
SENATE BILL 5502

State of Washington

69th Legislature

2025 Regular Session

By Senators Robinson, Shewmake, Hasegawa, and Saldaña

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Energy & Technology.

1 AN ACT Relating to recycling and waste reduction; amending RCW
2 82.19.050; adding a new section to chapter 82.04 RCW; adding a new
3 chapter to Title 70A RCW; creating a new section; and prescribing
4 penalties.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** FINDINGS—INTENT. The legislature finds
7 that Washington's current recycling system does not collect and
8 recycle the majority of the 3.8 billion glass, plastic, and metal
9 beverage containers put onto the market each year to their highest
10 and best use in order to optimize the economic and environmental
11 benefits of recycling for Washington residents.

12 The legislature recognizes improved recycling for beverage
13 containers will help the state to reduce greenhouse gas emissions,
14 reduce litter and specifically plastic pollution, expand
15 opportunities for reusable containers, and support state and regional
16 businesses to build a circular economy. Higher-quality materials
17 always hold greater economic value and offer more diverse end
18 markets. The recent struggles of regional end markets expose critical
19 weaknesses in Washington's fragmented recycling system and underscore
20 the urgent need for comprehensive reforms to divert recyclable
21 materials, like glass, from landfills and ensure they are transformed

1 into valuable new products. Recycling refund programs provide a
2 proven solution by delivering high quality, source separated glass,
3 plastic, and metal containers that will revitalize end markets and
4 support robust local recycling infrastructure.

5 The legislature finds that by enacting a recycling refund program
6 for glass, plastic, and metal beverage containers within an extended
7 producer responsibility framework has been shown to be the most
8 effective method for the recovery, reuse, and recycling of beverage
9 containers and all packaging waste. By increasing recovery rates for
10 beverage containers, these systems will help companies who
11 manufacture these products meet recycled content goals and reduce
12 their environmental footprint.

13 Recycling refund programs in other states have proven to drive up
14 recycling rates by providing a direct financial incentive for
15 residents to return used containers. In addition, these systems also
16 have proven to reduce litter. Packaging pollution remains a
17 significant issue in Washington, with over 11.6 million pounds of
18 litter entering public parks annually and more than 26,000,000 pounds
19 accumulating along roadsides. Despite spending \$12,000,000 annually
20 on cleanup efforts, only a fraction of the problem is addressed. In
21 contrast, states with recycling refund programs have reported
22 reductions in beverage container litter by up to 84 percent, while
23 achieving recovery rates for plastic bottles that are 3.5 times
24 higher than states without such programs—an essential step in
25 preventing ocean plastics and other environmental harm.

26 The legislature intends for recycling refunds to play a pivotal
27 role in contributing to cleaner communities, a healthier recycling
28 ecosystem, and stronger domestic manufacturing and circular economy.

29 NEW SECTION. **Sec. 2.** The definitions in this section apply
30 throughout this chapter unless the context clearly requires
31 otherwise.

32 (1) "Applicable refund value" means the value established under
33 section 9 of this act.

34 (2) "Beverage" means a drinkable liquid intended for human oral
35 consumption. "Beverage" does not include: (a) A drug regulated under
36 the federal food, drug, and cosmetic act, 21 U.S.C. Sec. 301 et seq.;
37 (b) 100 percent fluid milk infant formula; or (c) a meal replacement
38 liquid.

- 1 (3) "Beverage container" means any prepackaged container for
2 beverages.
- 3 (4) "Brand" means a name, symbol, word, logo, or mark that
4 identifies an item and attributes the item and its components,
5 including packaging, to the brand owner of the item.
- 6 (5) "Brand owner" means a person or entity that owns or licenses
7 a brand or that otherwise has rights to market a product under the
8 brand, whether or not the brand's trademark is registered.
- 9 (6) "Centralized processing facilities" means a facility that
10 sorts, bales, and aggregates covered beverage containers and
11 associated materials for the purpose of recycling.
- 12 (7) "Consumer" means an individual in this state who purchases a
13 beverage in a beverage container for consumption.
- 14 (8) "Contracted redemption pick-up operators" means affiliated or
15 unaffiliated companies or organizations that provide individualized
16 valet or pick-up services of aggregated covered beverage containers
17 for single-family or multifamily households.
- 18 (9) "Covered beverage container" means any beverage container
19 subject to a recycling refund. At a minimum, this includes glass,
20 plastic, and metal cans or bottles with a capacity of one gallon or
21 less. Recycling refund producer responsibility organizations must
22 submit a proposed list of covered beverage containers as part of
23 their program and consumer education plan, subject to approval by the
24 department. Beverage containers must have a visible brand to be
25 considered a covered beverage container and to be eligible for a
26 refund value.
- 27 (10) "Department" means the department of ecology.
- 28 (11) "Express redemption site" means a designated return point or
29 avenue that allows consumers to return covered beverage containers.
30 These locations will not require cash handling on-site, rather, upon
31 return, containers will be transported to centralized processing
32 facilities and refunds will be credited to the consumer's virtual
33 account held by the recycling refund producer responsibility
34 organization or their designee. This may include bag-drop systems,
35 reverse vending machines, or other collection modalities to enhance
36 convenience and accessibility for consumers.
- 37 (12) "Full service redemption site" means a return point or
38 avenue where individuals may return covered beverage containers to
39 receive immediate refunds for their returns.
- 40 (13) "Local government" has the same meaning as in RCW 39.46.020.

1 (14) "Material recovery facility" means a facility that collects,
2 compacts, repackages, sorts, or processes for transport source
3 separated material for the purpose of recycling.

4 (15) "On-site consumption" means a beverage in a covered beverage
5 container sold by an establishment that is intended to be consumed
6 and retained at the same establishment after consumption.

7 (16) "Packaging manufacturer" means any person, firm,
8 association, partnership, or corporation that produces packaging or a
9 packaging component of covered beverage containers.

10 (17) "Producer" means the brand owner responsible for the brand
11 visible on a covered beverage container and who is responsible for
12 compliance with the requirements under this chapter for a covered
13 beverage container that is sold or offered for sale, either
14 physically or via e-commerce, in this state. "Producer" does not
15 include:

16 (a) Government entities; or

17 (b) Registered 501(c)(3) charitable organizations and 501(c)(4)
18 social welfare organizations.

19 (18) "Recycling refund" means a covered beverage container
20 redemption program that pays a per-unit refund value to consumers for
21 covered beverage containers and collects and processes covered
22 beverage containers as described in this chapter.

23 (19) "Recycling refund advisory council" means the council
24 established in section 8 of this act.

25 (20) "Recycling refund processing facility" means a location that
26 is designated by the recycling refund producer responsibility
27 organization to receive, sort, and prepare beverage containers
28 collected through the system for recycling or reuse.

29 (21) "Recycling refund producer responsibility organization"
30 means a nonprofit corporation that is tax exempt under chapter
31 501(c)(3) of the federal internal revenue code created by a group of
32 recycling refund covered beverage container producers to implement
33 activities under this act.

34 (22) "Redemption site" means a public or private place that
35 provides the ability to redeem a covered beverage container for which
36 a recycling refund value was paid.

37 (23) "Retail establishment" means any person, corporation,
38 partnership, business, dealer, facility, vendor, organization, or
39 individual that sells or provides merchandise, goods, or materials

1 directly to a consumer that engages in the sale of beverages that are
2 covered beverage containers intended for consumption off-site.

3 (24) "Service provider" means an entity that provides recycling
4 collection or recycling processing services for covered beverage
5 containers. A government entity that provides, contracts for, or
6 otherwise arranges for another party to provide recycling collection
7 or recycling processing services for covered beverage container
8 materials within its jurisdiction may be a service provider
9 regardless of whether it provided, contracted, or otherwise arranged
10 for similar services before the approval of the applicable plan.

11 (25) "Socially vulnerable populations" means populations
12 including, but not limited to, individuals with disabilities,
13 individuals without vehicles, older adults, individuals with low
14 incomes or experiencing homelessness, and individuals with limited
15 English proficiency.

16 NEW SECTION. **Sec. 3.** PRODUCER AND RECYCLING REFUND PRODUCER
17 RESPONSIBILITY ORGANIZATION REGISTRATION. (1) By March 1, 2026, each
18 producer must appoint a recycling refund producer responsibility
19 organization to address its covered materials.

20 (2) By May 1, 2026, and annually thereafter, a recycling refund
21 producer responsibility organization must register with the
22 department on behalf of its producers. A registration submission by a
23 recycling refund producer responsibility organization must include
24 the following:

25 (a) Contact information for a person responsible for implementing
26 an approved plan;

27 (b) A list of all member producers that have entered into written
28 agreements to operate under an approved plan by the recycling refund
29 producer responsibility organization, copies of the written
30 agreements for each member producer and, except in the first year of
31 registration, a list of all brands of each producer's covered
32 materials introduced;

33 (c) A plan for recruiting additional member producers and
34 executing written agreements confirming producers will operate under
35 an approved plan administered by the recycling refund producer
36 responsibility organization;

37 (d) A list of current board members and the executive director if
38 different than the person responsible for implementing approved
39 plans; and

1 (e) Documentation demonstrating adequate financial responsibility
2 and financial controls to ensure proper management of funds and
3 payment of the annual registration fee to the department.

4 (3) By June 1, 2026, and each June 1st thereafter, recycling
5 refund producer responsibility organizations must submit an annual
6 registration fee to the department to fund all costs of the
7 department to implement, administer, and enforce this chapter.

8 NEW SECTION. **Sec. 4.** PRODUCER RESPONSIBILITIES. (1) A producer
9 must:

10 (a) Beginning April 1, 2026, be a member of a recycling refund
11 producer responsibility organization registered in this state;

12 (b) Through a recycling refund producer responsibility
13 organization, implement and finance a statewide program for covered
14 beverage containers that encourages waste reduction, recycling,
15 refill, and reuse;

16 (c) Maintain membership with and pay fees to the recycling refund
17 producer responsibility organization under which they are registered;
18 and

19 (d) Comply with all other applicable requirements under this
20 chapter.

21 (2) Upon registration with a recycling refund producer
22 responsibility organization under subsection (1)(a) of this section,
23 the producer must provide the following to the recycling refund
24 producer responsibility organization before the beverage brand is
25 offered for sale, either physically or via e-commerce:

26 (a) The adequate refund value to the recycling refund producer
27 responsibility organization to cover existing or projected refund
28 liabilities associated with that brand, excluding units sold at on-
29 site consumption establishments;

30 (b) Detailed information for the brand for the recycling refund
31 producer responsibility organization, including:

32 (i) The name of the covered beverage in the beverage container as
33 identified through the use of letters, words, or symbols on the
34 product label affixed to, or a part of, the covered beverage
35 container;

36 (ii) The type of beverage contained in the beverage container
37 using an appropriate categorization method for beverages as
38 determined by the recycling refund producer responsibility
39 organization;

1 (iii) The number of covered beverage containers sold or offered
2 for sale;

3 (iv) The volume of the beverage container;

4 (v) The material type of the container; and

5 (vi) The universal product code or European article number
6 associated with the container.

7 (3) A producer must provide the brand sales information for
8 covered beverage containers to the recycling refund producer
9 responsibility organization under which they are registered by
10 January 15th and July 15th of each calendar year, covering the
11 previous six-month period.

12 (4) The requirements of subsection (2) of this section do not
13 apply to units of the brand that the producer can show have been
14 delivered for sale at an on-site consumption establishment.

15 (5) Beginning October 1, 2026, a producer that is not in
16 compliance with this chapter may not sell or supply covered beverage
17 containers into Washington.

18 NEW SECTION. **Sec. 5.** RECYCLING REFUND PRODUCER RESPONSIBILITY
19 ORGANIZATION RESPONSIBILITIES. A recycling refund producer
20 responsibility organization must:

21 (1) Beginning March 1, 2026, register with the department;

22 (2) By September 1, 2026, submit a one-time payment to the
23 department, in lieu of the registration fee required in section 3 of
24 this act, in an amount determined by the department, to cover the
25 costs of the department under this chapter from the effective date of
26 this section through implementation of this section;

27 (3) Establish an initial producer fee structure to fund the
28 initial implementation of the program, to be used until the recycling
29 refund producer responsibility organization has an approved program
30 plan as required under section 7 of this act, and collect fees
31 annually from registered producers;

32 (4) By January 30, 2027, submit the following:

33 (a) A list of its registered producers and their brands of
34 beverages in covered beverage containers; and

35 (b) The total gross unit sales volume of beverages in covered
36 beverage containers sold by its registered producers in Washington
37 during the preceding year;

1 (5) By July 1, 2027, and every five years thereafter, submit a
2 plan that meets the requirements of this chapter to the department
3 for approval;

4 (6) Once the recycling program and consumer education plan is
5 approved by the department under section 5 of this act, implement a
6 recycling refund program as described in its approved program plan by
7 July 1, 2028;

8 (7) Maintain a registry of all types of covered beverage
9 containers sold and redeemed in this state by all registered
10 producers;

11 (8) Collect the annual producer fees;

12 (9) Accept the adequate refund value from producers for covered
13 beverage containers to cover existing or projected refund liabilities
14 associated with that brand, excluding units sold to an on-site
15 consumption establishment;

16 (10) Submit a proposed list of covered beverage containers and
17 material exemptions to the department as part of the recycling refund
18 program and consumer education plan;

19 (11) Submit the annual reports required under section 21 of this
20 act;

21 (12) Ensure that producers operating under a recycling refund
22 program and consumer education plan administered by the recycling
23 refund producer responsibility organization comply with the
24 requirements of the recycling refund program consumer education plan
25 and with this act;

26 (13) Consider and respond in writing to comments received from
27 the recycling refund advisory council;

28 (14) Maintain a website that includes:

29 (a) A searchable database of current redemption sites; and
30 (b) Consumer education materials about the recycling refund
31 program;

32 (15) Notify the department within 30 days of a change made to the
33 contact information for a person responsible for implementing the
34 recycling refund producer program plan, to board membership, or to
35 the executive director;

36 (16) Assist service providers to identify and use responsible end
37 markets;

38 (17) Ensure timely, negotiated, and fair compensation,
39 maintenance, and operational costs to entities that are leasing space
40 for redemption sites; and

1 (18) Comply with all other applicable requirements of this
2 chapter.

3 NEW SECTION. **Sec. 6.** DEPARTMENT OF ECOLOGY RESPONSIBILITIES.

4 (1) The department must implement, administer, and enforce this
5 chapter and may adopt rules as necessary for those purposes. In
6 implementing this chapter, the department has the following
7 responsibilities:

8 (a) By January 1, 2026, appoint the initial membership of the
9 recycling refund advisory council, as required under section 8 of
10 this act;

11 (b) Provide administrative and operating support to the recycling
12 refund advisory council, as required under section 8 of this act;

13 (c) Consider and respond in writing to all written comments
14 received by the recycling refund advisory council;

15 (d) By March 15, 2026, accept the registration of a recycling
16 refund producer responsibility organization;

17 (e) By May 1, 2026, and every May 1st thereafter, determine a
18 total annual registration fee to be paid by the recycling refund
19 producer responsibility organization that is adequate to cover, but
20 not exceed, the costs to implement, administer, and enforce this
21 chapter in the preceding fiscal year;

22 (f) Within 120 days of receipt, review and approve, deny, or
23 request additional information for the draft recycling refund program
24 and consumer education plan required under section 7 of this act,
25 and:

26 (i) The department must post the draft plan or plan amendment
27 update on the department's website and allow public comment for no
28 less than 45 days before approving, denying, or requesting additional
29 information on the draft plan or amendment;

30 (ii) If the department denies or requests additional information
31 for a draft plan or amendment, the department must provide the
32 recycling refund producer responsibility organization with the
33 reasons, in writing, that the plan or amendment does not meet the
34 plan requirements of section 7 of this act. The recycling refund
35 producer responsibility organization has 60 days from the date that
36 the rejection or request for additional information is received to
37 submit to the department any additional information necessary for the
38 department's approval. The department must review and approve or

1 disapprove the revised draft plan or amendment no later than 60 days
2 after the department receives it;

3 (iii) Upon recommendation of the recycling refund advisory
4 council, or upon the department's initiative, the department may
5 require an amendment to the plan if the department determines that an
6 amendment is necessary to ensure that the recycling refund producer
7 responsibility organization maintains compliance with the
8 requirements of this chapter; and

9 (iv) Prior to approving the draft plan, the department must
10 review the convenience standards provided in the plan as required
11 under section 11 of this act using the following criteria:

12 (A) Proximity to a majority of recycling refund covered materials
13 sales in an area;

14 (B) Access in rural counties does not require additional vehicle
15 miles traveled; and

16 (C) Redemption sites must not disproportionately impact
17 overburdened communities or populations;

18 (g) Review annual reports and:

19 (i) Make annual reports available for public review and comment
20 for at least 30 days;

21 (ii) Review within 120 days of receipt of a complete annual
22 report;

23 (iii) Determine whether an annual report meets the requirements
24 of this chapter, considering comments received under (f) of this
25 subsection, and notify the recycling refund producer responsibility
26 organization of the approval or reasons for denial. The recycling
27 refund producer responsibility organization must submit a revised
28 annual report within 60 days after receipt of the denial letter; and

29 (iv) Notify a recycling refund producer responsibility
30 organization if the annual report demonstrates that a plan fails to
31 achieve the requirements under this chapter;

32 (h) Establish a public website that includes:

33 (i) The most recent registration materials submitted by the
34 recycling refund producer responsibility organization;

35 (ii) Any plan or amendment submitted by the recycling refund
36 producer responsibility organization that is in draft form during a
37 public comment period; and

38 (iii) The most recent lists of covered beverage containers
39 developed by the recycling refund producer responsibility

1 organization and information about any material exclusions as
2 described in section 10 of this act.

3 NEW SECTION. **Sec. 7.** RECYCLING REFUND PROGRAM AND CONSUMER
4 EDUCATION PLAN. The recycling refund program and consumer education
5 plan submitted to the department must contain the following:

6 (1) A list of the types of covered beverage containers that will
7 be included in the recycling refund program as well as material
8 exemptions;

9 (2) Proposed targets and deadlines for reuse and refill to be
10 achieved;

11 (3) A description of how the recycling refund producer
12 responsibility organization will meet performance targets for
13 redemption, recycling, and reuse and refill as described in section
14 18 of this act;

15 (4) How the performance targets will be measured;

16 (5) How to achieve the objectives for the expansion of reuse and
17 refill systems;

18 (6) How the program will incentivize recyclability improvements
19 in the design of covered beverage containers;

20 (7) How the proposed network of redemption sites meets the
21 convenience standards and addresses the evaluation criteria in this
22 act;

23 (8) How the program will conduct statewide education and
24 outreach;

25 (9) How the program will conduct education and outreach and
26 provide redemption sites to socially vulnerable populations;

27 (10) How the redemption network will be convenient and available
28 to geographically diverse populations and to those that redeem
29 relatively large amounts of covered beverage containers;

30 (11) What, if any, alternative access redemption options may be
31 implemented to increase convenience;

32 (12) Descriptions of a process to develop recommendations
33 regarding the effectiveness of the plan and a timeline for
34 implementing the findings of those recommendations;

35 (13) A schedule of proposed recycling refund covered beverage
36 container producer fees that shall:

37 (a) In the first fee setting period, ensure that each packaging
38 type is responsible for covering its own associated costs for
39 material recycling; and

1 (b) In subsequent fee setting periods after the first fee setting
2 period, consider incentivizing using materials and design attributes
3 that reduce the environmental impacts and human health impacts of
4 covered beverage containers.

5 (14) A description of how the recycling refund producer
6 responsibility organization will establish partnerships with
7 nonprofit organizations, including:

8 (a) The refund value nonprofit organizations are eligible for
9 under the program;

10 (b) A process for annually reporting to the department regarding
11 the names, locations, return volume, and any other services provided
12 through the nonprofit partnership;

13 (c) Locations of nonprofit partnership drop sites; and

14 (d) Any program rules associated with the nonprofit redemption
15 program.

16 NEW SECTION. **Sec. 8.** RECYCLING REFUND ADVISORY COUNCIL. (1) The
17 recycling refund advisory council is established to review activities
18 conducted by recycling refund producer responsibility organizations
19 created under section 3 of this act.

20 (2) By January 1, 2026, the department must establish and appoint
21 the initial membership of the recycling refund advisory council. The
22 membership of the recycling refund advisory council must consist of
23 the following:

24 (a) One member representing municipal government;

25 (b) One member representing county government;

26 (c) One member representing a packaging manufacturer or trade
27 association representing the glass beverage container sector. The
28 packaging manufacturer of the trade association must not be a
29 producer;

30 (d) One member representing a packaging manufacturer or trade
31 association that is not a producer that represents the plastic
32 covered beverage container sector;

33 (e) One member representing a packaging manufacturer or trade
34 association that is not a producer that represents the metal covered
35 beverage container sector;

36 (f) One member representing an environmental nonprofit
37 organization;

1 (g) One member representing an organization that represents
2 vulnerable populations or an individual representing the office of
3 equity under chapter 43.06D RCW;

4 (h) One member that is a representative of an organization that
5 represents individual service providers;

6 (i) Two members representing federally recognized tribes located
7 in Washington state;

8 (j) One member representing a trade association for the retail
9 sector;

10 (k) One member representing a trade association for the
11 hospitality sector; and

12 (l) One member representing the recycling processing sector.

13 (3) The recycling refund advisory council has the following
14 duties:

15 (a) Review the recycling refund program and consumer education
16 plan and provide comments to the recycling refund producer
17 responsibility organization and the department;

18 (b) Review program audits;

19 (c) Review annual reports and provide comments to the recycling
20 refund producer responsibility organizations and the department; and

21 (d) Ensure that the recycling refund producer responsibility
22 organization and the department are considering a broad range of
23 perspectives in developing the recycling refund program plans and in
24 implementing the program.

25 (4) The department shall provide administrative and operating
26 support to the recycling refund advisory council and may contract
27 with a third-party facilitator to assist in administering the
28 activities of the recycling refund advisory council.

29 NEW SECTION. **Sec. 9.** APPLICABLE REFUND VALUE. (1) Every covered
30 beverage container sold or offered for sale in the state has a refund
31 value of 10 cents. The charge for the refund value of covered
32 beverage containers must be separately stated on a receipt, invoice,
33 or similar billing document given to the consumer.

34 (2) Amounts received or transferred as part of remitting the
35 refund value on covered beverage containers within the recycling
36 refund program shall be exempt from taxation under chapter 82.04 RCW.

37 (a) This exemption applies to all transactions involving
38 remitting the refund value as it moves between producers, retail
39 establishments, and other participants within the distribution chain,

1 provided the amounts are designated as refunds under the recycling
2 refund program.

3 (b) The exemption only applies to amounts that are directly tied
4 to the refund value and do not present any other taxable sales,
5 services, or revenue.

6 NEW SECTION. **Sec. 10.** MATERIAL EXCLUSIONS. A recycling refund
7 producer responsibility organization is not required to pay refunds
8 on:

9 (1) A covered beverage container visibly containing or
10 contaminated by a substance other than water, or residue of the
11 original contents;

12 (2) A covered beverage container that the recycling refund
13 producer responsibility organization has reasonable grounds to
14 believe was purchased in a state other than Washington; and

15 (3) Any beverage container that is crushed, broken, or damaged to
16 the extent that the brand appearing on the beverage container cannot
17 be identified. This requirement does not apply to metal and plastic
18 covered beverage containers processed by material recovery facilities
19 before extended producer responsibility is implemented.

20 NEW SECTION. **Sec. 11.** CONVENIENCE STANDARD FOR REDEMPTION OF
21 CONTAINERS. A recycling refund producer responsibility organization
22 must propose a quantitative convenience standard that is based on a
23 combination of time, distance, and other measurable factors for
24 redemption of covered beverage containers in the recycling refund
25 program plan that includes the following:

26 (1) Ensures all consumers who pay a refund value have convenient
27 opportunities to redeem their full refund for covered beverage
28 containers;

29 (2) Provides appropriately convenient and equitable access in
30 urban, suburban, and rural areas, and which draws upon redemption
31 modalities including, but not limited to, express redemption sites,
32 full-service redemption sites, alternative access plans, contracted
33 redemption pick-up operators, and special collection events;

34 (3) Accounts for the total population, population density, sales
35 of covered beverage containers in regions of the state, and proximity
36 to centers of beverage sales business activity; and

37 (4) Incorporates a broad range of entities that may opt to serve
38 as a redemption location including, but not limited to, municipal

1 facilities, public spaces, nonprofit organizations, retailers,
2 religious and charitable organizations, sporting events, and waste
3 management facilities.

4 NEW SECTION. **Sec. 12.** REQUIREMENTS FOR REDEMPTION SITES. (1)

5 Each redemption site must collect all covered beverage containers
6 subject to the recycling refund except as excluded by section 10 of
7 this act. Any location serving as a redemption site shall be fairly
8 compensated through a mutual agreement by the recycling refund
9 producer responsibility organization for providing physical space for
10 redemption and associated maintenance and operational costs of the
11 redemption sites, for the duration of the approved program plan.

12 (2) A recycling refund producer responsibility organization shall
13 provide a sufficient number and distribution of redemption sites to
14 achieve the redemption rate performance and convenience requirements
15 of this chapter. A recycling refund producer responsibility
16 organization's plan submitted to the department must provide an
17 analysis and rationale supporting how the recycling refund producer
18 responsibility organization's proposed distribution of redemption
19 sites is designed to meet the redemption rate performance and
20 convenience requirements included in this chapter.

21 (3) Local governments, nonprofit organizations, individuals, and
22 private organizations are eligible to host redemption sites.

23 (4) A recycling refund producer responsibility organization may
24 accept direct, sorted returns in commercial quantities at its
25 processing facilities from full service redemption sites or express
26 redemption sites.

27 NEW SECTION. **Sec. 13.** EXPRESS REDEMPTION SITES. (1) A recycling

28 refund producer responsibility organization must, at its own cost,
29 provide convenient designated return points or avenues that allow
30 consumers to return covered beverage containers. These sites shall be
31 known as express redemption sites and will not require cash handling
32 on-site, rather upon return, containers will be transported to
33 centralized processing facilities, and refunds will be credited to
34 the consumer's virtual account. If bag-drop programs are deployed,
35 the recycling refund producer responsibility organization must credit
36 the cost of any required bag purchase back to the consumer when the
37 bag is returned and processed through the recycling refund system.

1 (2) Designated return points must be located a convenient
2 distance from a retail establishment, located at a publicly owned
3 facility, located at a privately owned facility, or are at a location
4 otherwise convenient for consumers. Express drop-off redemption sites
5 may be located in the parking lot of a retail establishment, parking
6 lot of a privately owned facility, parking lot of a publicly owned
7 facility, public right-of-way, or any other location convenient to
8 consumers.

9 (3) Storage and drop-off containers sited for the purpose of
10 fulfilling the requirements of this section are considered temporary
11 mobile containers regardless of whether they have wheels, have
12 electrical power, or are affixed to the site.

13 (4) If the standard bags for the bag-drop programs are made of
14 plastic film, the recycling refund producer responsibility
15 organization must:

16 (a) Ensure that the standard bags have a minimum of 50 percent
17 postconsumer recycled content;

18 (b) Demonstrate, upon request of the department, that the waste
19 film from the standard bag production or from retired standard bags
20 is being recycled at responsible end markets; and

21 (c) Include instructions on how the bag should be utilized and
22 recycled through a drop-off program.

23 NEW SECTION. **Sec. 14.** NONPROFIT RECYCLING REFUND REDEMPTION
24 PROGRAM. (1) A recycling refund producer responsibility organization
25 may administer a program for nonprofit organizations to participate
26 in the recycling refund redemption program. The nonprofit program may
27 provide, either directly or through partnerships with local service
28 providers or local governments, support services for socially
29 vulnerable populations.

30 (2) A recycling refund producer responsibility organization may
31 administer a program to also accept direct, sorted returns in large
32 volume quantities at its processing facilities for an additional
33 refund value premium if the containers are returned by organizations
34 certified as a nonprofit organization pursuant to section 501(c)(3)
35 of the internal revenue code that are approved by the recycling
36 refund producer responsibility organization and serve very low-income
37 individuals who rely on regular container refunds through the
38 recycling refund system as a source of daily funds. The recycling

1 refund producer responsibility organization may provide pick-up
2 service for containers collected under this section.

3 (3) To limit fraud and ensure that services are deployed where
4 they are most needed, a recycling refund producer responsibility
5 organization may approve or deny partnerships described in this
6 section at its sole discretion.

7 NEW SECTION. **Sec. 15.** RETAIL ESTABLISHMENTS. (1) Each retail
8 establishment must charge for the refund value of covered beverage
9 containers. The refund value shall be separately stated on a receipt,
10 invoice, or similar billing document given to the consumer.

11 (2) A retail establishment larger than 20,000 square feet must
12 sell the standard bags for the redemption program at the price
13 established by a recycling refund producer responsibility
14 organization.

15 (3) A retail establishment may choose to host an express
16 redemption site or host a collection event, or both, in their parking
17 lot through mutual agreement with a recycling refund producer
18 responsibility organization who will provide fair compensation and
19 assume lease costs, and all operational and maintenance costs for the
20 redemption site. While retail establishments may choose to host a
21 redemption site, nothing in this chapter shall be interpreted to
22 create a legal obligation on the part of a retail establishment to
23 either accept a returned covered beverage container or allow a
24 redemption site to be sited at a retail establishment.

25 (4) A retail establishment that chooses to host an express
26 redemption site is eligible to have a self-serve kiosk, located at
27 the retailer at no charge by a recycling refund producer
28 responsibility organization, to facilitate the printing of redemption
29 vouchers and pay the value of redemption vouchers to consumers that
30 can be used on the premises.

31 (5) A recycling refund producer responsibility organization shall
32 reimburse retailers for the value of valid vouchers redeemed by
33 consumers.

34 (6) Retailers may offer a voucher redemption option for recycling
35 refund values to be used as store credit. Under this program,
36 retailers may offer consumers an additional bonus above the standard
37 refund value when redeemed deposit refunds are applied toward
38 purchases within the store.

1 NEW SECTION. **Sec. 16.** ON-SITE CONSUMPTION ESTABLISHMENTS. (1)
2 Recycling refund producer responsibility organizations shall
3 facilitate the collection of covered beverage containers from on-site
4 establishments. Recycling refund producer responsibility
5 organizations shall promote efficiency and mitigate burdens in
6 collecting empty beverage containers and provide additional material
7 assistance for establishments under 5,000 square feet to comply with
8 this act.

9 (2) On-site consumption establishments may choose to host an
10 express redemption site on their property through mutual agreement
11 with a recycling refund producer responsibility organization which
12 will provide fair compensation and assume lease costs, and all
13 operational and maintenance costs for the site.

14 (3) A recycling refund producer responsibility organization may
15 work with and compensate distributors, contracted express redemption
16 site operators, or other entities to help facilitate the collection
17 of covered beverage containers from on-site consumption
18 establishments for recycling.

19 NEW SECTION. **Sec. 17.** USE OF UNREDEEMED REFUNDS. Recycling
20 refund producer responsibility organizations may use any refund value
21 that is not redeemed by the consumer for any of the following
22 purposes:

23 (1) Education and outreach activities to encourage redemption
24 activity;

25 (2) Improving existing redemption rates;

26 (3) Increasing the number of redemption sites; or

27 (4) Other activities that are described in the recycling refund
28 program plan that directly contribute to achieving the performance
29 requirements described in section 18 of this act and the convenience
30 standards described in section 11 of this act.

31 NEW SECTION. **Sec. 18.** PERFORMANCE REQUIREMENTS FOR THE
32 RECYCLING REFUND PROGRAM. Recycling refund producer responsibility
33 organizations must achieve the following performance requirements:

34 (1) By the end of year two of the program, the redemption rate
35 must be greater than 65 percent aggregated for all covered beverage
36 containers;

1 (2) By the end of year five of the program, the redemption rate
2 must be greater than 80 percent aggregated for all covered beverage
3 containers;

4 (3) Develop a reuse and refill performance target that is to
5 increase each year after the first plan period;

6 (4) Demonstrate that convenience standards as required under
7 section 11 of this act have been achieved or exceeded;

8 (5) Provide results of consumer awareness and behavior surveys.

9 NEW SECTION. **Sec. 19.** REFUND VALUE TO MATERIAL RECOVERY
10 FACILITIES. (1) Starting after the first full month that covered
11 beverage containers are sold with the applicable refund value,
12 recycling refund producer responsibility organizations shall make a
13 monthly payment directly to each material recovery facility who
14 complies with the reporting criteria outlined in section 21 of this
15 act. Payments are to be based on the data submitted by the material
16 recovery facility under subsection (3) of this section.

17 (2) Recycling refund producer responsibility organizations shall
18 establish a quality standard for each material.

19 (3) On a monthly basis, the operator of a material recovery
20 facility shall submit the following information to the recycling
21 refund producer responsibility organization:

22 (a) The number of tons of covered beverage containers the
23 facility received for processing in the previous month by material;
24 and

25 (b) The number of tons of covered beverage containers the
26 facility transferred to additional materials processing or end
27 markets.

28 (4) A recycling refund producer responsibility organization must
29 convert the material tons to unit equivalent and pay the facilities
30 based on covered beverage containers that meet the designated quality
31 standards.

32 (5) The monthly payment required to material recovery facilities
33 must be a payment equivalent to at least 50 percent of the refund
34 value for covered beverage containers for each covered beverage
35 container material that the material recovery facility transferred to
36 additional materials processing or end markets.

37 (6) Material recovery facilities must share the payments with
38 their consumers consistent with their bundled services or processing
39 contract agreements and supply agreements so that communities and

1 generators receive the appropriate amount of the refund values paid
2 to material recovery facilities and drop-off facilities.

3 (7) The operators of material recovery facilities shall use an
4 industry standard scale to measure the weight of all covered beverage
5 container materials that enter the facility.

6 (8) A recycling refund producer responsibility organization may
7 conduct quarterly audits on the quality and quantity of the material
8 recovery facilities' material upon request by the organization and at
9 the organization's expense.

10 (9) A recycling refund producer responsibility organization may
11 partner with a material recovery facility to provide space and
12 install the necessary equipment to colocate a recycling refund
13 processing facility in the same vicinity. Recycling refund processing
14 facilities shall be designated by the recycling refund producer
15 responsibility organization to receive, sort, and prepare beverage
16 containers collected through the system for recycling or reuse.

17 (10) Monthly payments to the material recovery facilities as
18 provided for under this section are no longer required after the
19 first program plan period concludes under the recycling refund
20 program.

21 NEW SECTION. **Sec. 20.** COORDINATION PLAN. (1) If an extended
22 producer responsibility program for paper and packaging is enacted in
23 the state, the producer responsibility organization for packaging and
24 a recycling refund producer responsibility organization must create a
25 coordination plan to ensure that programs are complementary and that
26 all targets are met. As part of the coordination plan, the packaging
27 producer responsibility organization and a recycling refund producer
28 responsibility organization are to identify actions to jointly
29 optimize infrastructure for reuse and refill programs for recycling
30 refund and packaging covered materials.

31 (2) The coordination plan between the producer responsibility
32 organization for paper and packaging and a recycling refund producer
33 responsibility organization must contain the following:

34 (a) Education and outreach activities to ensure consistent
35 messaging to consumers;

36 (b) A description of a reciprocal compensation mechanism such
37 that a recycling refund producer responsibility organization pays the
38 paper and packaging producer responsibility organization for covered
39 beverage containers in material recovery facilities, and the

1 packaging producer responsibility organization pays a recycling
2 refund producer organization for secondary packaging managed through
3 the recycling refund system;

4 (c) Mechanisms to evaluate packages and formats managed by each
5 program and consider opportunities for adding and removing packages
6 from one program to the other;

7 (d) An evaluation strategy to assess opportunities to coordinate
8 identification of, and efficient access to, processing
9 infrastructure, reuse and refill infrastructure, and end markets.

10 NEW SECTION. **Sec. 21.** REPORTING. (1) Recycling refund producer
11 responsibility organizations must submit an annual report to the
12 department that contains the following:

13 (a) A list of registered producers participating in the program
14 and covered beverage containers supplied into the state;

15 (b) The total gross unit sales volume of beverages in covered
16 beverage containers sold by its registered producers in Washington
17 during the preceding year;

18 (c) Covered beverage containers redeemed and recycled through the
19 program, by material type;

20 (d) Redemption sites and processing facilities participating in
21 the recycling refund program; and

22 (e) Verification of covered beverage containers handled at
23 responsible end markets.

24 (2) An evaluation of the convenience of the program including:

25 (a) Proximity of redemption sites to the volume covered beverage
26 container materials sales in each area of the state;

27 (b) Verification that access to redemption sites in rural
28 counties does not require additional vehicle miles traveled;

29 (c) Documentation that access to redemption sites in urban areas
30 builds on existing recycling convenience;

31 (d) Documentation of large volume redemption options;

32 (e) An evaluation of whether redemption options
33 disproportionately burden underserved communities or socially
34 vulnerable populations;

35 (f) Results of consumer awareness and behavior surveys;

36 (g) Progress made toward the performance targets reported in the
37 same units used to establish producer fees under section 5 of this
38 act and reported statewide, for each county, and for each city with a
39 population greater than 1.5 percent of the state population,

1 including the amount of recycling refund covered beverage containers
2 successfully reused, recycled, and disposed of by recycling refund
3 covered materials type and the type of redemption site used;

4 (h) The total cost to implement the program and a detailed
5 description of program expenditures by category, including:

6 (i) The total amount of producer fees collected, unclaimed
7 refunds held, and scrap value realized on the sale of recycled
8 commodities;

9 (ii) A description of infrastructure investments made;

10 (iii) A breakdown of reimbursements to redemption sites and
11 service providers in the state; and

12 (iv) A copy of a financial audit of program operations conducted
13 by an independent auditor;

14 (i) A list of producers found to be out of compliance with this
15 act and actions taken by the recycling refund producer responsibility
16 organization to return producers to compliance, and notification of
17 any producers that are no longer participating in the organization or
18 have been expelled due to their lack of compliance with proposed
19 amendments to the recycling refund program plan to improve program
20 performance or reduce costs, including changes to producer fees,
21 infrastructure investments, reimbursement rates, or the refund value;
22 and

23 (j) Recommendations for additions or removals of covered beverage
24 containers to the list developed under section 5 of this act.

25 (3) All data reported by a recycling refund producer
26 responsibility organization under this section must, at the request
27 of the department no more than once annually, be audited by an
28 independent third party. A recycling refund producer responsibility
29 organization is responsible for all costs associated with the data
30 audit. Auditable data shall only include data held by a recycling
31 refund producer responsibility organization. Auditing of any data
32 inputs to a recycling refund producer responsibility organization is
33 the responsibility of the recycling refund producer responsibility
34 organization.

35 (4) A recycling refund producer responsibility organization that
36 submits information or records to the department under this chapter
37 may request that a portion of the information or records be made
38 available only for the confidential use of the department, the
39 director, or the appropriate division of the department. The director
40 of the department shall give consideration to the request, and if the

1 director determines that this action is not detrimental to the public
2 interest and is otherwise in accordance with policies and purposes of
3 chapter 43.21A RCW, the director must grant the request for the
4 information to remain confidential as authorized in RCW 43.21A.160.

5 NEW SECTION. **Sec. 22.** A recycling refund producer
6 responsibility organization that fails to meet a performance target
7 approved in a recycling refund program plan must, within 90 days of
8 filing an annual report under section 21 of this act, file with the
9 department an explanation of the factors contributing to the failure
10 and propose an amendment to the recycling refund program plan
11 specifying changes in operations that the recycling refund producer
12 responsibility organization will make that are designed to achieve
13 the performance targets. An amendment filed under this section must
14 be reviewed by the recycling refund advisory council and reviewed and
15 approved by the department.

16 NEW SECTION. **Sec. 23.** By August 1, 2028, and each year
17 thereafter, each material recovery facility and material processor
18 that receives recycling refund program covered materials must report
19 to the department the following:

20 (1) Amount of recycling refund covered materials accepted by the
21 material recovery facility or processor, and the location of
22 generation;

23 (2) Amount of material sold to market, by commodity type;

24 (3) Amount of residue or waste that was generated;

25 (4) End markets where materials were marketed, by region and type
26 of end use; and

27 (5) Verification that end markets are responsible and compliant
28 with program requirements.

29 NEW SECTION. **Sec. 24.** ANTICOMPETITIVE CONDUCT. A recycling
30 refund producer responsibility organization that arranges redemption,
31 recycling, waste reduction, or reuse services under this act may
32 engage in anticompetitive conduct to the extent necessary to plan and
33 implement redemption, recycling, waste reduction, or reuse systems to
34 meet the obligations under this act, and is immune from liability
35 under state laws relating to antitrust, restraint of trade, and
36 unfair trade practices.

1 NEW SECTION. **Sec. 25.** ENFORCEMENT. (1) The following penalties
2 apply to producers:

3 (a) The department may administratively impose a civil penalty of
4 up to \$1,000 per violation per day on any producer who violates this
5 chapter and up to \$10,000 per violation per day for the second and
6 each subsequent violation.

7 (b) For a producer out of compliance with the requirements of
8 this chapter, the department shall provide written notification and
9 offer information. For the purposes of this section, written
10 notification serves as notice of the violation. The department must
11 issue at least one notice of violation by certified mail prior to
12 assessing a penalty and the department may only impose a penalty on a
13 producer that has not met the requirements of this chapter 60 days
14 following the date the written notification of the violation was
15 sent.

16 (2) The following penalties apply to any recycling refund
17 producer responsibility organization:

18 (a) The department may administratively impose a civil penalty of
19 up to \$1,000 per violation per day on any recycling refund producer
20 responsibility organization that violates this chapter and up to
21 \$10,000 per violation per day for the second and each subsequent
22 violation in any calendar year.

23 (b) The department may, in addition to assessing the penalties
24 provided in (a) of this subsection, take any combination of the
25 following actions:

26 (i) Issue a corrective action order to a producer or a recycling
27 refund producer responsibility organization;

28 (ii) Issue an order to a recycling refund producer responsibility
29 organization to provide for the continued implementation of the
30 program in the absence of an approved plan;

31 (iii) Revoke the recycling refund producer responsibility
32 organization's plan approval and require implementation of the
33 contingency plan;

34 (iv) Require a recycling refund producer responsibility
35 organization to revise or resubmit a plan within a specified time
36 frame; or

37 (v) Require additional reporting related to the area of
38 noncompliance.

39 (3) A person may not sell or distribute in or into the state a
40 covered beverage container of a producer that is not participating in

1 a recycling refund producer responsibility organization. It is not a
2 violation to distribute a covered beverage container of a producer
3 exempt from this chapter.

4 (a) The department shall serve, or send with delivery
5 confirmation, a written warning explaining the violation to a person
6 distributing or selling covered products of a producer that is not in
7 compliance with this chapter.

8 (b) The department may assess a penalty on a person that
9 continues to sell or distribute covered beverage containers of a
10 producer that is in violation of this chapter 60 days after receipt
11 of the written warning under this subsection. The amount of the
12 penalty that the department may assess under this subsection is twice
13 the value of the covered beverage containers sold in violation of
14 this chapter or \$500, whichever is greater. The department must waive
15 the penalty upon verification that the person has discontinued
16 distribution or sales of the covered beverage containers within 30
17 days of the date the penalty is assessed.

18 (4) Any person who incurs a penalty or receives an order may
19 appeal the penalty or order to the pollution control hearings board.

20 (5) Penalties levied under this section must be deposited in the
21 recycling refund program account created in section 26 of this act.

22 (6) Upon receipt of a request from the recycling refund advisory
23 council, the department must consider the appropriateness of the use
24 of enforcement authority authorized in this section.

25 NEW SECTION. **Sec. 26.** RECYCLING REFUND PROGRAM ACCOUNT. The
26 recycling refund program account is created in the custody of the
27 state treasurer. All receipts received by the department under this
28 chapter must be deposited in the account. Expenditures from the
29 account may be used by the department only for implementing,
30 administering, and enforcing the requirements of this chapter. Only
31 the director of the department may authorize expenditures from the
32 account. The account is subject to the allotment procedures under
33 chapter 43.88 RCW, but an appropriation is not required for
34 expenditures.

35 NEW SECTION. **Sec. 27.** A new section is added to chapter 82.04
36 RCW to read as follows:

37 In computing tax due under this chapter, a taxpayer may deduct
38 from the measure of tax amounts derived from charges for the refund

1 value of qualifying beverage containers as required under chapter
2 70A.--- RCW (the new chapter created in section 30 of this act). To
3 qualify for this deduction, the taxpayer must separately itemize the
4 charges for the refund value on a receipt, invoice, or similar
5 billing document given to the purchaser. The amount of the deduction
6 claimed under this section for a reporting period may not exceed the
7 aggregate charges for the refund value of qualifying beverage
8 containers for beverages sold by the taxpayer during such a reporting
9 period.

10 **Sec. 28.** RCW 82.19.050 and 2005 c 289 s 1 are each amended to
11 read as follows:

12 The litter tax imposed in this chapter does not apply to:

13 (1) The manufacture or sale of products for use and consumption
14 outside the state;

15 (2) The value of products or gross proceeds of the sales exempt
16 from tax under RCW 82.04.330;

17 (3) The sale of products for resale by a qualified grocery
18 distribution cooperative to customer-owners of the grocery
19 distribution cooperative. For the purposes of this section,
20 "qualified grocery distribution cooperative" and "customer-owner"
21 have the meanings given in RCW 82.04.298;

22 (4) The sale of food or beverages by retailers that are sold
23 solely for immediate consumption indoors at the seller's place of
24 business or at a deck or patio at the seller's place of business, or
25 indoors at an eating area that is contiguous to the seller's place of
26 business; or

27 (5) (a) The sale of prepared food or beverages by caterers where
28 the food or beverages are to be served for immediate consumption in
29 or on individual nonsingle use containers at premises occupied or
30 controlled by the customer.

31 (b) For the purposes of this subsection, the following
32 definitions apply:

33 (i) "Prepared food" has the same meaning as provided in RCW
34 82.08.0293.

35 (ii) "Nonsingle use container" means a receptacle for holding a
36 single individual's food or beverage that is designed to be used more
37 than once. Nonsingle use containers do not include pizza delivery
38 bags and similar insulated containers that do not directly contact

1 the food. Nonsingle use containers do not include plastic or paper
2 plates or other containers that are disposable.

3 (iii) "Caterer" means a person contracted to prepare food where
4 the final cooking or serving occurs at a location selected by the
5 customer.

6 (6) The charge for the refund value of qualifying beverage
7 containers as required under chapter 70A.--- RCW (the new chapter
8 created in section 30 of this act), if the charge is separately
9 stated on a receipt, invoice, or similar billing document given to
10 the purchaser.

11 NEW SECTION. Sec. 29. The provisions of RCW 82.32.805 and
12 82.32.808 do not apply to sections 27 and 28 of this act.

13 NEW SECTION. Sec. 30. Sections 1 through 26 of this act
14 constitute a new chapter in Title 70A RCW.

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