

# HOUSE BILL REPORT

## E2SHB 2914

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**As Passed House:**  
February 12, 2018

**Title:** An act relating to Washington's economic development potential as a world leader in the responsible management of postconsumer materials.

**Brief Description:** Concerning Washington's economic development potential as a world leader in the responsible management of postconsumer materials.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Smith, Fitzgibbon, Doglio and Senn).

**Brief History:**

**Committee Activity:**

Environment: 1/29/18, 2/1/18 [DPS];

Appropriations: 2/5/18, 2/6/18 [DP2S(w/o sub ENVI)].

**Floor Activity:**

Passed House: 2/12/18, 97-0.

**Brief Summary of Engrossed Second Substitute Bill**

- Directs the Department of Ecology to arrange for the facilitation of stakeholder efforts to develop a public outreach strategy to improve recycling practices, reduce contamination rates, promote statewide best practices, and improve consumer education.
- Directs the Department of Commerce to arrange for an economic analysis of certain aspects of the recycling and solid waste markets.

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### HOUSE COMMITTEE ON ENVIRONMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Fitzgibbon, Chair; Peterson, Vice Chair; Taylor, Ranking Minority Member; Maycumber, Assistant Ranking Minority Member; Buys, Dye, Fey, Kagi and McBride.

**Staff:** Jacob Lipson (786-7196).

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Environment. Signed by 32 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Bergquist, Buys, Caldier, Cody, Condotta, Fitzgibbon, Graves, Haler, Hansen, Harris, Hudgins, Jinkins, Kagi, Lytton, Manweller, Pettigrew, Pollet, Sawyer, Schmick, Senn, Stanford, Sullivan, Taylor, Tharinger, Vick, Volz and Wilcox.

**Staff:** Dan Jones (786-7118).

### **Background:**

Under the state's solid waste management laws, local governments are the primary government entity responsible for implementing state solid waste management requirements, although the Department of Ecology (ECY) also has certain roles in overseeing the administration of solid waste management laws. The ECY is responsible for working cooperatively with local governments as they develop their local solid waste management plans, including by developing guidelines to be used by local governments that recommend materials for local government designation as recyclable.

The ECY evaluates, analyzes, and monitors the solid waste stream. As part of this effort, collectors of solid waste must annually report to the ECY the types and quantities of waste they collect, and the locations where they deliver that waste. The ECY's solid waste stream analysis must incorporate specified types of information and evaluations, including the waste generation and recycling rates for different waste categories, potential rates of solid waste reduction, and solid waste technologies. In developing their solid waste stream evaluation, the ECY must prioritize the evaluation of categories of waste that comprise a comparatively large volume of the solid waste stream, or that present a risk of harm to human health.

The Utilities and Transportation Commission (UTC) supervises and regulates private solid waste companies, including reviewing and approving their rates and fees. Cities and towns also sometimes directly provide solid waste collection services.

### **Summary of Engrossed Second Substitute Bill:**

#### Economic Analysis.

The Department of Commerce (COM) must arrange for the completion of an economic analysis of recyclable material and solid waste processing, export, and disposal in Washington. The analysis must include:

- an overview of existing types of recycling business practices that involve processing materials into saleable products;
- opportunities and barriers to more reuse and manufacturing using recyclable materials in Washington and regionally; and
- the implications of relevant global and regional recycling market changes on businesses collecting and processing recyclable materials.

The COM analysis may not result in the publication or disclosure of confidential or proprietary business information.

The COM analysis must be submitted in a report to the Legislature by July 1, 2019. Alongside the report, the COM must also submit recommendations to identify recyclable materials that add value to recycling programs and ways to increase the amount of recyclable materials generated in Washington that are processed in Washington or other places with similar economic and environmental practices. The COM's recommendations must be developed with a focused workgroup of stakeholders, including the UTC, the ECY, cities, counties, certain industry representatives, and an environmental organization.

Public Outreach Strategy.

The ECY must arrange for the facilitation of efforts to develop a public outreach strategy undertaken by the same focused stakeholder workgroup convened to support the COM economic analysis. The public outreach strategy must be designed to reduce recycling contamination rates, to identify materials with high economic value for recycling programs, to promote statewide best practices for different types of recyclables, and improve consumer education about solid waste. The strategy must be statewide in scope but accommodating of local variation. The strategy is to be completed and ready to begin implementation by June 1, 2018, and must be updated periodically afterwards.

Solid Waste Evaluations.

The ECY's state solid waste stream analysis must prioritize the evaluation of categories of solid waste that present economic opportunities for material recovery, recycling, and reuse, alongside the existing prioritized categories of solid waste that are high-volume or present a health risk.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Staff Summary of Public Testimony (Environment):**

(In support) This bill is a first step that will help inform the state's decision making as to how to better educate the public and communities about improving recycling. As described in the House Environment Committee's work session on China's National Sword policy, the changes in recycling markets provide both a challenge to our existing solid waste infrastructure, and an opportunity to improve the state's recycling and disposal systems. The bill should include an evaluation of items like carpets and mattresses.

(Opposed) Waste collection businesses have concerns but want to support the bill. The language on protecting proprietary business information could be tightened up. The focus of the study should produce solid information that will advance the state's recycling system. The public outreach process should be driven by stakeholders, not by state agencies. Global recycling markets will remain global, regardless of what Washington does to incentivize the laudable goals of increasing in-state processing and manufacturing. Ensuring that recyclable

materials are clean and dry is the most important factor to improving recycling.

(Other) Funding for this bill is not in the Governor's budget. The economic analysis by the COM is a necessary first step to understanding how to better steward state resources. There is good data on the number of jobs and economic effects that are attributable to recycling, and there are more and new opportunities out there to divert resources from landfills. Under-explored technologies for recycling and reusing materials include making bio-jet fuel out of municipal solid waste, which is already happening elsewhere in the world. A public outreach strategy to reduce recycling contamination rates is critical to Washington's recycling system. The bill's allocation of efforts to the ECY, the COM, and the UTC could be consolidated. Local governments should be consulted in the development of all solid waste recommendations under this bill. Local governments have primary responsibility for implementing solid waste programs and vary greatly in terms of their access to recyclable material markets depending on their location in the state.

**Staff Summary of Public Testimony (Appropriations):**

(In support) None.

(Opposed) None.

(Other) The policy in the bill is a reaction to recycling policy changes in China that have impacted the recycling industry, especially on the West Coast. With a faster timeline, this bill could help the recycling industry make changes to how materials are collected, sorted, and recycled, and get more clean, dry recycling materials to market.

**Persons Testifying (Environment):** (In support) Representative Smith, prime sponsor; and Heather Trim, Zero Waste Washington.

(Opposed) Vicki Christopherson, Washington Refuse and Recycling Association.

(Other) Laurie Davies, Department of Ecology; Brian Young, Washington Department of Commerce; and Laura Berg, State Association of Counties.

**Persons Testifying (Appropriations):** Vicki Christophersen, Washington Refuse and Recycling Association.

**Persons Signed In To Testify But Not Testifying (Environment):** None.

**Persons Signed In To Testify But Not Testifying (Appropriations):** None.