
SUBSTITUTE SENATE BILL 5502

State of Washington

69th Legislature

2025 Regular Session

By Senate Environment, Energy & Technology (originally sponsored by Senators Robinson, Shewmake, Hasegawa, and Saldaña)

READ FIRST TIME 02/18/25.

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) "Alternative access redemption options" means alternative
33 redemption methods approved by the recycling refund producer
34 responsibility organization that are not express redemption sites or
35 full service redemption sites.

36 (2) "Applicable refund value" means the value established under
37 section 8 of this act.

38 (3) "Beverage" means a drinkable liquid intended for human oral
39 consumption. "Beverage" does not include: (a) A drug regulated under

1 the federal food, drug, and cosmetic act, 21 U.S.C. Sec. 301 et seq.;
2 (b) 100 percent fluid milk infant formula; or (c) a meal replacement
3 liquid.

4 (4) "Beverage container" means any prepackaged container for
5 beverages.

6 (5) "Brand" means a name, symbol, word, logo, or mark that
7 identifies an item and attributes the item and its components,
8 including packaging, to the brand owner of the item.

9 (6) "Brand owner" means a person or entity that owns or licenses
10 a brand or that otherwise has rights to market a product under the
11 brand, whether or not the brand's trademark is registered.

12 (7) "Canner" means an individual who collects and redeems covered
13 beverage containers for income.

14 (8) "Centralized processing facilities" means a facility that
15 sorts, bales, and aggregates covered beverage containers and
16 associated materials for the purpose of recycling.

17 (9) "Consumer" means an individual in this state who purchases a
18 beverage in a beverage container for consumption.

19 (10) "Contracted redemption pick-up operators" means affiliated
20 or unaffiliated companies or organizations that provide
21 individualized valet or pick-up services of aggregated covered
22 beverage containers for single-family or multifamily households.

23 (11) "Covered beverage container" means any beverage container
24 subject to a recycling refund. At a minimum, this includes glass,
25 plastic, and metal cans or bottles with capacities ranging from 40
26 milliliters to one gallon. Recycling refund producer responsibility
27 organizations must submit a proposed list of covered beverage
28 containers as part of their program and plan, subject to approval by
29 the department. Beverage containers must have a visible brand to be
30 considered a covered beverage container and to be eligible for a
31 refund value.

32 (12) "Department" means the department of ecology.

33 (13) "Express redemption site" means a designated return point or
34 avenue that allows consumers to return covered beverage containers.
35 These locations will not require cash handling on-site, rather, upon
36 return, if needed, containers will be transported to centralized
37 processing facilities and refunds will be credited to the consumer's
38 virtual account held by the recycling refund producer responsibility
39 organization or their designee. This may include bag-drop systems,

1 reverse vending machines, or other collection modalities to enhance
2 convenience and accessibility for consumers.

3 (14) "Full service redemption site" means a return point or
4 avenue where individuals may return covered beverage containers to
5 receive immediate refunds for their returns.

6 (15) "Government entity" means any:

7 (a) County, city, town, or other local government, including any
8 municipal corporation, quasi-municipal corporation, or special
9 purpose district, or any office, department, division, bureau, board,
10 commission, or agency thereof, or other local public agency;

11 (b) State office, department, division, bureau, board,
12 commission, or other state agency;

13 (c) Federally recognized Indian tribe whose traditional lands and
14 territories include parts of Washington; or

15 (d) Federal office, department, division, bureau, board,
16 commission, or other federal agency.

17 (16) "Material recovery facility" means a facility that collects,
18 compacts, repackages, sorts, or processes for transport source
19 separated material for the purpose of recycling.

20 (17) "On-site consumption" means a beverage in a covered beverage
21 container sold by an establishment that is intended to be consumed
22 and retained at the same establishment after consumption.

23 (18) "Packaging manufacturer" means any person, firm,
24 association, partnership, or corporation that produces packaging or a
25 packaging component of covered beverage containers.

26 (19) "Producer" means the brand owner responsible for the brand
27 visible on a covered beverage container and who is responsible for
28 compliance with the requirements under this chapter for a covered
29 beverage container that is sold or offered for sale, either
30 physically or via e-commerce, in this state. "Producer" does not
31 include:

32 (a) Government entities; or

33 (b) Registered 501(c)(3) charitable organizations and 501(c)(4)
34 social welfare organizations.

35 (20) "Recycling refund" means a covered beverage container
36 redemption program that remits and pays a per-unit refund value to
37 consumers for covered beverage containers and collects and processes
38 covered beverage containers as described in this chapter.

39 (21) "Recycling refund advisory council" means the council
40 established in section 7 of this act.

1 (22) "Recycling refund processing facility" means a location that
2 is designated by the recycling refund producer responsibility
3 organization to receive, sort, and prepare beverage containers
4 collected through the system for recycling or reuse.

5 (23) "Recycling refund producer responsibility organization"
6 means a nonprofit corporation that is tax exempt under chapter
7 501(c)(3) of the federal internal revenue code created by a group of
8 recycling refund covered beverage container producers to implement
9 activities under this act.

10 (24) "Redemption rate" means the number of covered beverage
11 containers redeemed for the recycling refund divided by the number of
12 covered beverage containers sold in the state in a calendar year.

13 (25) "Redemption site" means a public or private place that
14 provides the ability to redeem a covered beverage container for which
15 a recycling refund value was paid.

16 (26) "Responsible end market" means an entity that:

17 (a) First produces and sells, transfers, or uses recycled content
18 feedstock that meets the quality standards necessary to be used in
19 the creation of new or reconstituted products;

20 (b) Complies with all applicable federal, state, and local
21 statutes, rules, ordinances, and other laws governing environmental,
22 health, safety, and financial responsibility;

23 (c) If the market operates in the state, manages waste according
24 to the state's solid waste management hierarchy established in RCW
25 70A.205.005; and

26 (d) Meets the minimum operational standards adopted under a
27 producer responsibility organization plan to protect the environment,
28 public health, worker health and safety, and minimize adverse impacts
29 to socially vulnerable populations.

30 (27) "Retail establishment" means any person, corporation,
31 partnership, business, dealer, facility, vendor, organization, or
32 individual that sells or provides merchandise, goods, or materials
33 directly to a consumer that engages in the sale of beverages that are
34 covered beverage containers intended for consumption off-site.

35 (28) "Reuse" means the redemption and return of a covered
36 beverage container to the marketplace where the continued use of the
37 covered beverage container is:

38 (a) Intentionally designed and marketed to be used multiple times
39 for its original intended purpose without a change in form;

1 (b) Designed for durability and maintenance to extend its useful
2 life and reduce demand for new production of the covered beverage
3 container;

4 (c) Supported by adequate logistics and infrastructure at a
5 retail location, by a service provider, or on behalf of or by a
6 producer, that provides convenient access for consumers; and

7 (d) Compliant with all applicable federal, state, and local
8 statutes, rules, ordinances, and other laws governing health and
9 safety.

10 (29) "Reuse rate" means the share of units of a reusable covered
11 beverage container introduced into the state in a calendar year that
12 are demonstrated and deemed reusable in accordance with an approved
13 plan.

14 (30) "Service provider" means an entity that provides recycling
15 collection or recycling processing services for covered beverage
16 containers. A government entity that provides, contracts for, or
17 otherwise arranges for another party to provide recycling collection
18 or recycling processing services for covered beverage container
19 materials within its jurisdiction may be a service provider
20 regardless of whether it provided, contracted, or otherwise arranged
21 for similar services before the approval of the applicable plan.

22 (31) "Socially vulnerable populations" means populations
23 including, but not limited to, individuals with disabilities,
24 individuals without vehicles, older adults, individuals with low
25 incomes or experiencing homelessness, and individuals with limited
26 English proficiency.

27 NEW SECTION. **Sec. 3.** PRODUCER RESPONSIBILITIES. (1) A producer
28 must:

29 (a) Beginning April 15, 2026, be a member of the recycling refund
30 producer responsibility organization registered in this state;

31 (b) Through the recycling refund producer responsibility
32 organization, implement and finance a statewide program for covered
33 beverage containers that encourages waste reduction, recycling,
34 refill, and reuse;

35 (c) Maintain membership with and pay fees to the recycling refund
36 producer responsibility organization under which they are registered;
37 and

38 (d) Comply with all other applicable requirements under this
39 chapter.

1 (2) Upon registration with the recycling refund producer
2 responsibility organization under subsection (1)(a) of this section,
3 the producer must pay the required initial producer fees as
4 determined by the recycling refund producer responsibility
5 organization. The required fees must be paid before the beverage
6 brand is offered for sale, either physically or via e-commerce into
7 Washington.

8 (3) A producer must provide the following to the recycling refund
9 producer responsibility organization by the time any covered beverage
10 container brand is offered for sale, either physically or via e-
11 commerce, using a standardized method provided by the recycling
12 refund producer responsibility organization:

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

17 (b) The name of the beverage as identified through the use of
18 letters, words, or symbols on the product label affixed to, or a part
19 of, the covered beverage container;

20 (c) The type of beverage contained in the covered beverage
21 container using an appropriate categorization method for beverages as
22 determined by the recycling refund producer responsibility
23 organization;

24 (d) The size or fluid volume of the covered beverage container;

25 (e) The material type of the covered beverage container; and

26 (f) The universal product code or European article number
27 associated with the covered beverage container.

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

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

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

1 NEW SECTION. **Sec. 4.** RECYCLING REFUND PRODUCER RESPONSIBILITY
2 ORGANIZATION RESPONSIBILITIES. The recycling refund producer
3 responsibility organization must:

4 (1) By March 1, 2026, register with the department;

5 (2) By April 1, 2026, establish an initial producer fee structure
6 to fund the initial implementation of the program, to be used until
7 the recycling refund producer responsibility organization has an
8 approved program plan as required under section 6 of this act, and
9 collect fees annually from registered producers;

10 (3) By May 1, 2026, submit a one-time payment to the department,
11 in lieu of the registration fee required in section 3 of this act, in
12 an amount determined by the department, to cover the previously
13 incurred costs and future estimated costs of the department under
14 this chapter from the effective date of this section through
15 implementation of this section;

16 (4) By January 30, 2027, and every year thereafter, submit the
17 following:

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

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

23 (5) By July 1, 2027, or six months after rule adoption, whichever
24 is later, and every five years thereafter, submit a program plan that
25 meets the requirements of this chapter to the department for
26 approval;

27 (6) Once the recycling program plan is approved by the department
28 under this section, implement a recycling refund program as described
29 in its approved program plan by July 1, 2028, or six months after
30 rule adoption, whichever is later;

31 (7) Maintain a registry of all types of covered beverage
32 containers sold and redeemed in this state by all registered
33 producers;

34 (8) Set and collect the annual producer fees based on the
35 criteria set forth in this chapter;

36 (9) Accept the adequate refund value from retail establishments
37 for covered beverage containers sold;

38 (10) Submit the annual reports required under section 20 of this
39 act after the program has begun;

1 (11) Ensure that producers operating under a recycling refund
2 program plan administered by the recycling refund producer
3 responsibility organization comply with the requirements of the
4 recycling refund program consumer education plan and with this act;

5 (12) Consider and respond in writing to comments received from
6 the recycling refund advisory council;

7 (13) Maintain a website that includes:

8 (a) A searchable database of current redemption sites; and

9 (b) Consumer education materials about the recycling refund
10 program;

11 (14) Notify the department within 30 days of a change made to the
12 contact information for a person responsible for implementing the
13 recycling refund producer program plan, to board membership, or to
14 the executive director;

15 (15) Notify the department if fraudulent redemption is
16 identified;

17 (16) Ensure timely, negotiated, and fair compensation,
18 maintenance, and operational costs to entities that are leasing space
19 for redemption sites; and

20 (17) Comply with all other applicable requirements of this
21 chapter.

22 NEW SECTION. **Sec. 5.** DEPARTMENT OF ECOLOGY RESPONSIBILITIES.

23 (1) The department must implement, administer, and enforce this
24 chapter and may adopt rules as necessary for those purposes. In
25 implementing this chapter, the department has the following
26 responsibilities:

27 (a) By January 1, 2026, appoint the initial membership of the
28 recycling refund advisory council, as required under section 7 of
29 this act;

30 (b) Provide administrative and operating support to the recycling
31 refund advisory council, as required under section 7 of this act;

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

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

36 (e) By May 1, 2026, and every May 1st thereafter, determine a
37 total annual registration fee to be paid by the recycling refund
38 producer responsibility organization that is adequate to cover, but

1 not exceed, the estimated costs to implement, administer, and enforce
2 this chapter in the preceding fiscal year;

3 (f) Within 120 days of receipt, review and approve, deny, or
4 request additional information for the draft recycling refund program
5 plan required under section 6 of this act, and:

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

10 (ii) If the department denies or requests additional information
11 for a draft plan or amendment, the department must provide the
12 recycling refund producer responsibility organization with the
13 reasons, in writing, that the plan or amendment does not meet the
14 plan requirements of section 6 of this act. The recycling refund
15 producer responsibility organization has 60 days from the date that
16 the rejection or request for additional information is received to
17 submit to the department any additional information necessary for the
18 department's approval. The department must review and approve or
19 disapprove the revised draft plan or amendment no later than 60 days
20 after the department receives it;

21 (iii) Upon recommendation of the recycling refund advisory
22 council, or upon the department's initiative, the department may
23 require an amendment to the plan if the department determines that an
24 amendment is necessary to ensure that the recycling refund producer
25 responsibility organization maintains compliance with the
26 requirements of this chapter; and

27 (iv) Prior to approving the draft plan, the department must
28 review the convenience standards and proposed network of redemption
29 sites provided in the plan as required under section 17 of this act
30 using the following criteria:

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

33 (B) Access in rural counties does not require additional vehicle
34 miles traveled;

35 (C) Access in urban areas is accessible and convenient for
36 individuals relying on public transit or nonmotorized forms of
37 transportation;

38 (D) Reasonable opportunities are provided for individuals to
39 receive immediate refunds for returns of covered beverage containers;
40 and

1 (E) Redemption sites must not disproportionately impact
2 overburdened communities or populations;

3 (g) Review annual reports and:

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

6 (ii) Review within 120 days of receipt of a complete annual
7 report; and

8 (iii) Determine whether an annual report meets the requirements
9 of this chapter, considering comments received under (f) of this
10 subsection, and notify the recycling refund producer responsibility
11 organization of the approval or reasons for denial. The recycling
12 refund producer responsibility organization must submit a revised
13 annual report within 60 days after receipt of the denial letter;

14 (h) Establish a public website that includes:

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

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

20 (iii) The most recent lists of covered beverage containers
21 developed by the recycling refund producer responsibility
22 organization and information about any material exclusions as
23 described in section 9 of this act.

24 NEW SECTION. **Sec. 6.** RECYCLING REFUND PROGRAM PLAN. The
25 recycling refund program plan submitted to the department must
26 contain the following:

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

30 (2) Proposed targets and deadlines for reuse to be achieved;

31 (3) A description of how the recycling refund producer
32 responsibility organization will meet performance targets for
33 redemption, recycling, and reuse as described in section 17 of this
34 act;

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

36 (5) How to facilitate the expansion of reuse systems;

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

1 (7) A description of the number and distribution of proposed
2 express and full-service redemption sites to be provided by the
3 program, along with an analysis demonstrating how the proposed
4 network of redemption sites meets the convenience standards and
5 addresses the evaluation criteria outlined in this chapter;

6 (8) How the program will conduct statewide education and
7 outreach;

8 (9) How the program will conduct education and outreach and
9 provide accessible redemption sites to socially vulnerable
10 populations;

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

14 (11) What, if any, alternative access redemption options may be
15 implemented or contracted redemption pick-up operators may be
16 utilized to increase convenience;

17 (12) Descriptions of a process to develop recommendations
18 regarding the effectiveness of the plan and a timeline for
19 implementing the findings of those recommendations;

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

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

25 (b) In subsequent fee setting periods after the first fee setting
26 period, consider incentivizing using materials and design attributes
27 that reduce the environmental impacts and human health impacts of
28 covered beverage containers.

29 (14) A description of how the recycling refund producer
30 responsibility organization will establish partnerships with
31 nonprofit organizations, including:

32 (a) The per-container refund value premium approved nonprofit
33 organizations are eligible for under the program;

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

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

38 (d) Any program rules associated with the nonprofit redemption
39 program.

1 NEW SECTION. **Sec. 7.** RECYCLING REFUND ADVISORY COUNCIL. (1) The
2 recycling refund advisory council is established to review activities
3 conducted by recycling refund producer responsibility organizations
4 created under section 3 of this act.

5 (2) By January 1, 2026, the department must establish and appoint
6 the initial membership of the recycling refund advisory council. The
7 membership of the recycling refund advisory council must consist of
8 the following:

9 (a) One member representing municipal government;

10 (b) One member representing county government;

11 (c) One member representing a packaging manufacturer or trade
12 association representing the glass beverage container sector. The
13 packaging manufacturer of the trade association must not be a
14 producer;

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

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

21 (f) One member representing an environmental nonprofit
22 organization;

23 (g) One member representing an organization that represents
24 vulnerable populations;

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

27 (i) Two members representing federally recognized tribes located
28 in Washington state;

29 (j) One member representing a trade association for the retail
30 sector;

31 (k) One member representing a trade association for the
32 hospitality sector;

33 (l) One member representing the recycling processing sector;

34 (m) One member who is a canner or represents a canner
35 organization; and

36 (n) One member representing the small retail sector.

37 (3) The recycling refund advisory council has the following
38 duties:

1 (a) Review the recycling refund program plan and provide comments
2 to the recycling refund producer responsibility organization and the
3 department;

4 (b) Review program audits;

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

7 (d) Ensure that the recycling refund producer responsibility
8 organization and the department are considering a broad range of
9 perspectives in developing the recycling refund program plans and in
10 implementing the program.

11 (4) The department shall provide administrative and operating
12 support to the recycling refund advisory council and may contract
13 with a third-party facilitator to assist in administering the
14 activities of the recycling refund advisory council.

15 NEW SECTION. **Sec. 8.** APPLICABLE REFUND VALUE. (1) Every covered
16 beverage container sold or offered for sale in the state has a refund
17 value of 10 cents. The charge for the refund value of covered
18 beverage containers must be separately stated on a receipt, invoice,
19 or similar billing document given to the consumer.

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

23 (a) This exemption applies to all transactions involving
24 remitting the refund value as it moves between producers, retail
25 establishments, and other participants within the distribution chain,
26 provided the amounts are designated as refunds under the recycling
27 refund program.

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

31 NEW SECTION. **Sec. 9.** MATERIAL EXCLUSIONS. The recycling refund
32 producer responsibility organization is not required to pay refunds
33 on:

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

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

4 (3) Any beverage container that is broken or damaged to the
5 extent that the brand appearing on the beverage container cannot be
6 identified. This requirement does not apply to metal and plastic
7 covered beverage containers processed by material recovery facilities
8 before extended producer responsibility for paper and packaging
9 products is implemented.

10 NEW SECTION. **Sec. 10.** CONVENIENCE STANDARD FOR REDEMPTION OF
11 CONTAINERS. The recycling refund producer responsibility organization
12 must propose a quantitative convenience standard that is based on a
13 combination of time, distance, and other measurable factors for
14 redemption of covered beverage containers in the recycling refund
15 program plan that includes the following:

16 (1) Ensures all consumers who pay a refund value have convenient
17 opportunities to redeem their full refund for covered beverage
18 containers;

19 (2) Provides appropriately convenient and equitable access in
20 urban, suburban, and rural areas, and which draws upon redemption
21 modalities including, but not limited to, express redemption sites,
22 full-service redemption sites, alternative access redemption sites,
23 contracted redemption pick-up operators, and special collection
24 events;

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

28 (4) Incorporates a broad range of entities that may opt to serve
29 as a redemption location including, but not limited to, municipal
30 facilities, public spaces, nonprofit organizations, retailers,
31 religious and charitable organizations, sporting events, and waste
32 management facilities.

33 NEW SECTION. **Sec. 11.** REQUIREMENTS FOR REDEMPTION SITES. (1)
34 Each redemption site must collect all covered beverage containers
35 subject to the recycling refund value except as excluded by section 9
36 of this act. Any location serving as a redemption site shall be
37 fairly compensated through a mutual agreement by the recycling refund
38 producer responsibility organization for providing physical space for

1 redemption and associated maintenance and operational costs of the
2 redemption sites, for the duration of the approved program plan.

3 (2) The recycling refund producer responsibility organization
4 shall provide a sufficient number and distribution of redemption
5 sites to achieve the redemption rate performance and convenience
6 requirements of this chapter.

7 (3) Government entities, nonprofit organizations, individuals,
8 and private organizations are eligible to host redemption sites.

9 (4) The recycling refund producer responsibility organization may
10 accept direct, sorted returns in commercial quantities at its
11 processing facilities from full service redemption sites or express
12 redemption sites.

13 NEW SECTION. **Sec. 12.** EXPRESS REDEMPTION SITES. (1) The
14 recycling refund producer responsibility organization must, at its
15 own cost, provide express redemption sites that allow consumers to
16 return covered beverage containers. These sites will not require cash
17 handling on-site, rather upon return, containers could be transported
18 to centralized processing facilities if needed, and refunds will be
19 credited to the consumer's virtual account once the covered beverage
20 containers are counted. If a bag-drop program is deployed, the
21 recycling refund producer responsibility organization must credit the
22 cost of any required bag purchase back to the consumer's virtual
23 account when the bag is returned and processed through the recycling
24 refund system.

25 (2) Express redemption sites must be located a convenient
26 distance from a retail establishment, located at a publicly owned
27 facility, located at a privately owned facility, or are at a location
28 otherwise convenient for consumers. Express redemption sites may be
29 located in the parking lot of a retail establishment, parking lot of
30 a privately owned facility, parking lot of a publicly owned facility,
31 public right-of-way, or any other location convenient to consumers.

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

36 (4) If the standard bags for the bag-drop program are made of
37 plastic film, the recycling refund producer responsibility
38 organization must:

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

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

6 (c) Include instructions on how the bag should be utilized and
7 recycled through an express redemption site and any applicable
8 redemption.

9 NEW SECTION. **Sec. 13.** FULL-SERVICE REDEMPTION SITES. (1) A
10 recycling refund organization must ensure the establishment of a
11 sufficient number of full-service redemption sites, either directly
12 or through partnerships with nonprofit organizations, to meet the
13 convenience standards outlined in the approved recycling refund
14 program plan as specified in this chapter. These sites must allow
15 individuals to return covered beverage containers and receive
16 immediate refunds for their returns. The recycling refund producer
17 responsibility organization may also, either directly or through
18 partnerships with local service providers or government entities,
19 offer support services to socially vulnerable populations.
20 Additionally, full-service redemption sites may function as
21 centralized processing facilities, aggregating and processing covered
22 beverage containers from express redemption sites within the program.

23 (2) The recycling refund producer responsibility organization may
24 administer a program for nonprofit organizations to participate in
25 the recycling refund redemption program. The nonprofit program may
26 provide, either directly or through partnerships with local service
27 providers or government entities, support services for socially
28 vulnerable populations.

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

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

5 NEW SECTION. **Sec. 14.** RETAIL ESTABLISHMENTS. (1) Each retail
6 establishment must charge the refund value of covered beverage
7 containers. The refund value shall be separately stated on a receipt,
8 invoice, or similar billing document given to the consumer.

9 (2) A retail establishment larger than 20,000 square feet must
10 sell the standard bags for the bag-drop program offered as part of
11 the recycling refund program at the price established by the
12 recycling refund producer responsibility organization.

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

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

29 (5) The recycling refund producer responsibility organization
30 shall reimburse retailers for the value of valid vouchers redeemed by
31 consumers.

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

37 NEW SECTION. **Sec. 15.** ON-SITE CONSUMPTION ESTABLISHMENTS. (1)
38 The recycling refund producer responsibility organization shall

1 facilitate the collection of covered beverage containers from on-site
2 establishments. The recycling refund producer responsibility
3 organization may facilitate the collection of covered beverage
4 containers from on-site consumption establishments by contracting
5 with a third party. Recycling refund producer responsibility
6 organizations shall promote efficiency and mitigate burdens in
7 collecting empty beverage containers and provide additional material
8 assistance for establishments under 5,000 square feet to comply with
9 this act.

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

15 NEW SECTION. **Sec. 16.** USE OF UNREDEEMED REFUNDS. The recycling
16 refund producer responsibility organization may use any refund value
17 that is not redeemed by the consumer for any of the following
18 purposes:

19 (1) Education and outreach activities to encourage redemption
20 activity;

21 (2) Improving existing redemption rates;

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

23 (4) Other activities that are described in the recycling refund
24 program plan that directly contribute to achieving the performance
25 requirements described in section 17 of this act and the convenience
26 standards described in section 10 of this act.

27 NEW SECTION. **Sec. 17.** PERFORMANCE REQUIREMENTS FOR THE
28 RECYCLING REFUND PROGRAM. Recycling refund producer responsibility
29 organizations must achieve the following performance requirements:

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

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

36 (3) The reuse rates are to increase each year after the first
37 plan period;

1 (4) Demonstrate that convenience standards as required under this
2 chapter have been achieved or exceeded;

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

4 NEW SECTION. **Sec. 18.** REFUND VALUE TO MATERIAL RECOVERY
5 FACILITIES. (1) Starting after the first full month that covered
6 beverage containers are sold with the applicable refund value, the
7 recycling refund producer responsibility organization shall make a
8 monthly payment directly to each material recovery facility who
9 complies with the reporting criteria outlined in section 20 of this
10 act. Payments are to be based on the data submitted by the material
11 recovery facility under subsection (3) of this section.

12 (2) The recycling refund producer responsibility organization
13 shall establish a quality standard for each material.

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

17 (a) The number of tons of covered beverage containers the
18 facility received for processing in the previous month by material;
19 and

20 (b) The number of tons of covered beverage containers the
21 facility transferred to additional materials processing or end
22 markets.

23 (4) The recycling refund producer responsibility organization
24 must convert the material tons to unit equivalent and pay the
25 facilities based on covered beverage containers that meet the
26 designated quality standards.

27 (5) The monthly payment required to material recovery facilities
28 must be equivalent to at least 50 percent of the refund value for
29 covered beverage containers for each covered beverage container
30 material that the material recovery facility transferred to
31 additional materials processing or end markets.

32 (6) Material recovery facilities must share the payments with
33 service providers consistent with their bundled services or
34 processing contracts or other agreements or regulations, as
35 applicable, so that service providers receive the appropriate amount
36 of the refund values paid for the amount of covered beverage
37 containers delivered by the service providers to material recovery
38 facilities and drop-off facilities.

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

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

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

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

19 NEW SECTION. **Sec. 19.** COORDINATION PLAN. (1) If an extended
20 producer responsibility program for paper and packaging is enacted in
21 the state, the paper and packaging producer responsibility
22 organization and the recycling refund producer responsibility
23 organization must create a coordination plan to ensure that programs
24 are complementary and that all targets are met. As part of the
25 coordination plan, the paper and packaging producer responsibility
26 organization and the recycling refund producer responsibility
27 organization are to identify actions to jointly optimize
28 infrastructure for recycling collection and reuse programs for both
29 programs.

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

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

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

1 refund producer organization for secondary packaging managed through
2 the recycling refund system;

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

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

10 NEW SECTION. **Sec. 20.** REPORTING. (1) Beginning April 30, 2029,
11 and each year thereafter, the recycling refund producer
12 responsibility organization must submit an annual report to the
13 department for the preceding year that contains the following:

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

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

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

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

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

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

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

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

30 (c) Documentation that access to redemption sites in urban areas
31 builds on existing recycling convenience and is accessible and
32 convenient for individuals relying on public transit or nonmotorized
33 forms of transportation;

34 (d) Documentation that reasonable opportunities are provided for
35 individuals to receive immediate refunds for returns of covered
36 beverage containers;

37 (e) Documentation of large volume redemption options;

1 (f) An evaluation of whether redemption options
2 disproportionately burden underserved communities or socially
3 vulnerable populations;

4 (g) Results of consumer awareness and behavior surveys;

5 (h) Progress made toward the performance targets reported in the
6 same units used to establish producer fees under section 4 of this
7 act and reported statewide, for each county, and for each city with a
8 population greater than 1.5 percent of the state population,
9 including the amount of recycling refund covered beverage containers
10 successfully reused, recycled, and disposed of by recycling refund
11 covered materials type and the type of redemption site used;

12 (i) The total cost to implement the program and a detailed
13 description of program expenditures by category, including:

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

17 (ii) A description of infrastructure investments made;

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

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

22 (j) A list of producers found to be out of compliance with this
23 act and actions taken by the recycling refund producer responsibility
24 organization to return producers to compliance, and notification of
25 any producers that are no longer participating in the organization or
26 have been expelled due to their lack of compliance with proposed
27 amendments to the recycling refund program plan to improve program
28 performance or reduce costs, including changes to producer fees,
29 infrastructure investments, reimbursement rates, or the refund value;
30 and

31 (k) Recommendations for additions or removals of covered beverage
32 containers as prescribed under section 4 of this act.

33 (3) All data reported by the recycling refund producer
34 responsibility organization under this section must, at the request
35 of the department no more than once annually, be audited by an
36 independent third party. The recycling refund producer responsibility
37 organization is responsible for all costs associated with the data
38 audit. Auditable data shall only include data held by the recycling
39 refund producer responsibility organization. Auditing of any data
40 inputs to the recycling refund producer responsibility organization

1 is the responsibility of the recycling refund producer responsibility
2 organization.

3 (4) The recycling refund producer responsibility organization
4 that submits information or records to the department under this
5 chapter may request that a portion of the information or records be
6 made available only for the confidential use of the department, the
7 director, or the appropriate division of the department. The director
8 of the department shall give consideration to the request, and if the
9 director determines that this action is not detrimental to the public
10 interest and is otherwise in accordance with policies and purposes of
11 chapter 43.21A RCW, the director must grant the request for the
12 information to remain confidential as authorized in RCW 43.21A.160.

13 NEW SECTION. **Sec. 21.** The recycling refund producer
14 responsibility organization that fails to meet a performance target
15 approved in a recycling refund program plan must, within 90 days of
16 filing an annual report under section 20 of this act, file with the
17 department an explanation of the factors contributing to the failure
18 and propose an amendment to the recycling refund program plan
19 specifying changes in operations that the recycling refund producer
20 responsibility organization will make that are designed to achieve
21 the performance targets. An amendment filed under this section must
22 be reviewed by the recycling refund advisory council and reviewed and
23 approved by the department.

24 NEW SECTION. **Sec. 22.** Beginning April 30, 2029, and each year
25 thereafter, each material recovery facility and material processor
26 that receives recycling refund program covered materials must report
27 to the department the following:

28 (1) Amount of recycling refund covered materials accepted by the
29 material recovery facility or processor, and the location of
30 generation;

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

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

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

35 (5) Verification that end markets are responsible and compliant
36 with program requirements.

1 NEW SECTION. **Sec. 23.** ANTICOMPETITIVE CONDUCT. The recycling
2 refund producer responsibility organization that arranges redemption,
3 recycling, waste reduction, or reuse services under this act may
4 engage in anticompetitive conduct to the extent necessary to plan and
5 implement redemption, recycling, waste reduction, or reuse systems to
6 meet the obligations under this act, and is immune from liability
7 under state laws relating to antitrust, restraint of trade, and
8 unfair trade practices.

9 NEW SECTION. **Sec. 24.** ENFORCEMENT. (1) The following penalties
10 apply to producers:

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

15 (b) For a producer out of compliance with the requirements of
16 this chapter, the department shall provide written notification and
17 offer information. For the purposes of this section, written
18 notification serves as notice of the violation. The department must
19 issue at least one notice of violation by certified mail prior to
20 assessing a penalty and the department may only impose a penalty on a
21 producer that has not met the requirements of this chapter 60 days
22 following the date the written notification of the violation was
23 sent.

24 (2) The following penalties apply to any recycling refund
25 producer responsibility organization:

26 (a) The department may administratively impose a civil penalty of
27 up to \$1,000 per violation per day on any recycling refund producer
28 responsibility organization that violates this chapter and up to
29 \$10,000 per violation per day for the second and each subsequent
30 violation in any calendar year.

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

34 (i) Issue a corrective action order to a producer or the
35 recycling refund producer responsibility organization;

36 (ii) Issue an order to the recycling refund producer
37 responsibility organization to provide for the continued
38 implementation of the program in the absence of an approved plan;

1 (iii) Revoke the recycling refund producer responsibility
2 organization's plan approval and require implementation of the
3 contingency plan;

4 (iv) Require the recycling refund producer responsibility
5 organization to revise or resubmit a plan within a specified time
6 frame; or

7 (v) Require additional reporting related to the area of
8 noncompliance.

9 (3) A person may not sell or distribute in or into the state a
10 covered beverage container of a producer that is not participating in
11 the recycling refund producer responsibility organization. It is not
12 a violation to distribute a covered beverage container of a producer
13 exempt from this chapter.

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

18 (b) The department may assess a penalty on a person that
19 continues to sell or distribute covered beverage containers of a
20 producer that is in violation of this chapter 60 days after receipt
21 of the written warning under this subsection. The amount of the
22 penalty that the department may assess under this subsection is twice
23 the value of the covered beverage containers sold in violation of
24 this chapter or \$500, whichever is greater. The department must waive
25 the penalty upon verification that the person has discontinued
26 distribution or sales of the covered beverage containers within 30
27 days of the date the penalty is assessed.

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

30 (5) Penalties levied under this section must be deposited in the
31 recycling refund program account created in section 25 of this act.

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

35 NEW SECTION. **Sec. 25.** RECYCLING REFUND PROGRAM ACCOUNT. The
36 recycling refund program account is created in the custody of the
37 state treasurer. All receipts received by the department under this
38 chapter must be deposited in the account. Expenditures from the
39 account may be used by the department only for implementing,

1 administering, and enforcing the requirements of this chapter. Only
2 the director of the department may authorize expenditures from the
3 account. The account is subject to the allotment procedures under
4 chapter 43.88 RCW, but an appropriation is not required for
5 expenditures.

6 NEW SECTION. **Sec. 26.** A new section is added to chapter 82.04
7 RCW to read as follows:

8 In computing tax due under this chapter, a taxpayer may deduct
9 from the measure of tax amounts derived from charges for the refund
10 value of qualifying beverage containers as required under chapter
11 70A.--- RCW (the new chapter created in section 29 of this act). To
12 qualify for this deduction, the taxpayer must separately itemize the
13 charges for the refund value on a receipt, invoice, or similar
14 billing document given to the purchaser. The amount of the deduction
15 claimed under this section for a reporting period may not exceed the
16 aggregate charges for the refund value of qualifying beverage
17 containers for beverages sold by the taxpayer during such a reporting
18 period.

19 **Sec. 27.** RCW 82.19.050 and 2005 c 289 s 1 are each amended to
20 read as follows:

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

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

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

26 (3) The sale of products for resale by a qualified grocery
27 distribution cooperative to customer-owners of the grocery
28 distribution cooperative. For the purposes of this section,
29 "qualified grocery distribution cooperative" and "customer-owner"
30 have the meanings given in RCW 82.04.298;

31 (4) The sale of food or beverages by retailers that are sold
32 solely for immediate consumption indoors at the seller's place of
33 business or at a deck or patio at the seller's place of business, or
34 indoors at an eating area that is contiguous to the seller's place of
35 business; or

36 (5) (a) The sale of prepared food or beverages by caterers where
37 the food or beverages are to be served for immediate consumption in

1 or on individual nonsingle use containers at premises occupied or
2 controlled by the customer.

3 (b) For the purposes of this subsection, the following
4 definitions apply:

5 (i) "Prepared food" has the same meaning as provided in RCW
6 82.08.0293.

7 (ii) "Nonsingle use container" means a receptacle for holding a
8 single individual's food or beverage that is designed to be used more
9 than once. Nonsingle use containers do not include pizza delivery
10 bags and similar insulated containers that do not directly contact
11 the food. Nonsingle use containers do not include plastic or paper
12 plates or other containers that are disposable.

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

16 (6) The charge for the refund value of qualifying beverage
17 containers as required under chapter 70A.--- RCW (the new chapter
18 created in section 29 of this act), if the charge is separately
19 stated on a receipt, invoice, or similar billing document given to
20 the purchaser.

21 NEW SECTION. **Sec. 28.** The provisions of RCW 82.32.805 and
22 82.32.808 do not apply to sections 26 and 27 of this act.

23 NEW SECTION. **Sec. 29.** Sections 1 through 25 of this act
24 constitute a new chapter in Title 70A RCW.

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