will be fairly compensated for 15 their services.
 - (g) Education and outreach activities, including:
- (i) An effective advertising campaign promoting the use of the program to all covered entities that includes a toll-free telephone number and web site, with market saturation sufficient to ensure meeting recovery goals;
- (ii) A description of how and when information about the program will be provided to retailers, wholesalers, collectors, and other interested parties to disseminate to covered entities; and
- 24 (iii) The methodology for determining how the effectiveness of the 25 outreach activities will be measured.
- 26 (h) The consultation process described under subsection (1) of this 27 section, including:
- 28 (i) A description of the process used to consult with stakeholders 29 during development of the plan; and
- 30 (ii) A summary of stakeholder comments, and how any stakeholder 31 concerns were addressed.
- 32 (3) All plans submitted to the department must be made available 33 for public review on the department's web site and at the department's 34 headquarters.
- NEW SECTION. Sec. 8. (1) A producer, group of producers, or stewardship organization must submit a proposed product stewardship

plan to the department at least one year prior to a covered product's implementation date established under this chapter.

1 2

3 4

5 6

7

8

9

11

12

13

14

15

16 17

18

19

20

26

- (2) Within ninety days after receiving a proposed product stewardship plan, the department shall determine whether the plan complies with this chapter and any rules adopted to implement this chapter. If it approves a plan, the department shall notify the applicant of its approval. If it rejects a plan, the department shall notify the applicant of its decision and its reasons for rejecting the plan. An applicant whose plan has been rejected by the department must submit a revised plan to the department within sixty days after receiving notice of the rejection to maintain compliance with this chapter.
- (3) At least once every four years, a producer, group of producers, or stewardship organization operating a product stewardship program must update its product stewardship plan and submit the updated plan to the department for review. The department must determine the status of an updated plan within ninety days of its submittal. If the department rejects an updated plan, the producer or producers of a covered product participating in the product stewardship program described in the plan are deemed to be out of compliance with this chapter.
- NEW SECTION. Sec. 9. (1) Any proposed change to a product stewardship plan must have prior approval of the department except for the following:
- 24 (a) Additions or changes to collection locations for unwanted 25 products; or
 - (b) Additions of producers to a product stewardship program.
- 27 (2) The product stewardship program must inform the department of 28 changes in subsection (1)(a) and (b) of this section fifteen days prior 29 to the changes occurring.
- 30 NEW SECTION. Sec. 10. If the department determines that it is 31 necessary to protect the public from imminent danger, it may immediately amend, suspend, or cancel approval of a product stewardship 32 33 program's product stewardship plan without giving the producer, group 34 of producers, or stewardship organization operating the program an 35 opportunity to be heard. However, the department shall give the

p. 9 HB 1469

- 1 operator an opportunity to be heard through proceedings consistent with
- 2 the administrative procedure act, chapter 34.05 RCW, within fifteen
- 3 days after the date on which the department takes any of those actions.
 - NEW SECTION. Sec. 11. (1) On or before April 1st of each year, every producer, group of producers, or stewardship organization operating a product stewardship program must prepare and submit to the department a report for the immediately preceding reporting period describing:
 - (a) Information, including contact information, regarding:
 - (i) The organization submitting the report; and
- 11 (ii) A list of all participating producers and their brands and 12 trademarks, if applicable;
 - (b) Recovery rates, including:

5

7

8

10

13

14

15 16

17

18

19 20

21

22

23

2425

26

27

2829

3031

32

33

37

- (i) The amount, by weight, of unwanted products collected from covered entities in each county in the state, including documented collection and recycling or disposal of that material; and
- (ii) How the program attained recovery rates established in the product stewardship plan or set by the department, and, if the program did not attain those recovery rates, what actions it will take during the next reporting period to do so, including how it will increase and improve effective, measurable outreach and education efforts;
- (c) The collection system, including collection locations and services provided for all cities in the state with populations greater than ten thousand and in all counties in the state;
 - (d) The processing and disposal system, including:
- (i) A list of processing and disposal facilities used and locations, the weight of unwanted products processed at each processing facility and disposed at each disposal facility, and a description of the methods used at each processing facility;
- (ii) A list of subcontractors used through final disposition that processed or disposed of unwanted products containing hazardous substances or hazardous materials, and subcontractor facility locations;
- (iii) Documentation and summary results of annual third-party audits conducted on each processing facility and disposal facility as required in section 7 of this act;
 - (iv) Final disposition of residuals;

(v) Any penalties, violations, or regulatory orders received during the reporting period by each processing facility or disposal facility that was used; and

- (vi) Whether policies and procedures in the product stewardship plan for collecting, transporting, processing, and final disposition of unwanted products were followed during the reporting period, and a description of any noncompliance;
- (e) The financing system, including a description of how the system met the requirements in section 7 of this act;
- (f) The education and outreach activities implemented during the reporting period, including an analysis of the effectiveness of the education and outreach activities;
- (g) How the product stewardship program complied with any other elements in the plan; and
 - (h) Any other information that the department may require.
 - (2) A producer, group of producers, or stewardship organization operating a product stewardship program that attains a ninety percent recovery rate and a recycling rate of eighty percent is only required to report to the department information specified in subsections (1)(a), (b), (c), (g), and (h) of this section.
- 21 (3) All reports submitted to the department must be made available 22 to the public on the department's web site and at the department's 23 headquarters.

NEW SECTION. Sec. 12. By June of the third program year for each product or product category, the plan operators shall establish required recovery rates for the fourth and subsequent program years, based on information gained in the first through third years, sales data, anticipated product obsolescence, and anticipated sales growth. Annual planned recovery rates shall be submitted to the department for approval by September 1st prior to the program year for which the rates are established. The submittal must include documentation of the calculations and data used to determine the recovery rate. The department shall approve, disapprove, or adjust the submitted recovery rates based upon its assessment of prior year's data, sales data, and other available information that supports the decision. The department shall collect from each plan operator a sum twice the cost of

p. 11 HB 1469

- 1 collecting, transporting, and processing a product for each unit of
- 2 measure the plan fails to meet its recovery rate. Units of measure may
- 3 be pounds, tons, or product units.

- NEW SECTION. Sec. 13. (1) The department shall send a written warning and a copy of this chapter and any rules adopted to implement this chapter to a producer who is not participating in a product stewardship program approved by the department and whose covered product is being sold in or into the state.
- (2) A producer not participating in a product stewardship program approved by the department whose covered product continues to be sold in or into the state sixty days after receiving a written warning from the department shall be assessed a penalty of one thousand dollars for each violation. A violation is the sale of one covered product.
- (3) If any producer fails to implement its approved plan, the department shall assess a penalty of up to five thousand dollars for the first violation along with notification that the producer must implement its plan within thirty days of the violation. After thirty days, any producer failing to implement their approved plan must be assessed a penalty of up to ten thousand dollars for the second and each subsequent violation. A subsequent violation occurs each thirty-day period that the producer fails to implement the approved plan.
- (4) The department shall send a written warning to a producer that fails to submit a product stewardship plan, update or change the plan when required, or submit an annual report as required under this chapter. The written warning must include compliance requirements and notification that the requirements must be met within sixty days. If requirements are not met within sixty days, the producer will be assessed a ten thousand dollar penalty per day of noncompliance starting with the first day of notice of noncompliance.
- (5) Penalties prescribed under this section must be reduced by fifty percent if the producer complies within thirty days of the second violation notice.
- 34 (6) A producer may appeal penalties prescribed under this section 35 to the pollution control hearings board.

NEW SECTION. Sec. 14. (1) The department shall provide, on its web site, a list of all producers participating in product stewardship programs it has approved and a list of all producers it has identified as noncompliant with this chapter and any rules adopted to implement this chapter.

- (2) Product retailers must check the department's web site to determine if producers of products they are selling in or into the state are in compliance with this chapter. If the retailer is unsure of the status of the producer or believes the producer is not in compliance with this chapter, the retailer shall contact the department to determine the producer's status.
- (3) The department shall send a written warning and a copy of this chapter and any rules adopted to implement this chapter to a product retailer known to be selling a product in or into the state from producers who are not participating in a product stewardship program or who are not in compliance with this chapter and rules adopted under this chapter.
- (4) A product retailer who continues to sell a covered product from a producer that is not participating in an approved product stewardship program sixty days after receiving a written warning from the department, must be assessed a penalty of ten thousand dollars.
- (5) A sale or purchase of a used covered product as a casual or isolated sale as defined in RCW 82.04.040 is not subject to the provisions of this section.
- (6) A person primarily engaged in the business of reuse and resale of used product is not subject to the provisions of this section when selling used working covered product, for use in the same manner and purpose for which it was originally purchased.
- (7) In-state retailers in possession of a covered product on the date that restrictions on the sale of the covered product become effective may exhaust their existing stock through sales to the public.
- NEW SECTION. Sec. 15. All producers whose products are included in this chapter shall pay the department ten thousand dollars annually no later than January 1st of each year for each covered product category sold in or into the state. Funds collected under this section must be used to pay for the administration of this chapter.

p. 13 HB 1469

NEW SECTION. Sec. 16. The product stewardship programs account is created in the custody of the state treasurer. All funds received from producers under section 15 of this act and penalties collected under this chapter must be deposited in the account. Expenditures from the account may be used only for administering this chapter. Only the director of the department or the director's designee may authorize expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

- NEW SECTION. Sec. 17. (1) The department may adopt rules necessary to implement, administer, and enforce this chapter.
 - (2) The department may establish performance standards for product stewardship programs and may establish administrative penalties for failure to meet the standards.
 - (3) By December 31, 2011, the department shall report to the appropriate committees of the legislature concerning the status of the product stewardship program and recommendations for changes to the provisions of this chapter.
 - (4) Beginning October 1, 2011, the department shall annually invite comments from local governments, communities, and citizens to report their satisfaction with services provided by product stewardship programs. This information must be used by the department to determine if the plan operator is meeting convenience requirements and in reviewing proposed updates or changes to product stewardship plans.
 - (5) Beginning October 1, 2011, the department shall annually invite comments from retailers, consumer groups, electric utilities, the Northwest power and conservation council, and other interested parties regarding the impacts of the requirements of this chapter on the availability or purchase of energy efficient lighting within the state. If the department determines that evidence shows the requirements of this chapter have resulted in negative impacts on the availability or purchase of energy efficient lighting in the state, the department shall report this information by December 31st of each year to the appropriate committees of the legislature with recommendations for changes to the provisions of this chapter.
 - (6) Beginning October 1, 2011, the department shall annually invite comments from retailers, consumer groups, electric utilities, the

- 1 Northwest power and conservation council, and other interested parties
- 2 regarding the availability of energy efficient nonmercury lighting to
- 3 replace mercury-containing lighting within the state. If the
- 4 department determines that evidence shows that energy efficient
- 5 nonmercury lighting is available and achieves similar energy savings as
- 6 mercury lighting at similar cost, the department shall report this
- 7 information by December 31st of each year to the appropriate committees
- 8 of the legislature with recommendations for legislative changes to
- 9 reduce mercury use in lighting.
- 10 <u>NEW SECTION.</u> **Sec. 18.** Nothing in this chapter changes or limits
- 11 the authority of the Washington utilities and transportation commission
- 12 to regulate collection of solid waste, including curbside collection of
- 13 residential recyclable materials, nor does this chapter change or limit
- 14 the authority of a city or town to provide such service itself or by
- 15 contract under RCW 81.77.020.
- 16 <u>NEW SECTION.</u> **Sec. 19.** Nothing in this chapter changes the
- 17 requirements of any entity regulated under chapter 70.105 RCW to comply
- 18 with the requirements under that chapter.
- 19 <u>NEW SECTION.</u> **Sec. 20.** This act may be known and cited as the
- 20 product stewardship recycling act for mercury-containing lights.
- 21 <u>NEW SECTION.</u> **Sec. 21.** This chapter must be liberally construed to
- 22 carry out its purposes and objectives.
- NEW SECTION. Sec. 22. Sections 1 through 21, 23, and 24 of this
- 24 act constitute a new chapter in Title 70 RCW.
- 25 <u>NEW SECTION.</u> **Sec. 23.** If any provision of this act or its
- 26 application to any person or circumstance is held invalid, the
- 27 remainder of the act or the application of the provision to other
- 28 persons or circumstances is not affected.
- 29 NEW SECTION. Sec. 24. This act is necessary for the immediate
- 30 preservation of the public peace, health, or safety, or support of the

p. 15 HB 1469

- 1 state government and its existing public institutions, and takes effect
- 2 July 1, 2009.

--- END ---

HВ 1469 р. 16