

HOUSE BILL REPORT

HB 2914

As Reported by House Committee On:

Environment
Appropriations

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: 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)].

Brief Summary of 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 conduct an economic analysis of certain aspects of the recycling and solid waste markets.

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).

Background:

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.

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 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 recycling more materials and expanding recycling businesses in Washington; 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 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 have the goal of improving recycling practices and be designed to reduce recycling contamination rates and improve consumer education regarding consumers' role in solid waste management. The strategy must be statewide in scope but accommodating of local variation. The strategy is to be completed and ready for implementation by December 1, 2019.

Ecology Guidelines.

The ECY may develop guidelines to support the implementation of the public outreach strategy to reduce recycling contamination rates and to promote statewide best practices that may be categorized based on the size of local governments or other factors. The ECY must update the guidelines periodically to reflect changes in recycling markets.

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.

Substitute Bill Compared to Original Bill:

The substitute bill:

- makes the development of a public outreach strategy to reduce contamination of recycled materials an activity that: (1) must be facilitated via the ECY rather than led by the UTC; (2) must involve a defined list of stakeholders and government entities; (3) may begin prior to the completion of the COM's economic analysis of recycling businesses; and (4) must be completed and ready for implementation by December 1, 2019;
- changes the focus of the COM's study to address: (1) existing types of recycling business practices; (2) opportunities and barriers to recycling more materials and expanding recycling businesses; and (3) the effects of both regional and global recycling market changes;
- moves up the deadline for the COM to complete its recycling business study and submit a report to the Legislature from December 2019 to July 2019;
- changes the content of the COM's recommendations to the Legislature to focus on recyclable materials instead of also focusing on solid waste, to identify recyclable materials that add economic value and feature sustainable markets, and to no longer include recommendations for state policy changes; and
- specifies that the ECY may, rather than must, develop recycling contamination guidelines applicable to local government solid waste and recycling programs, and that one of the purposes of the guidelines is to support implementation of the public outreach strategy.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 2, 2018.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(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.

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

(Opposed) Vicki Cristopherson, 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 Signed In To Testify But Not Testifying: None.

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).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Environment:

The second substitute bill:

- moves up the implementation of the stakeholder-developed public outreach strategy so that it begins by June 1, 2018;
- requires the public outreach strategy to be updated to reflect the result of the Department of Commerce's (COM's) economic analysis, and periodically thereafter;
- eliminates the authorization for the Department of Ecology (ECY) to develop guidelines that promote statewide best practices for recycled material collection, and instead makes the promotion of statewide best practices a responsibility of the stakeholder workgroup facilitated by the ECY;
- prohibits the COM from publishing or disclosing in their economic analysis any proprietary business information, in addition to confidential business information;
- changes the focus of the COM's economic analysis so that the COM evaluates opportunities and barriers to reuse and manufacturing using recyclable materials as feedstock in Washington and regionally, rather than opportunities and barriers to expanding the number and type of recycling businesses in Washington; and
- adds an emergency clause, making the act effective immediately.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony:

(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: Vicki Christophersen, Washington Refuse and Recycling Association.

Persons Signed In To Testify But Not Testifying: None.