

HOUSE BILL REPORT

HB 3058

As Reported By House Committee On:
Agriculture & Ecology

Title: An act relating to waste reduction, recycling, and litter control.

Brief Description: Changing statutes for waste reduction, recycling, and litter control.

Sponsors: Representatives Chandler and Linville.

Brief History:

Committee Activity:

Agriculture & Ecology: 1/29/98, 2/5/98 [DPS].

HOUSE COMMITTEE ON AGRICULTURE & ECOLOGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Chandler, Chairman; Parlette, Vice Chairman; Schoesler, Vice Chairman; Linville, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Cooper; Delvin; Koster; Mastin; Regala and Sump.

Staff: Carole Richmond (786-7114).

Background: The Model Litter Control Act was enacted in 1971 as the legislative alternative to an initiative that would have established a consumer deposit on glass beverage containers. The 1971 legislation enacted a tax of 0.015 percent (or \$1.50 on every \$10,000 of sales) on the sale of 13 specified categories which include food, cigarettes, beverages, and packaging materials. The tax is paid to the Department of Revenue on an annual basis. The Legislature has not changed the original tax base but has broadened the purposes of how tax revenues can be used by including waste reduction, recycling, and market development for recyclable materials.

Litter tax revenues are currently appropriated to a number of state agencies. The Department of Ecology uses litter tax funds to administer the youth litter patrol program, to conduct public education programs, and to provide technical assistance to local government recycling programs. The Clean Washington Center, within the Department of Community, Trade and Economic Development, uses the tax to develop markets for recyclable materials. The Department of Natural Resources uses the tax for litter pickup on state lands. The Department of Revenue uses tax revenues to ensure taxpayer compliance with the litter tax. The Parks and Recreation Commission uses the tax for

statutorily required recycling efforts in state parks. In 1990, the Legislature directed the Department of Ecology to provide grants to local governments to fund litter pickup programs.

Total funding for this program was approximately \$12 million for the 1997-1999 biennium. Revenues from the tax are subject to a statutory formula as follows: 40 to 50 percent of litter tax revenues must be used for the youth litter pickup program. No more than 60 percent may be used for public education and awareness programs to control litter, programs to foster local recycling efforts, encourage recycling, and develop markets for recyclable materials; and compliance with the litter tax. In practice, the statutory distribution formula has been applied only for appropriations made to the Department of Ecology.

A Litter Task Force comprised of state agencies, the associations of cities and counties, payers into the litter tax, and recyclers was convened in July 1997, to examine the effectiveness of litter control programs under current law. The task force made a number of recommendations, including making a single agency responsible and accountable for administering agency allocations of litter tax funds, establishing a local government funding program for litter control activities by cities and counties, encouraging the Department of Revenue to increase taxpayer compliance with the litter tax, and creating an additional competitive source of capital and operating funds for local or state agencies. Equipment purchases would receive priority from this fund.

Summary of Substitute Bill: Several changes are made to current law. References to marketing and the Clean Washington Center are removed as a purpose of the Waste Reduction, Recycling, and Model Litter Control Act. The term "illegal dumping" is included in the definition of litter. The term "waste reduction" is defined and the term is added to appropriate sections of this chapter. The Department of Ecology is responsible for administering the distribution of appropriations from the Waste Reduction, Recycling, and Litter Control Account to state agencies and local governments. Funds for local governments are no longer distributed as grants but through funding agreements.

The Department of Revenue is inserted into the list of agencies that receives funding from the Department of Ecology to carry out responsibilities in support of the state's waste reduction, litter control and recycling program; namely, the Department of Revenue is charged with enforcing litter tax collection. In addition, the Department of Revenue will collect the tax at the same time and frequency that tax payers pay their business and occupation taxes.

The distribution of the litter tax is changed and additional responsibilities are provided to the Department of Ecology. Fifty percent is provided to the Department of Ecology for use by state agencies for litter collection programs and the development of statewide programs to increase public awareness of recycling. In addition, these funds support

a new central coordination function to be provided by the Department of Ecology for all litter control efforts statewide and a new biennial litter survey. Twenty percent is provided to the Department of Ecology for use by local governments to control litter. Thirty percent is provided to the Department of Ecology for waste reduction and recycling efforts.

Between 5-10 percent of the amount appropriated into the waste reduction, recycling, and litter control account must be reserved for equipment purchases that will allow the Department of Ecology to achieve the greatest progress toward the goals of waste reduction, recycling, and litter control.

The Department of Ecology is required to develop criteria for evaluating projects proposed by state agencies and local governments, and required to give priority to those projects that achieve the greatest progress toward waste reduction, recycling, and litter control.

The waste reduction, recycling, and litter control account is added to the list of accounts allowed to retain the earnings it generates.

Trademarks or logos may be displayed on highway road signs in order to encourage more highway adoption for litter collection.

Substitute Bill Compared to Original Bill: A percentage of the total appropriation is reserved for equipment needs, and the interest on the account is retained in the account. The Department of Ecology is required to evaluate waste reduction, litter control and recycling programs for effectiveness. The Department of Revenue is required to collect the litter tax at the same frequency as other taxes.

Appropriation: None.

Fiscal Note: Requested on February 2, 1998.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed, except for the tax collection provision which becomes effective January 1, 1999.

Testimony For: Progress will be made on problems such as lack of coordination and accountability, and lack of adequate tax collection. It is important to emphasize waste reduction. There should be no requirements without adequate funding. Inmate labor is available and more crews could go out if more equipment was available. Questions were expressed over the kind of education efforts the Department of Ecology currently implements in regard to waste reduction, litter collection, and recycling.

Testimony Against: There is a greater emphasis on litter control than on recycling, although polls show that 89 percent of the public believes recycling is important. A lot of progress needs to be made in the areas of recycling and waste reduction.

Testified: Bob Gee, Washington Food Industries (Pro); Doug Henken, Washington Food Industry (Pro); Bill Voegler, Washington State Association of Counties (Pro); Kristen Harte, Coors Brewing Company (Pro); Elizabeth Schrag, Washington State Recycling Association (Pro); Michelle Arnold, Thurston County Solid Waste Division (Pro with modifications); Suellen Mele, Snohomish County Solid Waste Division; Jim Pendowski, Washington Department of Ecology (Pro), Mark Bolton, Jill Will, Jail Industries Board (Pro); and Nancy Malaret, Washington Citizens for Resource Conservation (Con).